

12 July 2021

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

Dear Mr Sutton

Lake Resources N.L. ('LKE'): Appendix 3Y – Change of Director's Interest Notice Query

We are in receipt of your letter of 7 July 2021 regarding the change of Director's Interest Notice for Mr Stuart Crow lodged with the ASX on 30 June 2021. By way of background, we advise that Mr Crow transferred 4,358,964 shares to a nominee and custodian which holds the shares beneficially on his behalf. The transfer was required by a Deed of Security attached to a Master Loan Agreement dated 9 June 2021.

In response to the specific enquiries raised in your letter, we advise that:

1. "Please explain why the Appendix 3Y was lodged late."

The oversight arose from a misunderstanding by the Director that while there was no change in the beneficial ownership of the shares, the transfer constituted a change in the Director's notifiable interests in the Company as defined in the Listing Rules.

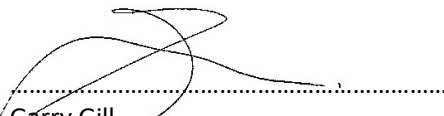
2. What arrangements does LKE have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?

Directors are aware of their obligations to notify the Company of any trades in shares under their control. The Chairman, Managing Director and Company Secretary are provided with the daily movements in all shareholdings each morning. These procedures have previously proven adequate to ensure any trades by Directors are reported. The late disclosure was a one-off situation which was not discovered at the time due to the large volume of transactions occurring at the time.

3. If the current arrangements are inadequate or not being enforced, what additional steps does LKE intend to take to ensure compliance with Listing Rule 3.19B?

To further strengthen its control procedures, the Company has instigated a process with the share registry whereby any trade by a Director is immediately flagged and reported to the Company Secretary.

Yours Sincerely



Garry Gill
Company Secretary
For and on behalf of the Board

Lake Resources NL

LAKE RESOURCES NL

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7 July 2021

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'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. LKE's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 30 June 2021 for Mr Stuart Crow (the 'Notice');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*

3. Listing rule 3.19B which states that:

'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'

The Notice indicates that a change in Mr Crow's notifiable interest occurred on 9 June 2021. It appears that the Notice should have been lodged with ASX by 16 June 2021. Consequently, LKE may have breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr Crow may have breached section 205G of the *Corporations Act 2001* (Cth).

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does LKE have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does LKE intend to take to ensure compliance with Listing Rule 3.19B?

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 **05:00 PM AEST Monday, 12 July 2021**. 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;
- 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

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