



2021 CORPORATE GOVERNANCE STATEMENT

This corporate governance statement sets out Lake Resources NL’s (**Company**) current compliance with the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**) during the financial year ended 30 June 2021.

The Company and the board of the Company (**Board**) have operated for the entire year in accordance with the ASX Corporate Governance Principles and Recommendations 4th Edition and as required under ASX listing rules unless otherwise stated below. It should be noted that the small size of the Company and the specialised nature of the mineral exploration industry has necessitated modification in the application of some of the recommendations, whilst endeavouring to keep faith with the underlying principles of the recommendations. For many of the recommendations the Company achieved the standard required. For some recommendations, where certain aspects of the recommendation are considered by the Board to be unduly onerous for a company of the size of Lake Resources, the Company has implemented alternative arrangements. This corporate governance statement discloses the extent to which the Company has followed the ASX Principles and Recommendations.

This corporate governance statement is current as at 30 June 2021 and has been approved by the Board. It is available on the Company’s website at www.lakeresources.com.au.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
1. Lay solid foundations for management and oversight		
1.1. <i>A listed entity should have and disclose a board charter setting out:</i> <i>(a) the respective roles and responsibilities of its board and management; and</i> <i>(b) those matters expressly reserved to the board and those delegated to management.</i>	Yes	<p>The Board is responsible for the performance and overall corporate governance of the Company including the strategic direction, selection of executive directors, establishing goals for management and monitoring the achievement of those goals and approval of budgets.</p> <p>Day to day management of the Company’s affairs and implementation of the corporate strategy are delegated by the Board to the managing director and ultimately to senior contract employees.</p> <p>For the purposes of the proper performance of their duties, the directors are entitled to seek independent advice at the Company’s expense, unless the Board determines otherwise. The Board schedules meetings on a regular basis and other meetings as and when required.</p> <p>The Company has adopted a Board Charter which sets out the roles and responsibilities of the Board, senior management and the Company Secretary. The Board Charter also sets out the matters expressly reserved to the board and those delegated to management.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
<p>1.2. <i>A listed entity should:</i></p> <p>(a) <i>undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and</i></p> <p>(b) <i>provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</i></p>	Yes	<p>Appropriate background checks are carried out prior to the appointment of new directors in respect of checking qualifications and experience, and screening for bankruptcy or criminal convictions.</p> <p>A brief biography of each director is published on the Company's website and in the annual financial reports of the Company.</p> <p>Directors are elected by shareholders and, in accordance with the Company's constitution; no Director may hold office for a period longer than three years without standing for re-election by shareholders at the Annual General Meeting. Each Director appointed by the board of directors during the year will also, in accordance with the Company's constitution, stand for re-election at the next annual General Meeting following his or her appointment. The Managing Director is not subject to this clause as per the Constitution.</p> <p>The Board ensures that the Notice of Meeting sent to all shareholders prior to the AGM includes all material information obtained by the Company to enable shareholders to make an informed decision in respect of the re-election of directors at the AGM.</p>
<p>1.3. <i>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i></p>	Yes	<p>The Company has written agreements in place with its current directors setting out the terms of their appointment.</p>
<p>1.4. <i>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</i></p>	Yes	<p>The Company Secretary reports directly and is accountable to the Board in relation to all governance matters. The Company Secretary advises the board members on governance matters, implements adopted governance procedures and coordinates circulation of meeting agendas and papers. The appointment and removal of the Company Secretary is decided by the Board.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
<p>1.5. <i>A listed entity should:</i></p> <p>(a) <i>Have and disclose a diversity policy;</i></p> <p>(b) <i>through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executive and workforce generally; and</i></p> <p>(c) <i>disclose in relation to each reporting period:</i></p> <p>(1) <i>the measurable objectives set for that period to achieve gender diversity</i></p> <p>(2) <i>the entity's progress towards achieving those objectives; and</i></p> <p>(3) <i>either:</i></p> <p>(A) <i>the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</i></p> <p>(B) <i>if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equity Indicators", as defined in and published under that Act.</i></p> <p><i>If the entity was in the S&P/ASX 300 index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</i></p>	No	<p>The Board recognizes the importance of diversity in the workplace including gender, ethnicity, cultural background and age. The Company does not discriminate on any of these grounds for appointments, remuneration or promotion or other matters. However, because of the current small size of the Company and the limited scope of its operations, the Company has not developed or made formal disclosures in accordance with Recommendation 1.5 of the ASX Corporate Governance Council.</p> <p>It should be noted that the Company has only four permanent employees in Australia – its exploration activities are usually undertaken by contractors and consultants on an “as-needed” basis.</p>
<p>1.6. <i>A listed entity should:</i></p> <p>(a) <i>have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</i></p>	No	<p>Because of the small size of the Company and the limited scope of its operations, the Company has not established or disclosed a formal process for evaluation of the Board, Board Committees or individual directors. Nor has it been considered necessary to seek outside assistance in performance evaluation.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
<i>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</i>		No evaluations were undertaken during the 2021 financial year
<p>1.7. <i>A listed entity should:</i></p> <p><i>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</i></p> <p><i>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</i></p>	No	Because of the small size of the Company and the limited scope of its operations, the Company has not established or disclosed a formal process for evaluation of senior executives. As with performance evaluation of directors, performance evaluation for executives is a discretionary matter for consideration by the entire board and in the normal course of events, the board reviews the performance of the executives and management as a whole.
2. Structure the board to be effective and add value		
<p>2.1. <i>The board of a listed entity should:</i></p> <p><i>(a) have a nomination committee which:</i></p> <p><i>(1) has at least three members, a majority of whom are independent directors; and</i></p> <p><i>(2) is chaired by an independent director, and disclose:</i></p> <p><i>(3) the charter of the committee;</i></p> <p><i>(4) the members of the committee; and</i></p> <p><i>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i></p> <p><i>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</i></p>	No	<p>The Company does not have a nomination committee at the present time because of the small size of the company and the limited scope of its operations.</p> <p>The Board are dedicated to building long-term value in the Company for shareholders. The small size of the Company and the specialist nature of the minerals exploration industry have generally led shareholders to place importance on increasing shareholder value by having a board with strong industry experience.</p> <p>The high-risk nature of exploration funding has also led to shareholders preferring directors to be directly or indirectly involved in the provision of capital.</p>
<p>2.2. <i>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</i></p>	No	<p>The Board currently has five directors – three non-executive directors and two executive directors. Each director’s biography is contained within the annual financial report of the Company and is available on the Company’s website.</p> <p>The Company does not currently have a board skills or diversity matrix. The Board considers that such a matrix is not necessary given the small size of the company and the limited scope of its operations. Adoption of a board skills and diversity matrix will</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
		occur as the company continues to grow over the next year.
<p>2.3. <i>A listed entity should disclose:</i></p> <p>(a) <i>the names of the directors considered by the board to be independent directors;</i></p> <p>(b) <i>if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</i></p> <p>(c) <i>the length of service of each director.</i></p>	Yes	<p>The Chair, Mr Stuart Crow, appointed on 14 November 2016, is a non-executive director and shareholder, yet is not a substantial security holder of the Company that it would breach the factors relevant to assessing the independence of a director per box 2.3. The Board considers that Mr Crow has demonstrated the appropriate experience, skills and integrity to act independently and without compromise in the best interests of the company, its shareholders and the community.</p> <p>Dr Robert Trzebski and Ms Amalia Saenz are considered to be independent by the Board.</p>
<p>2.4. <i>A majority of the board of a listed entity should be independent directors.</i></p>	Yes	<p>The Board has a majority of independent directors.</p> <p>Consistent with the size of the Group and its activities, the Board is currently comprised of five (5 directors), of which three are currently considered to be independent directors.</p>
<p>2.5. <i>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</i></p>	Yes	<p>The Chair, Mr Stuart Crow, is a non-executive director.</p> <p>Whilst Mr Crow is a shareholder of the Company he is deemed not to be a substantial security holder and therefore meets the criteria as set out in the ASX guidance on corporate governance.</p> <p>Mr Promnitz is the CEO/Managing Director.</p>
<p>2.6. <i>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</i></p>	Yes	<p>The Board has an induction process for new Directors and ensure that the directors have the appropriate balance of skills, knowledge, experience and diversity to enable them to perform their roles and responsibilities effectively. The directors are also involved in other public companies and attend seminars and industry conferences which enable them to maintain their understanding of relevant industry matters and technical advancements. The Board ensures that its members understand the company's operations, including site visits where appropriate (this is currently restricted due to Covid-19 pandemic).</p>

3. Instill a culture of acting lawfully, ethically and responsibly

3.1. <i>A listed entity should articulate and disclose its values.</i>	Yes	The Board acknowledges and emphasises the importance of all directors, employees, contractors and agents maintaining the highest standards of corporate governance and ethical conduct. Directors are obliged to be independent in judgement and ensure
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that all reasonable steps are taken to ensure due care is taken by the board in making sound decisions. The Company has an established reputation for the highest standard of ethical conduct - for example, it has never made facilitation payments to government officials in overseas countries.

The Company has a code of conduct for its directors, senior executives and employees and is published on the Company's website. Key items of the Company's code of conduct, are set out below:

- avoid conflicts and make full disclosure of any possible conflicts of interest,
- act honestly with integrity and in good faith;
- take great care to ensure the integrity and security of all the Company's confidential information;
- All personal information of the Company's suppliers, customers and employees is to be treated as confidential;
- Treat each other and all suppliers, competitors, clients, customers and other stakeholders fairly and with respect;
- Comply with all laws and regulations relating to the Company;
- Ensure timely and full disclosure of material to the ASX; and
- Report any instances of actual or suspected fraudulent or unethical behavior.

The Board takes ultimate responsibility for these matters. In fulfilling their duties, each director may obtain independent professional advice at the Company's expense, subject to prior approval of the Chair, whose approval will not be unreasonably withheld.

3.2. *A listed entity should:*
 (a) *have and disclose a code of conduct for its directors, senior executives and employees; and*
 (b) *ensure that the board or a committee of the board is informed of any material breaches of that code.*

3.3. *A listed entity should:*
 (a) *have and disclose a whistleblower policy; and*
 (b) *ensure that the board or a committee of the board is informed of any material incident reported under that policy.*

3.4. *A listed entity should:*
 (a) *have and disclose an anti-bribery and corruption policy; and*
 (b) *ensure that the board or a committee of the board is informed of any material breaches of that policy.*

4. Safeguard the integrity of corporate reports

<p>4.1. <i>The board of a listed entity should:</i> <i>(a) have an audit committee which:</i> <i>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</i> <i>(2) is chaired by an independent director, who is not the chair of the board,</i> <i>and disclose:</i> <i>(3) the charter of the committee;</i> <i>(4) the relevant qualifications and experience of the members of the committee; and</i> <i>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i> <i>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</i></p>	<p>No</p>	<p>The Company does not currently have an audit committee and the role of the audit committee is carried out by the full Board. The small size of the Company with the five directors as the only persons overseeing company operations including authorising contracts and large disbursements, means there is close and direct contact in all aspects of implementing and monitoring all financial systems and reporting.</p> <p>The half-yearly and annual reports are audited by external auditors, BDO Audit, who demonstrate quality and independence. The external auditor provides an annual declaration of their independence to the Company. The external auditor attends the annual general meetings of the Company to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.</p>
<p>4.2. <i>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</i></p>	<p>Yes</p>	<p>Prior to approving the Company's financial statements, the managing director and the person performing the role of CFO advise the Board that the declaration in accordance with the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.</p> <p>The Board received a CEO/CFO declaration before it approved the Company's financial statements for all financial periods in the reporting period.</p>
<p>4.3. <i>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</i></p>	<p>Yes</p>	<p>The external auditor attends each annual general meeting of the Company and is available to answer questions from security holders relevant to the audit.</p> <p>Major non-financial reports are reviewed by the Board before release and reports on exploration and drilling activities are signed by a competent person as set out in the JORC code 2012 .</p>
<p>5. Make timely and balanced disclosure</p>		
<p>5.1. <i>A listed entity should have and disclose a written policy for complying with its</i></p>	<p>Yes</p>	<p>The Company has a policy that all shareholders, investors and the</p>

<p><i>continuous disclosure obligations under listing rule 3.1.</i></p> <p>5.2. <i>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</i></p> <p>5.3. <i>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</i></p>		<p>general public have timely and equal access to the company's information.</p> <p>As an exploration company, there is regular reporting to shareholders through the ASX Periodic Disclosure requirements, which call for quarterly operational and cash flow reporting. This reporting is additional to more conventional reporting by all companies of half yearly and annual financial results.</p> <p>All of the company's quarterly and annual reports and other disclosures are made available on the Company website.</p> <p>The Board is thoroughly aware of its Continuous Disclosure obligations which require immediate reporting of material events, particularly in relation to exploration progress. The Company has a demonstrated history of disclosure, through ASX announcements, of material events such as exploration results and joint ventures.</p> <p>The Board takes ultimate responsibility for these matters by following the ASX Listing Rule disclosure requirements rigorously, and does not consider adoption and disclosure of a formal disclosure policy outside of this corporate governance statement is appropriate at this stage.</p>
<p>6. Respect the rights of security holders</p>		
<p>6.1. <i>A listed entity should provide information about itself and its governance to investors via its website.</i></p>	<p>Yes</p>	<p>The Company maintains a website containing comprehensive information on the Company including a company profile, corporate strategy, policy statements including corporate governance, board of directors, newsflashes and contact information.</p> <p>All of the Company's quarterly, half year and annual reports and other disclosures are available on the Company website: http://www.lakeresources.com.au.</p>
<p>6.2. <i>A listed entity should have an investor relations program that facilitates effective two-way communication with investors</i></p>	<p>Yes</p>	<p>Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. The Directors are personally acquainted with many of the shareholders of the Company and encourage them to visit the Company's office to view the exploration data and discuss the progress of the exploration program with the managing director.</p> <p>The Company communicates with shareholders via releases to the</p>

		market on the ASX platform, through the Company's website, by information provided directly to shareholders at briefing meetings open to all shareholders and the public and at general meetings. Telephonic, email and written communications from shareholders are dealt with promptly, usually by the managing director.
6.3.	<i>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</i>	Yes The Company encourages shareholders to attend and participate in general meetings. If a shareholder wishes to provide a comment or question and is not able to attend the meeting, the Company will address this as part of the meeting.
6.4.	<i>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</i>	Yes All resolutions at general meetings are decided by a poll.
6.5.	<i>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</i>	Yes Security holders are given the option to receive communications electronically
7.	Recognise and manage risk	
7.1.	<i>The Board of a listed entity should:</i> <i>(a) have a committee or committees to oversee risk, each of which:</i> <i>(1) has at least three members, a majority of whom are independent directors; and</i> <i>(2) is chaired by an independent director,</i> <i>and disclose:</i> <i>(3) the charter of the committee;</i> <i>(4) the members of the committee; and</i> <i>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;</i> <i>or</i> <i>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</i>	No The Company does not currently have a risk committee and the role of the risk committee is carried out by the full Board. The small size of the Company does not warrant establishment of a separate risk committee. The Board sets the framework for the Company's long term success, approving its annual budget, assessing business risks and providing overall risk management policy guidance. The Board monitors all aspects of the business from the operational level through to strategic level risks, including safety, ethical and environmental performance, on a continuing basis to ensure compliance with laws and ethical behaviour.
7.2.	<i>The board or a committee of the board should:</i> <i>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and that the entity is operating with due regard to the risk appetite set by the board; and</i>	No The managing director reports regularly to the Board on the effectiveness of the Company's management of its material business risk. The greatest risk, of course, is the low probability of success for minerals exploration. The managing director has advised the Board that he believes the company's management of its material business risks is effective.

	<i>(b) disclose in relation to each reporting period, whether such a review has taken place.</i>		
7.3.	<p><i>A listed entity should disclose:</i></p> <p><i>(a) if it has an internal audit function, how the function is structured and what role it performs; or</i></p> <p><i>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</i></p>	Yes	The Company did not have an internal audit function during the reporting period and did not disclose the processes it used to improve risk management. Nonetheless, it remains committed to effective management and control of these factors. The effectiveness of the Company's risk management and internal control processes are subject to continual review by the Board.
7.4.	<i>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</i>	Yes	As the Company is a mining exploration / development company due to its highly technical operations there is inevitable exposure to economic, environmental and social sustainability risk. All material risks have been previously announced to the market, in accordance with its continuous and other disclosure obligations pursuant to the ASX Listing Rules and the Corporations Act 2001 (Cth).
8. Remunerate fairly and responsibly			
8.1.	<p><i>The Board of a listed entity should:</i></p> <p><i>(a) have a remuneration committee which:</i></p> <p><i>(1) has at least three members, a majority of whom are independent directors; and</i></p> <p><i>(2) is chaired by an independent director,</i></p> <p><i>and disclose:</i></p> <p><i>(3) the charter of the committee;</i></p> <p><i>(4) the members of the committee; and</i></p> <p><i>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i></p> <p><i>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</i></p>	No	<p>The Company does not currently have a remuneration committee and the role of the remuneration committee is carried out by the full Board with initial input from an ad hoc subcommittee. The role of the Remuneration Committee has been assumed by the full Board.</p> <p>Any increase in the quantum available for paying directors' fees is subject to approval by security holders at the annual general meeting.</p>

8.2.	<i>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</i>	Yes	<p>The Company provides disclosure of all Directors remuneration in its annual report.</p> <p>There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation).</p> <p>The company's policies and practices in setting remuneration for its Key Management Personnel are disclosed in the Annual Report.</p>
8.3.	<p><i>A listed entity which has an equity-based remuneration scheme should:</i></p> <p><i>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</i></p> <p><i>(b) disclose that policy or a summary of it.</i></p>	Yes	<p>The Company is introducing an equity-based remuneration structure as set out in the Annual Report. The Company does not permit participants in equity based schemes to enter into transactions to limit the economic risk of participating in the scheme. A formal policy in this regard is to be developed and will be included on the company's website.</p>
9. Additional recommendations that apply only in certain cases			
9.1.	<p><i>A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</i></p>		
9.2.	<p><i>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</i></p>		
9.3.	<p><i>A listed entity established outside Australia and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</i></p>		