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Lake appoints Citi and J.P. Morgan as Joint Coordinators for Proposed Debt Finance of the Kachi Lithium Project

- **Both Joint Coordinators (JCs) will work together on coordinating a debt financing package for Lake's 50,000 tpa LCE Kachi Lithium Project.**
- **Debt financing based with a view to obtaining Export Credit Agency guarantees from UK Export Finance (UKEF) to cover approximately 70% of the total Kachi Project funding requirement, subject to standard project finance conditions.**

Clean lithium developer Lake Resources NL (ASX: LKE; OTC: LLKKF) (**Lake**) advises that it has appointed two leading project finance institutions, Citi and J.P. Morgan, as Joint Coordinators (JCs), for the Kachi Lithium Project.

The appointment was undertaken after a Tender Panel issued by Lake's advisor, GKB Ventures Ltd, to over 10 international banks and an extensive review and selection process which envisaged export agency guarantees for the proposed debt financing. The results of the Tender Panel implied that indicative bank appetite for the Kachi Lithium Project was in excess of 5 times the required amount, reflecting the strong interest by international banks for this project and the indicative support of the Export Credit Agencies (ECA's).

Citi and J.P. Morgan were deemed the strongest combination to coordinate the proposed financing package for this particular project. The two investment banks will work together on the debt financing package for Lake's 50,000 tonnes per annum (tpa) lithium carbonate equivalent (LCE) Kachi Lithium Project, with the ongoing support of GKB Ventures Ltd and SD Capital Advisory Limited.

The contemplated debt financing will be based on the indicative support by UK Export Finance (UKEF, the Export Credit Agency of the United Kingdom) to cover approximately 70% of the total Kachi Project funding requirement, subject to UKEF approval and to standard project finance conditions (ASX release 11 August 2021).

It is also planned to have Export Development of Canada, (EDC, Canada's Export Credit Agency) to participate alongside UKEF as the lead ECA, under a Common Terms Agreement (ASX release 28 September 2021).

The appointment of the investment banks advances the development of the Kachi Project towards final credit approval and is part of the overall strategy set in place by GKB Ventures Ltd and SD Capital Advisory Limited.

The investment banks will co-ordinate workstreams between lenders and third-party analysis on major project milestones, including, among others, due diligence, the forthcoming JORC compliant definitive feasibility study (DFS) and the Environmental and Social Impact Assessment (ESIA).

The amount of the proposed debt financing will be governed, among other things, by the outcomes of the DFS currently underway and the Export Credit Agencies assessments of all studies that the company on foot.

"We are pleased to partner with Citi and J.P. Morgan, who support Lake's commitment to sustainable extraction, and minimising our environmental footprint", Steve Promnitz, Lake's Managing Director, said.

"Together, we are contributing to a clean energy future that aligns with investors, debt providers, and off-takers requirements that new lithium projects adhere to strict ESG standards," said Mr Promnitz.

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About Lake Resources NL (ASX: LKE; OTC: LLKGF) –

Clean high purity lithium using efficient disruptive clean technology - in demand by EV makers and lithium-ion batteries

Lake Resources NL (ASX: LKE; OTC: LLKGF) is a clean lithium developer utilising direct extraction technology for production of sustainable, high purity lithium from its flagship Kachi Project in Catamarca Province within the Lithium Triangle in Argentina among three other projects covering 220,000 ha.

This direct extraction method delivers a solution for two rising demands – high purity battery materials to avoid performance issues, and more sustainable, responsibly sourced materials with low-carbon footprint and significant ESG benefits.

1. **Climate-Tech:** Efficient, disruptive, clean, cost-competitive technology using well-known water treatment re-engineered for lithium (not mining). Technology partner, Lilac Solutions Inc, is supported by the Bill Gates led Breakthrough Energy fund, MIT's The Engine fund, Chris Sacca's Lowercarbon Capital, BMW, Sumitomo and SK Materials. Lilac has currently earned in to 10% of the Kachi Project and may earn-in to a total 25% stake, based on certain milestones, and then be expected to fund their c.US\$50 million pro-rata share (refer ASX announcement 22 September 2021)

2. **High Purity:** 99.97% purity lithium carbonate samples for a premium price, demonstrated in pilot plant operations in California with a demonstration plant en route to the Kachi Project. Demonstrated high quality in nickel rich NMC622 lithium-ion batteries (refer ASX announcement 20 October 2020; 2 March 2021).

3. **Sustainable /ESG:** Far smaller environmental footprint than conventional methods, that returns virtually all water (brine) to its source with a low CO2 footprint.

4. **Prime Location, Large Projects:** Flagship Kachi project in prime location among low-cost producers with a large lease holding (74,000 ha) and expandable resource (4.4 Mt LCE) used for 25 years production at 50,000tpa (JORC Resource: Indicated 1.0Mt, inferred 3.4Mt, refer ASX announcement 27 November 2018). Pre-feasibility study at 25,500tpa by tier 1 engineering firm shows large, long-life low-cost operation with US\$1.6 billion NPV pretax, and annual EBITDA of US\$260 million from 2024 using past pricing of US\$15,500/tonne lithium carbonate (refer ASX announcement 17 March 2021; 28 April 2020). (No changes to the assumptions in the resource statement or the PFS have occurred since the announcement date.)

5. **Finance Indicatively Available:** Long duration, low-cost project debt finance for the Kachi Lithium Project is indicatively available from the United Kingdom's Export Credit Agency UKEF and Canada's EDC with Expressions of Interest to support approx. 70% of the total finance required for Kachi's development, subject UKEF and EDC respective approvals, to standard project finance terms, including satisfactory completion of the DFS, ESIA and offtake arrangements (refer ASX announcements 11 August 2021; 28 September 2021).

6. Offtake Discussions Advanced: Two offtake non-binding agreements for approximately 25,000 tonnes per annum of lithium (LCE) each from the Kachi Project has been signed in non-binding Memorandum of Understanding (MoU) with Ford Motor Company (Ford) and with a major Japanese partner, Hanwa Co., Ltd. ("Hanwa"), over 10 years to be priced at average quarterly benchmark market prices. The MoU also provides for Hanwa to consider providing some financial support such as a meaningful equity investment, (Refer ASX announcements 11 April 2022; 29 March 2022).

An innovative direct extraction technique, based on a well-used ion exchange water treatment method, has been tested for over 2 years in partnership with Lilac Solutions, with a pilot plant module in California operating on Kachi brines and has shown 80-90% recoveries. Battery quality lithium carbonate (99.97% purity) has been produced from Kachi brine samples with very low impurities (refer ASX announcement 20 October 2020). The first samples of high purity (99.97% purity) battery quality lithium carbonate were tested in a NMC622 battery by Novonix with excellent results (2 March 2021). A demonstration plant is planned to be on site in Q2, 2022.

This method of producing high purity lithium can revolutionise and disrupt the battery materials supply industry as it's scalable, low cost, and delivers a consistent product quality with a significant ESG benefit.

Lake's other projects include the Olaroz and Cauchari brine projects, located adjacent to major world-class brine projects in production or construction, including Allkem's (Orocobre's) Olaroz lithium production and adjoins the impending production of Ganfeng Lithium/Lithium Americas' Cauchari project. Lake's 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 and infer an extension and continuity of these brines into Lake's leases (refer ASX announcements 12 June 2019, 23 March 2021). Drilling commenced on the Olaroz leases in February 2022.

For more information on Lake, please visit <http://www.lakeresources.com.au/home/>.