

Analyst

Stuart Howe 613 9235 1856

Authorisation

Bradley Watson 618 9326 7672

Lake Resources NL (LKE)

Advancing on multiple fronts

Recommendation
Buy (unchanged)

Price
\$1.26
Valuation
\$2.54 (previously \$2.83)

Risk
Speculative
GICS Sector
Materials
Expected Return

 Capital growth **102%**

 Dividend yield **0%**

 Total expected return **102%**
Company Data & Ratios

 Enterprise value **\$1,576m**

 Market cap **\$1,751m**

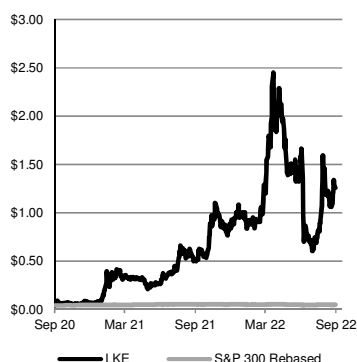
 Issued capital **1,390m**

 Free float **100%**

 Avg. daily vol. (52wk) **\$25.6m**

 12 month price range **\$0.48-\$2.65**
Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	1.24	1.47	0.54
Absolute (%)	1.6	-14.0	133.3
Rel market (%)	2.6	-12.2	141.0

Absolute Price


SOURCE: IRESS

Transitioning into project development

LKE's near-term outlook centres on delivery of the Kachi project definitive feasibility study, demonstrating larger scale success of the ion exchange direct lithium extraction technology which the project will employ, and ultimately coordinating binding lithium offtake and debt financing arrangements. The March 2021 prefeasibility study pointed to 25ktpa lithium carbonate production at a capital cost of US\$544m; the DFS is now assessing a project with 50ktpa production. LKE has sufficient funds to take Kachi to development with cash at 30 June 2022 of \$175m at 30 June 2022. A new Managing Director has been appointed to transition the company into development.

Lithium: Demand outlook retained; supply constrained

We have updated our EV-led lithium demand model with no change to our bullish outlook; LCE demand to grow from around 0.5Mtpa in 2021 to over 1.1Mtpa in 2025 and around 3.0Mtpa in 2030. Supply analysis shows that over the next five years, Australian hard rock projects will at best meet only one third of this demand growth. We expect alternative sources of supply to remain relatively constrained and high-risk. Our long term lithium commodity prices are unchanged: Spodumene concentrate US\$1,300/t; lithium carbonate US\$25,000/t.

Investment view: Speculative Buy, Valuation \$2.54/sh

LKE's Kachi lithium project in Argentina is strategic in terms of scale, applied technology and uncommitted product offtake. Demonstrating the feasibility of ion exchange lithium extraction is key to de-risking the project; success will disrupt traditional lithium brine production. The technology also brings significant ESG benefits including less land disturbance and water consumption. Definitive offtake agreements are yet to be signed; however, MoUs with Ford (US) and Hanwa (Japan) highlight interest. Debt advisors for project development have been appointed with expressions of interest from export credit agency financiers ongoing.

LKE is an asset development company with prospective operations and cash flows. Our Speculative risk rating recognises this higher level of risk and volatility of returns.

Earnings Forecast

Year ending 30 June	2022e	2023e	2024e	2025e
Sales (A\$m)	-	-	-	158
EBITDA (A\$m)	(7)	(4)	(4)	103
NPAT (reported) (A\$m)	(7)	(0)	(3)	34
NPAT (adjusted) (A\$m)	(7)	(0)	(3)	34
EPS (adjusted) (cps)	(0.6)	(0.0)	(0.2)	2.5
EPS growth (%)	na	na	na	na
PER (x)	-210.2x	-27329.8x	-576.5x	49.8x
FCF Yield (%)	-1%	0%	-35%	-25%
EV/EBITDA (x)	-235.0x	-394.1x	-394.1x	15.3x
Dividend (cps)	-	-	-	-
Yield (%)	0%	0%	0%	0%
Franking (%)	-	-	-	-
ROE (%)	-10%	0%	-1%	8%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Lake Resources summary

Figure 1 - Key asset summary

Project	Kachi
Location	Catamarca Province, Argentina
Ownership	75% LKE (25% Lilac Solutions)
Stage / first production	DFS due late 2022 / production 2024-25
Resource	4.4Mt LCE @ 211ppm Li
Reserve	tba
Development	Brine (Direct Lithium Extraction)
Capex	tba
Unit opex	tba
Product	Lithium carbonate
Production	50ktpa
Offtakers	MoUs - Ford, Hanwa

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Figure 2 - Balance sheet summary

Share price	\$1.26/sh
Shares on issue	1,390m
Options in the money & rights	26m
Diluted market cap	\$1,784m
Debt	\$0m
Cash	\$175m
Net debt	-\$175m
Options in the money	\$1m
Enterprise value	\$1,608m
Financing facilities available	Discussion with UKEF & EDC

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Look out for...

KACHI PROJECT DEMONSTRATION PLANT TO COME ONLINE

LKE and its direct lithium extraction technology partner Lilac Solutions are currently assembling and commissioning a demonstration plant at the Kachi site. The plant is expected to operate for 3-4 months and provide sufficient product for qualification with end users. We expect further updates from LKE as the demonstration plant is brought online.

KACHI PROJECT DEFINITIVE FEASIBILITY STUDY BY END-2022

LKE expect that final draft reports supporting the Kachi definitive feasibility study (DFS) available in September 2022 and we would expect parameters to agreed and communicated to the market by the end of the calendar year. The DFS is examining a 50ktpa lithium carbonate project, an upgrade on the 25ktpa project outlined in the company's March 2021 prefeasibility study. The PFS estimated start-up capital of US\$544m, cash costs of US\$4,178/t generating annual EBITDA of US\$155m at assumed lithium carbonate prices of US\$11,000/t.

PRODUCT OFFTAKE & PROJECT FINANCING DISCUSSION TO MATURE

LKE has memoranda of understanding with Ford Motor Co. and Hanwa Corporation (Japan) for offtake totalling 50ktpa lithium carbonate. On completion of the DFS, we expect that these agreements will be progressed to binding conditional forms.

The DFS will also support discussion with potential financiers of the Kachi project. LKE has previously reported that UK Export Finance (UKEF) and Export Development Canada (EDC) have indicated debt finance support of approximately 70% for the Kachi project's development. Advisors Citi and JPMorgan have been appointed as joint coordinators for the project's proposed debt finance.

MANAGEMENT BUILD-OUT UNDERWAY

Executive Chairman Stu Crow has led LKE since the departure of the company's Managing Director in June 2022. In early September 2022, LKE announced the appointment of David Dickson to the role of Chief Executive Officer and Managing Director. David has over 30 years of experience in process technology, engineering and construction in the energy sector. We expect further executive appointments over the coming months to support the company's transition to project development and ultimately into production over the next few years.

Valuation summary

Table 1 - Valuation summary

	100% basis	%	Equity basis	% Risk	Equity basis
	Unrisked	equity	Unrisked	discount	Risked
Kachi @ 50ktpa LCE	7,313	75%	5,484	30%	3,839
Other projects	150	100%	150		150
Total projects					3,989
Corporate overheads					-31
Enterprise value					3,958
Net debt (diluted)					-176
Equity value (diluted)					4,134
Diluted shares on issue m					1,416
Equity value \$/sh					2.92
Assumed near-term equity raising					
Value \$m	350				
Current share price \$/sh	1.26				
Raise discount %	20%				
Raise price \$/sh	1.01				
New shares m	347				
After assumed near-term equity raise					
Net debt					-526
Equity value					4,484
Diluted shares on issue m					1,763
Equity value \$/sh					2.54

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Valuation methodology

- **Discounted cash flow model:** LKE's Kachi project with assumptions consistent with a scaled up version of the April 2020 prefeasibility study, assuming annual production of 50ktpa lithium carbonate ramping up from 2025.
- **Commodity price forecasts:** Bell Potter Securities long term lithium commodity price estimate of US\$1,300/t spodumene concentrate, US\$25,000/t lithium carbonate and US\$29,000/t lithium hydroxide.

Capital requirements

At 30 June 2022, LKE had cash of \$175m and no debt. We have conservatively assumed a \$350m equity raising within the next twelve months to advance LKE's Kachi project.

UPDATED CAPITAL ESTIMATES DUE BY THE END OF 2022

The Kachi definitive feasibility study for a 50ktpa lithium carbonate project is due by the end of 2022 and will provide updated capital expenditure estimates. A March 2021 prefeasibility study outlined capital cost of US\$544m for a 25ktpa project; we expect that over \$1b will now be required for the up-scaled project.

EXPORT CREDIT AGENCIES INDICATIVE SUPPORT TO FUND 70%

LKE has expressions of interest from UK Export Finance and Export Development Canada to support around 70% of the total finance required for Kachi. Citi and J.P. Morgan have been appointed as joint coordinators of proposed debt finance.

Value leverage to assumed lithium prices

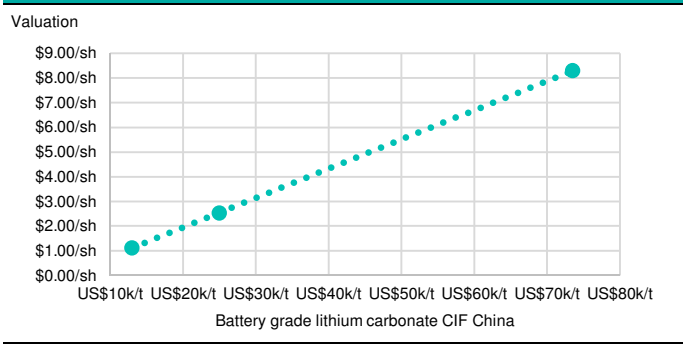
Note of caution: The following table and chart show leverage to adjustments to lithium prices only. These scenarios do not address inflationary impact on capital or operating costs.

Table 2 - Valuation sensitivity

	Scenario 1	Scenario 2	Scenario 3
	Low	Bell Potter	"Spot"
Lithium carbonate price CIF	US\$13,000/t	US\$25,000/t	US\$73,500/t
Kachi @ 50tkpa LCE	1,331	3,839	13,978
Other	119	119	119
EV (risked)	\$1,449m	\$3,958m	\$14,096m
Diluted net debt/(cash) - diluted	-526	-526	-526
Equity value (diluted)	\$1,976m	\$4,484m	\$14,623m
Diluted shares on issue m	1,763		
Equity value (diluted) \$/sh	\$1.12/sh	\$2.54/sh	\$8.29/sh

SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 3 - Valuation sensitivity



SOURCE: BELL POTTER SECURITIES ESTIMATES

Lake Resources NL (LKE)

Company description

LKE's Kachi (Argentina) lithium brine project has the potential to produce 50ktpa of high purity lithium carbonate ramping up from 2025 using direct lithium extraction technology. A DFS is due by late-2022. Kachi's direct lithium extraction process is based on ion exchange developed by technology partner Lilac Solutions. Lilac is strategically aligned with LKE through a 25% project earn-in.

An April 2020 Kachi PFS (and a subsequent March 2021 update) outlined a 25.5ktpa lithium carbonate project with a capital cost of US\$544m and unit costs of US\$4,178/t. LKE estimated annual project EBITDA of \$260m at the PFS assumed production rate of 25.5ktpa lithium carbonate and price of US\$15,500/t (CIF Asia).

Investment view: Buy (Speculative), Valuation \$2.54/sh

LKE's Kachi lithium project in Argentina is strategic in terms of scale, applied technology and uncommitted product offtake. Demonstrating the feasibility of ion exchange lithium extraction is key to de-risking the project; success will disrupt traditional lithium brine production. The technology also brings significant ESG benefits including less land disturbance and water consumption. Definitive offtake agreements are yet to be signed; however, MoUs with Ford (US) and Hanwa (Japan) highlight interest. Debt advisors for project development have been appointed with expressions of interest from export credit agency financiers ongoing.

LKE is an asset development company with prospective operations and cash flows. Our Speculative risk rating recognises this higher level of risk and volatility of returns.

Investment risks

Risks include, but are not limited to:

- **Commodity price and exchange rate fluctuations.** The future earnings and valuations of exploration, development and operating resources companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- **Infrastructure access.** Commodity producers are reliant upon access to transport and energy infrastructure. Access to infrastructure is often subject to contractual agreements, permits, and capacity allocations. Agreements are typically long-term in nature (+10 years). Infrastructure can be subject to outages as a result of weather events or the actions of third party providers.
- **Operating and capital cost fluctuations.** Markets for exploration, project development and processing inputs can fluctuate widely and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to energy, reagents and labour markets.
- **Resource growth and project life extensions.** Future earnings forecasts and valuations may rely upon Resource and Reserve growth to extend mine lives.
- **Sovereign risks.** Mining companies' assets are subject to the sovereign risks associated with the countries within which they operate.
- **Regulatory changes risks.** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuation of mining companies.
- **Environmental risks.** Resources companies are exposed to risks associated with environmental degradation as a result of their exploration and development processes.
- **Operating and development risks.** Resources companies' assets are subject to risks associated with their operation and development. Risks for each company can be heightened depending on method of operation (e.g. underground versus open pit mining) or whether it is a single operation company. Development assets can be subject to approvals timelines or weather events, causing delays to commissioning and commercial production.
- **Occupational health and safety risks.** Resources companies are particularly exposed to OH&S risks given the physical nature and human resource intensity of operating assets.
- **Funding and capital management risks.** Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments, and managing debt repayments.
- **Merger/acquisition risks.** Risks associated with value transferred during merger and acquisition activity.
- **COVID-19 risks:** Resources companies' rely on freedom of movement of workforces, functioning transport routes, reliable logistics services including road, rail, aviation and ports in order to maintain operations and get their products to market. They also rely on liquid, functioning markets to sell their products. Measures being put in place to combat the COVID-19 pandemic are posing risks to these conditions.

Table 3 - Financial summary

Date	12/09/22					Bell Potter Securities							
Price	A\$/sh					Stuart Howe (showe@bellpotter.com.au, +61 3 9235 1856)							
Valuation	A\$/sh					2.54							
PROFIT AND LOSS													
Year ending 30 June	Unit	2021a	2022e	2023e	2024e	2025e	FINANCIAL RATIOS						
Revenue	\$m	-	-	-	-	158	Year ending 30 June	Unit	2021a	2022e	2023e	2024e	2025e
Expenses	\$m	(3)	(7)	(4)	(4)	(55)	VALUATION	Ac/sh	(0.4)	(0.6)	(0.0)	(0.2)	2.5
EBITDA	\$m	(3)	(7)	(4)	(4)	103	EPS (adjusted)	%	na	na	na	na	na
Depreciation & amortisation	\$m	(0)	(0)	-	-	(26)	PER	x	(357.8)	(210.2)	(27,329.8)	(576.5)	49.8
EBIT	\$m	(3)	(7)	(4)	(4)	77	DPS	Ac/sh	-	-	-	-	-
Net interest expense	\$m	-	(0)	4	1	(21)	Franking	%	0%	0%	0%	0%	0%
Profit before tax	\$m	(3)	(7)	0	(3)	56	Yield	%	0%	0%	0%	0%	0%
Tax expense	\$m	-	-	(0)	-	(22)	FCF/share	Ac/sh	(0.9)	(1.3)	(0.0)	(44.0)	(31.5)
NPAT (reported)	\$m	(3)	(7)	(0)	(3)	34	FCF yield	%	-1%	-1%	0%	-35%	-25%
NPAT (adjusted)	\$m	(3)	(7)	(0)	(3)	34	EV/EBITDA	x	-608.1x	-235.0x	-394.1x	-394.1x	15.3x
CASH FLOW STATEMENT													
Year ending 30 June	Unit	2021a	2022e	2023e	2024e	2025e	LIQUIDITY & LEVERAGE						
OPERATING CASH FLOW							Net debt / (cash)	\$m	(25.7)	(64.0)	(359.9)	221.5	638.8
Receipts from customers	\$m	-	-	-	-	158	Net debt / Equity	%	-55%	-69%	-92%	57%	152%
Payments to suppliers and employees	\$m	(2)	(7)	(4)	(4)	(55)	Net debt / Net debt + Equity	%	-121%	-218%	-1224%	36%	60%
Tax paid	\$m	-	-	(0)	-	(22)	Net debt / EBITDA	x	9.9x	9.5x	90.0x	-55.4x	6.2x
Net interest	\$m	-	-	4	1	(21)	EBITDA / net int expense	x	0.0x	-4224.2x	0.9x	3.6x	4.8x
Other	\$m	-	-	(0)	-	-	PROFITABILITY RATIOS						
Operating cash flow	\$m	(2)	(7)	(0)	(3)	59	EBITDA margin	%	0%	0%	0%	0%	65%
INVESTING CASH FLOW							EBIT margin	%	0%	0%	0%	0%	49%
Capex	\$m	(5)	(6)	-	(578)	(478)	Return on assets	%	-9%	-9%	0%	0%	3%
Other	\$m	-	(0)	-	-	-	Return on equity	%	-9%	-10%	0%	-1%	8%
Investing cash flow	\$m	(5)	(7)	-	(578)	(478)	ASSUMPTIONS - Prices (nominal)						
FINANCING CASH FLOW							Year ending 30 June	Unit	2021a	2022e	2023e	2024e	2025e
Debt proceeds/(repayments)	\$m	0	-	480	240	-	Spodumene concentrate (6% basis)	US\$/t	478	3,170	5,500	3,000	1,300
Dividends paid	\$m	-	-	-	-	-	Lithium Carbonate (battery grade)	US\$/t	8,641	43,916	65,000	45,000	25,000
Proceeds share issues (net, incl. options)	\$m	33	52	296	-	1	Lithium Hydroxide (battery grade)	US\$/t	10,510	44,408	68,000	48,750	23,000
Other	\$m	-	-	-	-	-	AUD:USD	US\$/A\$	0.75	0.73	0.73	0.73	0.74
Financing cash flow	\$m	33	52	775	240	1	LCE sales						
Change in cash	\$m	26	38	775	(342)	(417)	Year ending 30 June	Unit	2021a	2022e	2023e	2024e	2025e
Free cash flow	\$m	(7)	(14)	(0)	(581)	(418)	Kachi (100%)	kt LCE	-	-	-	-	6
							Kachi (LKE equity share)	kt LCE	-	-	-	-	5
BALANCE SHEET													
Year ending 30 June	Unit	2021a	2022e	2023e	2024e	2025e	VALUATION						
ASSETS							100% basis		% Equity basis		% Risk Equity basis		
Cash	\$m	26	64	839	498	81	Unrisked	equity	Unrisked	discount	Risked		
Receivables	\$m	0	1	1	1	1	Kachi @ 50ktpa LCE	7,313	75%	5,484	30%	3,839	
Inventories	\$m	-	-	-	-	-	Other projects	150	1	150	-	150	
Capital assets	\$m	22	30	30	608	1,060	Total projects					3,989	
Other assets	\$m	0	0	0	0	0	Corporate overheads					(31)	
Total assets	\$m	48	95	870	1,107	1,142	Enterprise value					3,958	
LIABILITIES							Net debt (diluted)					(176)	
Creditors	\$m	1	1	1	1	1	Equity value (diluted)					4,134	
Borrowings	\$m	-	-	480	719	719	Diluted shares on issue m					1,416	
Provisions	\$m	0	0	0	0	0	Equity value \$/sh					2.92	
Other liabilities	\$m	-	-	-	-	-	Assumed near-term equity raising						
Total liabilities	\$m	1	1	481	721	721	Value \$m	350					
NET ASSETS	\$m	47	93	389	386	421	Current share price \$/sh	1					
Share capital	\$m	66	116	411	411	413	Raise discount %	0					
Reserves	\$m	3	2	2	(1)	32	Raise price \$/sh	1					
Accumulated losses	\$m	(22)	(24)	(24)	(24)	(24)	New shares m	347					
Non-controlling interest	\$m	-	-	-	-	-	After assumed near-term equity raise						
SHAREHOLDER EQUITY	\$m	47	93	389	386	421	Net debt					(526)	
Weighted average shares	m	822	1,120	1,238	1,320	1,327	Equity value					4,484	
							Diluted shares on issue m					1,763	
							Equity value \$/sh					2.54	

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

Research Team

Staff Member	Title/Sector	Phone	@bellpotter.com.au
Chris Savage	Head of Research/Industrials	612 8224 2835	csavage
Analysts			
John Hester	Healthcare	612 8224 2871	jhester
Anubhav Saxena	Healthcare	612 8224 2846	asaxena
Tara Speranza	Healthcare	612 8224 2815	tsperanza
Michael Ardrey	Industrials	613 9256 8782	mardrey
Marcus Barnard	Industrials	618 9326 7673	mbarnard
Sam Brandwood	Industrials	612 8224 2850	sbrandwood
Olivia Hagglund	Industrials	612 8224 2813	ohagglund
Chami Ratnapala	Industrials	612 8224 2845	cratnapala
Jonathan Snape	Industrials	613 9235 1601	jsnape
David Coates	Resources	612 8224 2887	dcoates
Stuart Howe	Resources	613 9235 1856	showe
Brad Watson	Resources	618 9326 7672	bwatson
Regan Burrows	Resources	618 9326 7677	rburrows
Joseph House	Resources	613 9235 1624	jhouse
Associates			
Daniel Laing	Associate Analyst	613 9256 2886	dlaing
Thomas Sima	Associate Analyst	612 8224 2843	tsima

Research Coverage & Policies

For Bell Potter Securities' Research Coverage Decision Making Process and Research Independence Policy please refer to our company website: <https://bellpotter.com.au/research-independence-policy/>

Authoring Research Analyst's Certification

The Authoring Research Analyst is responsible for the content of this Research Report, and, certifies that with respect to each security that the Analyst covered in this Report (1) all the views expressed accurately reflect the Analyst's personal views about those securities and were prepared in an independent manner and (2) no part of the Analyst's compensation was, is or will be, directly or indirectly, related to specific recommendations or views expressed by that Research Analyst in the Research Report.

Research Analyst's Compensation

Research Analyst's compensation is determined by Bell Potter Securities Research Management and Bell Potter Securities' Senior Management and is based upon activities and services intended to benefit the investor clients of Bell Potter Securities Ltd. Compensation is not linked to specific transactions or recommendations. Like all Company employees Research Analysts receive compensation that is impacted by overall Company profitability.

Prices

The Price appearing in the Recommendation panel on page 1 of the Research Report is the Closing Price on the Date of the Research Report (appearing in the top right hand corner of page 1 of the Research Report), unless a before midday (am) time appears below the Date of the Research Report in which case the Price appearing in the Recommendation panel will be the Closing Price on the business day prior to the Date of the Research Report.

Availability

The completion and first dissemination of a Recommendation made within a Research Report are shortly after the close of the Market on the Date of the Research Report, unless a before midday (am) time appears below the Date of the Research Report in which case the Research Report will be completed and first disseminated shortly after that am time

Dissemination

Bell Potter generally disseminates its Research to the Company's Institutional and Private Clients via both proprietary and non-proprietary electronic distribution platforms. Certain Research may be disseminated only via the Company's proprietary distribution platforms; however such Research will not contain changes to earnings forecasts, target price, investment or risk rating or investment thesis or be otherwise inconsistent with the Author's previously published Research. Certain Research is made available only to institutional investors to satisfy regulatory requirements. Individual Bell Potter Research Analysts may also opt to circulate published Research to one or more Clients by email; such email distribution is discretionary and is done only after the Research has been disseminated. The level and types of service provided by Bell Potter Research Analysts to Clients may vary depending on various factors such as the Client's individual preferences as to frequency and manner of receiving communications from Analysts, the Client's risk profile and investment focus and perspective (e.g. market-wide, sector specific long term and short term etc.) the size and scope of the overall Client relationship with the Company and legal and regulatory constraints.

Disclaimers

This Research Report is a private communication to Clients and is not intended for public circulation or for the use of any third party, without the prior written approval of Bell Potter Securities Limited.

The Research Report is for informational purposes only and is not intended as an offer or solicitation for the purpose of sale of a security. Any decision to purchase securities mentioned in the Report must take into account existing public information on such security or any registered prospectus.

This is general investment advice only and does not constitute personal advice to any person. Because this Research Report has been prepared without consideration of any specific client's financial situation, particular needs and investment objectives ('relevant personal circumstances'), a Bell Potter Securities Limited Broker (or the financial services licensee, or the representative of such licensee, who has provided you with this report by arrangement with Bell Potter Securities Limited) should be made aware of your relevant personal circumstances and consulted before any investment decision is made on the basis of this Research Report.

While this Research Report is based on information from sources which are considered reliable, Bell Potter Securities Limited has not verified independently the information contained in this document and Bell Potter Securities Limited and its directors, employees and consultants do not represent, warrant or guarantee expressly or impliedly, that the information contained in this Research Report is complete or accurate.

Nor does Bell Potter Securities Limited accept any responsibility for updating any advice, views, opinions or recommendations contained in this Research Report or for correcting any error or omission which may have become apparent after the Research Report has been issued.

Bell Potter Securities Research Department has received assistance from the Company referred to in this Research Report including but not limited to discussions with management of the Company. Bell Potter Securities Policy prohibits Research Analysts sending draft Recommendations, Valuations and Price Targets to subject companies. However, it should be presumed that the Author of the Research Report has had discussions with the subject Company to ensure factual accuracy prior to publication.

All opinions, projections and estimates constitute the judgement of the Author as of the Date of the Research Report and these, plus any other information contained in the Research Report, are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice.

Notwithstanding other departments within Bell Potter Securities Limited advising the subject Company, information obtained in such role is not used in the preparation of the Research Report.

Although Bell Potter Research does not set a predetermined frequency for publication, if the Research Report is a fundamental equity research report it is the intention of Bell Potter Research to provide research coverage of the covered issuers, including in response to news affecting the issuer. For non-fundamental Research Reports, Bell Potter Research may not provide regular updates to the views, recommendations and facts included in the reports.

Notwithstanding that Bell Potter maintains coverage on, makes recommendations concerning or discusses issuers, Bell Potter Research may be periodically restricted from referencing certain Issuers due to legal or policy reasons. Where the component of a published trade idea is subject to a restriction, the trade idea will be removed from any list of open trade ideas included in the Research Report. Upon lifting of the restriction, the trade idea will either be re-instated in the open trade ideas list if the Analyst continues to support it or it will be officially closed.

Bell Potter Research may provide different research products and services to different classes of clients (for example based upon long-term or short term investment horizons) that may lead to differing conclusions or recommendations that could impact the price of a security contrary to the recommendations in the alternative Research Report, provided each is consistent with the rating system for each respective Research Report.

Except in so far as liability under any statute cannot be excluded, Bell Potter Securities Limited and its directors, employees and consultants do not accept any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in the document or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of the document or any other person.

In the USA and the UK this Research Report is only for institutional investors. It is not for release, publication or distribution in whole or in part in the two specified countries. In Hong Kong this Research Report is being distributed by Bell Potter Securities (HK) Limited which is licensed and regulated by the Securities and Futures Commission, Hong Kong. In the United States this Research Report is being distributed by Bell Potter Securities (US) LLC which is a registered broker-dealer and member of FINRA. Any person receiving this Research Report from Bell Potter Securities (US) LLC and wishing to transact in any security described herein should do so with Bell Potter Securities (US) LLC.

Speculative Risk Warning:

The stocks of companies without established revenue streams are regarded as speculative in character. Stocks with 'Speculative' designation are prone to high volatility in share price movements. In the case of 'Speculative' Resource companies, additional risks include but are not limited to Government approvals and permitting, mine and infrastructure development, commodity price and exchange rate fluctuations, resource growth and mine life extensions and regulatory and sovereign risks. Investors are advised to be cognisant of these risks before buying such a stock including Lake Resources NL (of which a list of specific risks is highlighted within).

Bell Potter Securities Limited

ABN 25 006 390 772
Level 29, 101 Collins Street
Melbourne, Victoria, 3000
Telephone +61 3 9256 8700
www.bellpotter.com.au

Bell Potter Securities (HK) Limited

Room 1701, 17/F
Prosperity Tower, 39 Queens
Road Central, Hong Kong, 0000
Telephone +852 3750 8400

Bell Potter Securities (US) LLC

Floor 39
444 Madison Avenue, New York
NY 10022, U.S.A
Telephone +1 917 819 1410

Bell Potter Securities (UK) Limited

16 Berkeley Street London, England
W1J 8DZ, United Kingdom
Telephone +44 7734 2929