

5 November 2021

Update on Bonus Options and Facilities

- **Bonus Options converted at 78 percent providing A\$30 million cash with Additional Options issued.**
- **CPA Facility adjusted to reflect change in company market value.**
- **Successful drilling continues at Lake's Kachi Lithium Brine Project.**

Clean lithium developer Lake Resources NL (ASX: LKE; OTC: LLKKF) thanks shareholders for their support of the Bonus Options, of which approximately 78 percent were converted (86,094,394 new LKE shares), providing approximately A\$30 million to the cash position of the Company. Cash reserves were approximately A\$63 million at end October 2021.

Attached 1-for-1 unlisted Additional Bonus Options were issued (86,094,394 options), with an exercise price of A\$0.75 and an expiry date of 15 June 2022. The company intends to make application to the ASX to have these shares listed. These options, if converted, will add a further A\$64 million to the Company's cash reserves by mid next year, prior to the final investment decision on the Kachi Project.

"I would like to thank shareholders for supporting the Company to establish a robust financial position as Lake progresses towards the final investment decision and construction of the flagship Kachi Lithium Brine Project next year," Lake's Managing Director, Mr. Steve Promnitz, said.

The Company is now well financed for the development of the Kachi Lithium Brine Project. Definitive Feasibility Study (DFS) and these activities.

As reported on 19 January 2021, the Company extended its existing Controlled Placement Agreement ("CPA") with Acuity Capital to 31 January 2023. The funding amount has now been increased to \$80 million to reflect the change in the Company's market value. There are no requirements on the Company to utilise the facility.

Mr Promnitz said successful drilling continued at the Kachi project with the intention to upgrade and expand the resource (see ASX announcement 7 July 2021).

He said the development team was being expanded to drive the Kachi project forward into large scale clean lithium production, due to the rapidly rising demand for unallocated high purity battery quality battery lithium, especially with significant ESG benefits.

Lake Investors please contact:

Steve Promnitz, Managing Director

steve@lakeresources.com.au +61 2 9188 7864

Twitter: https://twitter.com/Lake_Resources

LinkedIn: <https://www.linkedin.com/company/lake-resources/>

Website: <http://www.lakeresources.com.au>

Join Lake's mailing list: <http://eepurl.com/gwA3o9>

IR: Anthony Fensom, Republic PR, +61 (0) 407 112 623 , anthony@republicpr.com.au

For media queries, please contact:

LAKE RESOURCES NL

Level 5, 126 Phillip Street
Sydney NSW 2000
+61 2 9188 7864

LAKERESOURCES.COM.AU

ASX:LKE FRA:LKI OTC:LLKKF

For personal use only

Nigel Kassulke at Teneo

M: +61407904874

E: Nigel.Kassulke@teneo.com

About Lake Resources NL (ASX:LKE OTC:LLKKF) –

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

Lake Resources NL (ASX:LKE, OTC: LLKKF) 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. **Clean-Tech:** Efficient, disruptive, cost-competitive technology using well-known water treatment re-engineered for lithium (not mining). Technology partner, Lilac Solutions Inc, supported by Bill Gates led Breakthrough Energy fund, MIT's The Engine fund and Chris Sacca's Lowercarbon Capital. Lilac will earn in to the Kachi Project, up to a 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 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 (70,000 ha) and expandable resource (4.4 Mt LCE) of which only 20% is used for 25 years production at 25,500tpa (JORC Resource: Indicated 1.0Mt, inferred 3.4Mt, refer ASX announcement 27 November 2018). Pre-feasibility study 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 (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 to standard project finance terms (refer ASX announcements 11 August 2021; 28 September 2021).

An innovative direct extraction technique, based on a well-used ion exchange water treatment method, has been tested for over 18 months 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).

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 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).

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

For personal use only