

11 April 2022

Lake Resources and Ford Motor Company sign non-binding MoU to negotiate for lithium offtake from the Kachi Project

- **Offtake proposal for approximately 25,000 tonnes per annum (tpa) of lithium from the Kachi Project in a non-binding agreement with Ford Motor Company.**
- **Strategic collaboration between Ford and Lake to sit alongside the collaboration with Hanwa (ASX release 29 March 2022) to fully develop a Clean Lithium Supply Chain to meet the global environmental demands for Electric Vehicles.**
- **Second non-binding MoU offtake collaborator, further de-risking the project for financiers and investors.**

Clean lithium developer Lake Resources NL (ASX: LKE; OTC: LLKKF) (**Lake**) advises an offtake of approximately 25,000 tonnes per annum (tpa) of lithium from the Kachi Project has been signed in a non-binding Memorandum of Understanding (**MoU**) with Ford Motor Company (**Ford**).

"As we've shared, Ford is sourcing deeper into the battery supply chain," said Lisa Drake, Ford's vice president, EV Industrialization.

"This is one of several agreements we're exploring to help us secure raw materials to support our aggressive EV acceleration," she said.

"Both Lake and Ford see this as an opportunity for a potential long-term agreement with the ability to scale up environmentally responsible production and participate in Lake's other projects to ensure high-quality lithium products are available to Ford," Steve Promnitz, Lake's Managing Director, said.

"This MoU with Ford supports Lake's strategy to be a key independent supplier into global lithium supply chains and ensure the security of supply to customers."

Lake's Chairman Stu Crow said project financing was becoming increasingly tied to ESG credentials and that investors, debt providers, and off-takers and their customers are demanding that new lithium projects adhere to strict ESG standards.

"Increasing customer and consumer scrutiny around lithium production's environmental and ethical credentials drives our focus on sustainable extraction," Crow said.

"Lake Resources is committed to integrating sustainable development practices throughout our operations, minimising our environmental footprint, and contributing to a clean energy future.

"This MoU with Ford follows the Hanwa MoU. Together with the UK and Canada Export Credit Agencies' indicative provision of debt finance for around 70 percent of the Kachi project's capital requirements, this provides a framework of support for Lake's TARGET 100 Program, which has the goal of producing annually 100,000 tonnes of high purity lithium chemical to market by 2030," he said.

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Ford has consented to this market release. Lake will update the market on progress on the implementation of the MOU with Ford as soon as it is able to do so.

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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. 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 to standard project finance terms, including satisfactory completion of the DFS, ESIA and offtake arrangements (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 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/>.