

3 March 2021

Joint Financial Advisors Appointed for Kachi Project

- **Joint financial advisors appointed to structure and secure project finance for the construction and development of Lake's flagship Kachi Lithium Project.**
- **Focus is on accessing international debt finance via Export Credit Agencies, a secure, lower cost form of long-term capital.**

Clean lithium developer **Lake Resources NL (ASX: LKE; OTC:LLKKF)** has appointed SD Capital Advisory Limited and GKB Ventures Limited as joint financial advisors to structure and arrange project finance, with a focus on Export Credit Agencies ("ECA's"), for the development of the Company's flagship Kachi Lithium Brine Project in Argentina. This appointment represents a significant development milestone for the Company and the Kachi Project.

SD Capital Advisory Limited is a London-based independent financial boutique which focuses on securing project finance for corporates and mining/resources companies in developed and frontier markets. The firm specialises in strategic business advisory, financial modelling and credit analysis. The team consists of experienced finance professionals with major multinational, banking and emerging markets experience that is complemented by geological and process engineering expertise.

GKB Ventures Limited (GKB) is an independent consultancy helping clients to secure cross-border transactions and access international finance via ECAs. GKB has a track record of delivering knowledge and access to government supported schemes, including ECA financing, creating bespoke solutions which are scalable for the long term. GKB is currently appointed on over US\$4 billion of structured ECA financings and has successfully closed numerous projects in the last five years. In 2017, Global Trade Review awarded one of its ECA transactions' "GTR Best Deals of the Year".

In a joint statement, Mr David Buckle, Chairman of SD Capital Advisory Ltd and Mr Gabriel Buck, MD of GKB Ventures Ltd respectively said: "We are delighted to be appointed by Lake's Board to assist them during this integral phase in the Kachi Project. Having interacted extensively with the Company over the last year, and after a thorough assessment of Kachi and its potential, we applaud the continued progress of Lake's management."

They added: "We are attracted by the characteristics of the Kachi Project and Lake's innovative use of disruptive direct extraction technology from California-based Lilac Solutions, resulting in a low environmental impact and impressive ESG outcomes. Ultimately, this leads to the production of a high purity lithium carbonate matching the sustainable goals of global auto manufacturers by offering responsibly sourced battery grade supply. Impressive ESG characteristics are indeed front and centre for financiers today, including Export Credit Agencies."

Lake's Managing Director, Steve Promnitz commented: "*Export credit offers a low cost and secure form of debt funding which will maximise value for shareholders and minimise risks to the Company. We look forward to engaging further with these parties.*"

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

Clean high purity lithium using efficient disruptive clean technology

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 within the Lithium Triangle in Argentina among other projects covering 200,000 ha. This direct extraction method delivers a solution for two rising demands of electric vehicle batteries – high purity battery materials to avoid performance issues, and more sustainable, responsibly sourced materials.

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 and MIT's The Engine fund.

2. **High Purity:** 99.97% purity lithium carbonate samples never previously delivered at scale in a cost competitive manner for a premium price (refer ASX announcement 9 January 2020 and 20 October 2020).

3. **Sustainable /ESG:** Far smaller environmental footprint than conventional methods, that returns virtually all water (brine) to its source without changing its chemistry, avoiding "water politics" in arid environments for a better outcome for local communities.

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 (refer ASX announcement 28 April 2020).

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 is being tested in a NMC622 battery by Novonix. Hazen will produce further samples for downstream supply chain participants and off-takers.

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.

A Definitive Feasibility Study (DFS) is underway at the Kachi Project with Hatch providing engineering, which is aimed for completion in Q1 next year, together with other related studies. Lake is currently funded through to the construction financing phase, anticipated to be mid next year, with production of 25,500 tpa lithium carbonate scheduled for H1, 2024.

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 28 May, 12 June 2019).

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

