

1 March 2024

Your reference: 88488

ASX Compliance
ASX Limited
20 Bridge Street
Sydney NSW 2000

By email: ListingsComplianceSydney@asx.com.au

Dear Sir / Madam

Lake Resources NL ('LKE'): Query Letter: Trading during closed period (Appendix 3Y)

Lake Resources N.L. (ASX: LKE) (the **Company** or **LKE**) refers to your query letter dated 28 February 2024 (the **Query Letter**) and provides the following responses.

Unless otherwise defined, capitalised terms in this letter have the same meaning given to those terms in the Query Letter or the Trading Policy (as the case requires).

1. Noting that the Security Holding Changes occurred on 25 January 2024, which by definition occurred during LKE's Blackout Period, is LKE of the view that each of the Security Holding Changes comply with the Trading Policy? If so, please explain the basis for that view.

Yes, LKE is of the view that each of the Security Holding Changes complied with the Trading Policy as they were Excluding Dealings.

Section 1.3(a)(2) of the Trading Policy permits a Restricted Person to Deal in Lake's Securities if the Dealing is an Excluded Dealing. An Excluded Dealing under section 1.21(j) of the Trading Policy includes "acquiring Securities in the Company under an employee incentive scheme or the cancellation or surrender of an option or other right under an employee incentive scheme".

The Security Holding Changes related to conversion of restricted stock units (**RSUs**) into ordinary shares. These RSUs were sign-on awards issued as part of an employee incentive scheme for the benefit of:

- (a) Ms Chapman to vest one year after her appointment;
- (b) Ms Bo-Linn to vest one year after her appointment;
- (c) Mr Atkins to vest one year after his appointment; and
- (d) Mr Dickson to vest equally over the first four years of his employment.

Therefore, Ms Chapman, Ms Bo-Linn, Mr Atkins, and Mr Dickson were not required to obtain clearance to Deal despite being Restricted Persons, as the Security Holding Changes occurred pursuant to an employee incentive scheme which are an Excluded Dealing. The Security Holding Changes occurred simultaneously after all of the vesting dates on 25 January 2024, notwithstanding this fell within a Blackout Period.

In relation to the Security Holding Change for Mr David Dickson, LKE is required by US law to withhold a portion of income received by KMPs from RSUs to comply with US withholding tax obligations. As such, Lake's employee incentive plan has been structured so that a portion of the RSUs held by Mr David Dickson will be withheld then sold to cover the obligation and these amounts were included in the conversion.

2. **Please provide a copy of each relevant director's notification to the relevant person designated under the Trading Policy (as required by section 1.4 of the Trading Policy), and any subsequent approval given (not for release to the market).**

As discussed in response to Question 1, no clearance to Deal under section 1.4 of the Trading Policy was required as the Security Holding Changes constituted an Excluded Dealing.

3. **If the Security Holding Changes do not comply with the Trading Policy:**

3.1 **Please explain why the Appendix 3Ys state in Part 3 that no interests in LKE's securities were traded during a closed period; and**

3.2 **Please outline any disciplinary and/or remedial action LKE intends to take in response to this breach.**

N/A

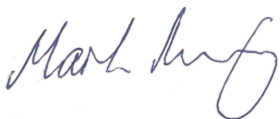
4. **Please confirm that LKE is in compliance with the Listing Rules, and in particular Listing Rule 3.1.**

The Company is in compliance with the Listing Rules, including in particular Listing Rule 3.1.

5. **Please confirm that LKE's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of LKE with delegated authority from the board to respond to ASX on disclosure matters**

LKE confirms that this response has been authorised and approved by an officer of LKE with delegated authority from the board to respond to ASX on disclosure matters.

Yours sincerely



Mark Anning
Company Secretary
Lake Resources N.L.



28 February 2024

Reference: 88488

Mr Mark Anning
Head of Legal, Australia Company Secretary
Level 5, 126 Phillip Street
Sydney NSW 2000

By email: mark.anning@lakeresources.com.au

Dear Mr Anning

Lake Resources NL ('LKE'): Query Letter: Trading during closed period (Appendix 3Y)

ASX refers to the following:

- A. The following Appendix 3Ys lodged by LKE on the ASX Market Announcements Platform ('MAP') on 1 February 2024:
- the Appendix 3Y lodged for Ms Ana Gomez Chapman as a non-executive director of LKE, disclosing that a change in Ms Chapman's notifiable interest occurred on 25 January 2024 by way of conversion of restricted stock units, as a result of which Ms Chapman held 238,500 ordinary shares after the change;
 - the Appendix 3Y lodged for Mr Cheemin Bo-Linn as a non-executive director of LKE, disclosing that a change in Mr Bo-Linn's notifiable interest occurred on 25 January 2024 by way of conversion of restricted stock units, as a result of which Mr Bo-Linn held 232,500 ordinary shares after the change;
 - the Appendix 3Y lodged for Mr Howard Atkins as a non-executive director of LKE, disclosing that a change in Mr Atkins's notifiable interest occurred on 25 January 2024 by way of conversion of restricted stock units, as a result of which Mr Atkins held 752,869 ordinary shares after the change; and
 - the Appendix 3Y lodged for Mr David Dickson as managing director of LKE, disclosing that a change in Mr Dickson's notifiable interest occurred on 25 January 2024 by way of: (i) conversion of restricted stock units and (ii) sale of shares in compliance with US employee withholding tax obligations, as a result of which Mr Dickson held 155,475 ordinary shares, 750,000 restricted stock units and 4,000,000 unlisted options after the change,
- (each a 'Security Holding Change', together the 'Security Holding Changes').
- B. ASX observes that LKE indicated at section 3 of each of the Appendix 3Ys that the Security Holding Changes did not occur in a closed period.
- C. LKE's Securities Trading Policy, released on MAP on 1 October 2021 (the 'Trading Policy') which provides (relevantly):

"1.3 Dealing by Restricted Persons

(a) A Restricted Person must not Deal in any Securities of the Company unless:

(1) a clearance to Deal is obtained in accordance with clause 1.4 of this Policy; or

(2) the Dealing is an Excluded Dealing.

...

1.4 Clearance to Deal

...

(b) A Director (other than the Chairperson or a Managing Director or Chief Executive Officer) must not Deal in any Securities of the Company (unless the Dealing is an Excluded Dealing) without first notifying the Chairperson (or a Director designated by the Board for this purpose) and the Company Secretary and receiving clearance to Deal from the Chairperson (or the designated Director) (or the Company Secretary on their behalf).

...

(d) The Managing Director (or Chief Executive Officer) must not Deal in any Securities of the Company (unless the Dealing is an Excluded Dealing) without first notifying the Chairperson and the Company Secretary and receiving clearance to Deal from the Chairperson (or the Company Secretary on their behalf) or, if the Chairperson is not readily available, without first notifying the senior independent Director, a committee of the Board established for that purpose or another officer of the Company nominated for that purpose by the Chairperson, and receiving clearance to Deal from that Director, committee or officer (or the Company Secretary on their behalf).

...

1.5 Circumstances for refusal

A Restricted Person must not be given clearance to Deal in any Securities of the Company during a Prohibited Period unless an exceptional circumstance arises in accordance with clause 1.6 of this Policy.

...

Prohibited Period means:

(a) any Blackout Period; or

(b) any period where any matter exists which could constitute Inside Information in relation to the Company.

Blackout Period means:

...

(c) for the calendar quarter ending 31 December, the period starting ten Business Days before the planned date for release of the December quarterly report and ending on the Business Day after the release of the 31 December ASX appendix 4D and half year financial report to the ASX;

..."

- D. LKE's Quarterly Activities Report and Appendix 5B for the quarter ending 31 December 2023 released on MAP on 31 January 2024.

Request for information

Having regard to the above, ASX asks LKE to respond separately to each of the following questions and requests for information:

1. Noting that the Security Holding Changes occurred on 25 January 2024, which by definition occurred during LKE's Blackout Period, is LKE of the view that each of the Security Holding Changes comply with the Trading Policy? If so, please explain the basis for that view.
2. Please provide a copy of each relevant director's notification to the relevant person designated under the Trading Policy (as required by section 1.4 of the Trading Policy), and any subsequent approval given (not for release to the market).

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3. If the Security Holding Changes do not comply with the Trading Policy:
 - 3.1 Please explain why the Appendix 3Ys state in Part 3 that no interests in LKE's securities were traded during a closed period; and
 - 3.2 Please outline any disciplinary and/or remedial action LKE intends to take in response to this breach.
 4. Please confirm that LKE is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 5. Please confirm that LKE's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of LKE with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEDT on Friday, 1 March 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, LKE's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require LKE to request a trading halt immediately.

Your response should be sent to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in LKE's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in LKE's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to LKE's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that LKE's obligation

to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Kind regards

ASX Compliance