



GKB Ventures LTD

Presentation to UKEF Re Lake Resources – Argentina

14th June 2021

Background Details

Project Location / Size

- Lake Resources Kachi lithium brine project is based in northern Argentina in the Catamarca Province at the southern end of the Lithium Triangle, a world-renowned province responsible for 40% of global lithium production. Kachi project is located approximately 50 km south of the town of Antofagasta de la Sierra, in the Province of Catamarca and 100km south of the lithium brine operation at Hombre Muerto
- Lake Resources controls 100% of the project, which comprises 74,380 hectares of mineral concessions over the salar (salt lakes) through its Argentine subsidiary Morena del Valle Minerals S.A.
- The salars in the border region between Argentina, Bolivia and Chile are home to roughly 65% of the world's lithium reserves, supplying c.40% of world production. In conventional lithium extraction, brine from the layers below the salt lakes is pumped out of the ground and evaporated in shallow basins. The salt concentrate then undergoes chemical processing to produce lithium carbonate
- The flagship Kachi project will make use of direct extraction technology which extracts with less waste and less water, incorporates new sustainable technologies and renewable energy, and leaves minimal environmental impact. The project is large scale and initially aimed to produce 25,500 tpa of lithium carbonate (what was base case) but has scaled this to 51,000 tpa post preliminary positive results
- A Definitive Feasibility Study (DFS) is underway at the Kachi Project with a Tier 1 independent consulting engineers (HATCH) providing engineering, which is aimed for completion in [REDACTED], together with other related studies. [REDACTED]
[REDACTED]
[REDACTED]

Project History

- In November 2018, Lake announced a maiden JORC* resource at its Kachi Project of 4.4 million tonnes ('Mt') of contained lithium carbonate equivalent ('LCE'), and an exploration target ranging between 8-17Mt of LCE. This ranked Kachi as one of the world's top 10 brine resources

**(JORC - The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') is a professional code of practice that sets minimum standards for Public Reporting of Minerals Exploration Results, Mineral Resources and Ore Reserves)*

- In April 2020, Lake announced a pre-feasibility study ('PFS') for Kachi, showing its potential to become a long life, low-cost operation with an initial annual production target of 25,500 tonnes of battery grade lithium carbonate using direct extraction technology
- The 2020 PFS for Kachi was completed by leading, HATCH – responsible for the current Definitive Feasibility Study ('DFS'), due [REDACTED] In March 2021, a refreshed PFS was announced, using updated prices reflecting market demand for a high purity product
- March 2021 – Joint Financial Advisors appointed - SD Capital Advisory Limited and GKB Ventures Limited
- Lake intends to use a direct extraction process using ion exchange. This process can increase brine grades to 50-60,000 mg/L Li, with flexible optionality to then produce a range of high quality, low impurity lithium products (chloride, carbonate, hydroxide) as per offtake requirements

- The direct extraction process is an environmentally friendly and proven technology since virtually all the water (brine) is returned to its source, offering the Electric Vehicle (EV) and battery industry a sustainable and consistently high-quality source of lithium for their supply chains. Solvents and other chemicals do not come into contact with the environment during this process. It also requires drastically less space since evaporation ponds are not used

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- UK Companies that can be involved in this project are potentially, [REDACTED]

[REDACTED] HATCH UK [REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- *New players advance extraction techniques that hold the potential to upend lithium supply, Fitch points out. Lake Resources [REDACTED], for example, have developed direct lithium extraction (DLE) techniques that claim to reduce the environmental impact compared with traditional evaporation methods.*

- The Lilac Processing Plant [REDACTED]

- A process that yields concentrated high-purity lithium solutions from low grade brines and rejects the waste brine
- It's a modular plant and can be ramped up / scaled easily
- Units come in shipping containers on a "plug and use" system
- They use ION exchange beads and a continuous column system – simple and robust
- With Lilac operationally committed to replace the units through the life of the plant

More on the Lilac Plant - <https://www.lilacsolutions.com>

- Lilac Solutions Inc, supported by Bill Gates led Breakthrough Energy fund and MIT's The Engine Fund is Lake Technology partner for this project
- Lake have partnered with Lilac Solutions Inc., a renowned USA based water treatment firm. Using their proven chemical process of direct extraction ion exchange technology, the production time is reduced substantially from 24 months to 3 hours, with higher recoveries of 85-90% vs. conventional brine peers' 40-50%
- Lilac have developed a method to address the challenges faced by conventional lithium producers:

- Large evaporation ponds are expensive, consume vast amounts of water, slow to start-up, vulnerable to weather, often difficult to permit, suffer from low recoveries and are ineffective for most brines with low lithium grades and/or high levels of impurities
- Lilac's unique process uses ion exchange beads and a continuous column system, resulting in a simple and robust process that yields concentrated high-purity lithium solutions from low grade brines, while rejecting the waste brine. The plant is modular and can ramp-up quickly from pilot to commercial scale
- The technology brings environmental and sustainable advantages not offered by conventional brine nor hard rock lithium producers: Low water consumption and low carbon footprint. Once the lithium has been extracted from the brine, over 99% of the brine is reinjected back into the aquifer. Traditional evaporation ponds are not required. Renewable energy, anticipated to supply 100% of the energy demands will result in potentially the lowest carbon footprint lithium product available
- The scale-up from the pilot module to full production scale modules is expected to be a relatively small, 3-5 times, depending on the final module design
- [REDACTED]

Lilac Processes – modular / turn key package

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Lilac and Lake Partnership

- [REDACTED]. The relationship between the two parties is strategic and the following has been publicly announced:-
 - A closer relationship to be announced between Lake and Lilac with documentation adequate to support project financing the Kachi project with Lilacs technology
 - [REDACTED]
 - That the agreement with Lilac would cover the life of the Kachi project and supply of their services and technology

Drilling and Pumping Tests

- One should not consider this as a mining project. This is an industrial project where the impact is minimal
- Pipes are drilled into the salar to pump out the brine and, in a different location, pipes are drilled to reinject the water back into the salar after the lithium has been extracted
- In June 2021, a drilling campaign will commence in order to:
 - 1) define maiden Reserves (to enable DFS production planning and hydrogeological resource modelling)
 - 2) upgrade current Resources from lower confidence categories of Inferred and Indicated, into Indicated and Measured, and
 - 3) increase the size of the resource further (to accommodate for longer production life, and potentially higher production volumes)
- The drilling will take [REDACTED] to be completed and will be funded out of equity
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- The results from flow rates in and out of the aquifer will enable HATCH to define the number of pumps and associated infrastructure required to meet the target production figure of 25,500tpa LCE, as well as potential increases to 51,000 tpa production volumes
- The hydrogeological model will take [REDACTED] after drilling is completed
- All of this will be completed and verified BEFORE any ECA debt is put into place

Offtaker Strategy

- The supplier accreditation process is underway with good credit quality offtakers
- [REDACTED]
- [REDACTED]
- [REDACTED]
- All parties agree that any debt package will need to be supported by strong, credit worth offtakers in a manner conducive to the needs of all the debt providers

The Lithium Market / Cost Curve Comparison / Projected Gross Margin

- [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - Consequently, we expect Lake will comfortably attract offers from Tier 1 offtakers looking to improve their raw material supply chains to meet policy and consumer demands
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]

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Key Risk Analysis

Risk	Risk Mitigant	Rating
[Redacted]	[Redacted]	LOW
[Redacted]	[Redacted]	LOW
[Redacted]	[Redacted]	LOW

	<p>[REDACTED]</p> <p>[REDACTED]</p>	
<p>[REDACTED]</p> <p>[REDACTED]</p>	<p>Lake have achieved a lithium carbonate purity of [REDACTED], exceeding the battery grade [REDACTED] giving them a superior advantage over current producers. Their technology partners, [REDACTED] and [REDACTED], are converting this into batteries demonstrating superior performance over current commercial samples. [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	<p>LOW</p>
<p>[REDACTED]</p> <p>[REDACTED]</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	<p>LOW</p>
<p>[REDACTED]</p>	<p>Use of ECA funding (ideally with an element at the OECD CIRR) keeps interest rate risk low. Revenue and debt will both be in US\$ providing a natural hedge</p>	<p>LOW</p>
<p>[REDACTED]</p>	<p>Whilst based in Argentina the project will be under English Law, English Jurisdiction. The use of the ECA facility will also provide a [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	<p>LOW</p>
<p>[REDACTED]</p>	<p>Permitting & approvals are being undertaken, expected [REDACTED]</p> <p>[REDACTED] Community engagement is also ongoing to ensure effective progression. There will be special emphasis on the protection of water sources and salar aquifers, maintaining the ecological regime, and the safe and sustainable management of liquid and solid wastes</p>	<p>LOW – MEDIUM</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	<p>The performance and durability of the [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>The [REDACTED] demonstration plant is anticipated to be deployed and operational by [REDACTED] Success of this demonstration plant will be key milestone before the ECA debt is in place</p>	<p>LOW – MEDIUM</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>[REDACTED]</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	<p>[REDACTED]</p>

	[Redacted]	
[Redacted]	[Redacted] Out of scope	[Redacted]

Any questions please contact:

Gabriel Buck, Managing Director. Email. [Redacted]

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