

LAKE RESOURCES N.L.

ABN 49 079 471 980

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2015

LAKE RESOURCES N.L.

ABN 49 079 471 980

CONTENTS

DIRECTORS' REPORT

DIRECTORS' DECLARATION

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CASH FLOWS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S INDEPENDENCE DECLARATION

INDEPENDENT AUDITOR'S REVIEW REPORT

LAKE RESOURCES NL
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DIRECTORS' REPORT

Your Directors submit the financial report of Lake Resources N.L. group for the half-year ended 31 December 2015.

DIRECTORS

The names of Directors who held office during or since the end of the half-year and to the date of this report are:

Peter J. Gilchrist
James G. Clavarino
Ross Johnston

OPERATING RESULT AND REVIEW OF OPERATIONS

As previously reported, Directors are assessing the company's strategic direction regarding investment and exploration opportunities. The company will need to raise further working capital to continue with any planned activities. The operating loss after applicable income tax for the half-year to 31 December 2015 was \$39,067 (2014: \$57,669 loss). The company continued in its joint venture arrangement which was ratified on 19 June 2015. Refer also to the Quarterly Reports released by the Company for the periods July to September 2015 and October to December 2015.

The Company's financial position shows net assets at 31 December 2015 of \$70,646 (30 June 2015: \$109,713). Net cash flow in the 6 month period was \$ 45,686 negative. The financial statements have been prepared on a going concern basis.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the half year ended 31 December 2015 has been received and is located in this financial report.

This report is signed in accordance with a resolution of the Board of Directors.



J Clavarino
Director

Dated: 14 March 2016

LAKE RESOURCES NL

ABN 49 079 471 980

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001, including
 - (a) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



J Clavarino
Director

Dated: 14 March 2016

LAKE RESOURCES NL
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	31 December 2015 \$	31 December 2014 \$
<hr/>			
Revenue		-	-
Less Expenses:			
Administrative costs		(9,533)	(9,493)
Exploration expenditure expensed		(607)	(22,426)
Corporate costs		(28,927)	(25,750)
		<hr/>	
Loss before income tax	2	(39,067)	(57,669)
Income tax expense		-	-
		<hr/>	
Loss for the period, attributable to members of the company		(39,067)	(57,669)
Other comprehensive income for the period, net of tax		-	-
		<hr/>	
Total comprehensive income for the period attributable to members of the company		(39,067)	(57,669)
		<hr/> <hr/>	
Earnings per share			
Basic earnings per share (cents per share)		(0.00)	(0.00)
Diluted earnings per share (cents per share)		(0.00)	(0.00)
Dividends		-	-

The accompanying notes form part of these financial statements.

LAKE RESOURCES NL
ABN 49 079 471 980

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	31 December 2015 \$	30 June 2015 \$
CURRENT ASSETS			
Cash and cash equivalents		84,536	130,222
Prepayments		5,545	1,070
Total Current Assets		90,081	131,292
NON-CURRENT ASSETS			
Investment accounted for using the equity method	5	35	35
Total Non-Current Assets		35	35
TOTAL ASSETS		90,116	131,327
CURRENT LIABILITIES			
Trade and other payables		19,470	21,614
Total Current Liabilities		19,470	21,614
NON-CURRENT LIABILITIES			
		-	-
TOTAL LIABILITIES		19,470	21,614
NET ASSETS		70,646	109,713
EQUITY			
Issued capital		8,946,465	8,946,465
Reserves		4,997	4,997
Accumulated losses		(8,880,816)	(8,841,749)
TOTAL EQUITY		70,646	109,713

The accompanying notes form part of these financial statements.

LAKE RESOURCES NL

ABN 49 079 471 980

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	Issued Capital \$	Capital Profits Reserve \$	Retained Earnings/ (Accumulated Losses) \$	Total \$
Balance 1 July 2014		8,690,935	4,997	(8,753,329) -	57,397
Total comprehensive income/(loss) for period		-	-	(57,669)	(57,669)
Subtotal		8,690,935	4,997	(8,810,998)	(115,066)
Shares issued during the period		234,410	-	-	234,410
Balance 31 December 2014		8,925,345	4,997	(8,810,998)	119,344
Balance 1 July 2015		8,946,465	4,997	(8,841,749)	109,713
Total comprehensive income/(loss) for period		-	-	(39,067)	(39,067)
Balance 31 December 2015		8,946,465	4,997 -	8,880,816	70,646

The accompanying notes form part of these financial statements.

LAKE RESOURCES NL

ABN 49 079 471 980

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	31 December 2015 \$	31 December 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(45,686)	(41,497)
Net cash provided by (used in) operating activities	(45,686)	(41,497)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash provided by (used in) investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	234,410
Related entity advance	-	27,000
Net cash provided by (used in) financing activities	-	261,410
Net increase (decrease) in cash held	(45,686)	219,913
Cash at start of period	130,222	3,353
Cash at end of period	84,536	223,266

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2015 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Lake Resources NL. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2015, together with any public announcements made during the following half-year.

These financial statements were authorised for issue on the date of signing the accompanying Directors' Declaration.

b) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The critical estimates and judgements in these financial statements are consistent with those applied in the June 2015 report.

The consolidated entity has considered the implications of new and amended Accounting Standards, but determined their application is either not relevant or not material.

c) Continued Operations and Future Funding

The financial report has been prepared on a going concern basis that contemplates the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of business.

As outlined in previous financial reports and disclosures by the Company, the ongoing planned business activities have been focussed on the exploration program in Pakistan. Historically the Company has financed these activities through equity. Directors are assessing the company's strategic direction regarding investment and exploration opportunities. The company will need to raise further working capital to continue with any planned activities.

At 31 December 2015, the Company's balance sheet shows net assets of \$70,646 (30 June 2015: \$109,713). The Company funded operations in the period from existing resources sourced from a previous capital raising.

The Directors have formed the view that it is appropriate to prepare the financial report on a going concern basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 2: LOSS FOR THE HALF YEAR

The current half year result primarily includes insurance costs, listing costs and share registry costs.

NOTE 3: COMMITMENTS FOR EXPENDITURE AND CONTINGENT LIABILITIES

There are no contingencies and commitments at 31 December 2015.

LAKE RESOURCES NL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 4: SEGMENT INFORMATION

The Company operates entirely in the mineral exploration industry with interests in Pakistan and corporate operations in Australia. Accordingly, the information provided to the Board of Directors is prepared using the same measures used in preparing the Statement of Profit and Loss and Other Comprehensive Income and Statement of Financial Position.

(a) Performance by geographical region

	Australia		Pakistan		Economic Entity	
	31 December		31 December		31 December	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Total Revenue	-	-	-	-	-	-
Segment Result	(39,067)	(57,669)	-	-	(39,067)	(57,669)
Income tax expense	-	-	-	-	-	-
Loss after income tax expense	(39,067)	(57,669)	-	-	(39,067)	(57,669)

(b) Assets by geographical region

	31 December 2015 \$	30 June 2015 \$
Australia	87,860	129,036
Pakistan	2,256	2,291
	<u>90,116</u>	<u>131,327</u>

LAKE RESOURCES NL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 5: ASSOCIATE AND JOINT ARRANGEMENT

Lake Resources NL holds 27.5% interest through its subsidiary in Chagai Resources Joint Venture, a joint venture arrangement between the group and two other parties. The principal place of business of the joint venture is Pakistan and the primary purpose of the joint venture is mineral exploration. The joint venture acquired the Pakistan exploration licences previously held by the company. The Chagai Resources Joint Venture vehicle is an incorporated entity, Chagai Resources (Pvt) Ltd. The group's interest in the joint venture is equity accounted. The group's investment represents its share of net assets.

The initial financial contribution to the joint venture will be a minimum of US\$1.9 million by the major joint venture party, Colt Resources Middle East, to be expended on exploration of the licences within 3 years. If the contribution is not made and/or Chagai Resources fails to expend the contribution on exploration of the licence areas within 3 years, then Lake Mining Pakistan will assume 100% ownership of Chagai.

NOTE 6: RELATED PARTY TRANSACTIONS

The Company undertakes transactions with related parties in the normal course of business. In the current period arrangements with related parties continue to be in place, consistent with those reported in the 30 June 2015 annual financial report.

The company has a wholly owned subsidiary entity, Lake Mining Pakistan (Pvt) Limited. That company had no operations in the period.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

There are no significant events subsequent to reporting date.



Hayes Knight
Accountants, Advisors & Auditors

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Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

To the Directors of Lake Resources NL

As lead auditor for the review of Lake Resources NL for the half-year ended 31 December 2015 I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions to the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

N D Bamford
Director

Date: 14 March 2016



Hayes Knight
Accountants, Advisors & Auditors

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INDEPENDENT AUDITOR'S REVIEW REPORT **To the members of Lake Resources NL**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lake Resources NL (the company), which comprises the consolidated statement of financial position as at 31 December 2015 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year-ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Lake Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Lake Resources NL as attached to the directors' report, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Independent auditor's review report to the members of Lake Resources NL
(continued)**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lake Resources NL is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

N D Bamford
Director

Date: 14 March 2016