LAKE RESOURCES N.L.

ABN 49 079 471 980

FINANCIAL REPORT
FOR THE YEAR ENDED

30 JUNE 2016

Your directors present their report of Lake Resources N.L. group ("the Group") for the year ended 30 June 2016.

Directors

The directors of the Company at any time during or since the end of the year are:

	Meetings Attended	Meetings Eligible to Attend
R Johnston - Chairman (Independent Director)	4	4
J.G. Clavarino - Exploration Director	4	4
P.J. Gilchrist - Managing Director	4	4

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Because of the small size of the Company, the board of directors has not formed an audit committee as all board members take an active role in all audit matters.

Company Secretary

The Company secretary of the Company during the year has been PJ Gilchrist.

Principal Activities

As set out in review of operations below the group had farmed out its interest Pakistan exploration interests in June 2015.
In the current year the group's principal activity was to maintain its equity interest in that venture.

Operating Results

The operating loss after applicable income tax was $41,682 (2015: $88,420).

Dividends

No dividend has been proposed or paid during the financial year.

Review of Operations

During the previous year the company concluded the farm out of its Chagai Project in Balochistan, Pakistan. The Chagai Project is situated in the Tethyan magmatic arc, which extends from Turkey, through Iran into Pakistan and hosts a number of world-class copper gold deposits including the Saindak copper-gold mine and the giant Reko Diq copper-gold deposits.

Under the terms of an Exclusivity Agreement and associated Shareholders Agreement and Share Subscription Agreement with Colt Resources Middle East (CRME) and Aamir Resources Consultants, CMRE can earn a majority interest in the project through exploration expenditure of US$1.9 million by 2018 and a further US$3.1 million within a further period of 3 years.

Pursuant to these agreements, Lake Resources surrendered its three exploration licences and new exploration licences covering the same areas as the surrendered licences were granted to the Pakistan incorporated operating entity, Chagai Resourcs (Pvt) Limited for a period of 3 years , effective 12 June 2015. Lake Resources 27.5% interest in Chagai Resources is held through a wholly owned Pakistan incorporated subsidiary, Lake Mining Pakistan (Pvt) Limited.

During the year under review no significant exploration activities were undertaken by Chagai Resources pending approval of government security clearances for key personnel - the security clearances were granted in June 2016.

Also during the year Lake Resources continued to investigate other investment and exploration opportunities. In this regard on 25 May 2016 the company advised in an announcement to the ASX that it had signed a conditional purchase agreement for all the shares in Lith NRG Pty Ltd, a private explorer with lithium focused exploration applications in Argentina together with a capital raising to fund exploration. The agreement is conditional on completion of due diligence and shareholder approval.

Financial Position

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.

Following the restructure of the Pakistan business, the Group's net assets at 30 June 2016 are $68,031 (2015: $109,713) , including cash of $74,210 (2015: $130,222). Ongoing financial needs of the Group will continue to be carefully managed given the restructuring which has occurred, and future plans.

Significant Changes in State of Affairs

Apart from matters referred to above regarding exploration and financing strategies, there were no significant changes in the state of affairs of the Group.

Future Developments, Prospects and Business Strategies

The Group's business model has been to develop a profitable minerals discovery business. The exploration focus has been copper/gold in Pakistan, with funding from equity.

Following the restructure of the Pakistan business these activities have now been farmed out. The Group is also considering lithium projects in Argentina. Business risks related to future developments include financial risk, exploration risk and sovereign risk, as well as general business risks.

Share Options

At the date of this report, there were no share options over unissued ordinary shares of the Company.

Non-Audit Services

The auditors did not provide non-audit services to the Group during the financial year.

Any non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor or general principles relating to auditor independence.

Officers and Auditors Indemnification

During the financial period the Company paid an insurance premium in respect of a contract insuring the directors of the Company, the Company secretary and all executive officers of the Company against a liability incurred as such by a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The amount of the premium was $9,160 (2015: $9,160) for all directors and officers.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify any officer or auditor of the Company against a liability incurred as an officer or auditor.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors support and have adhered to the principles of Corporate Governance. The Company's Corporate Governance Statement is published on the Company's website www.lakeresources.com.au.

Subsequent Events
On 25 May 2016 the company advised in an announcement to the ASX that it had signed a conditional purchase agreement for all the shares in Lith NRG Pty Ltd, a private explorer with lithium-focused exploration applications in Argentina together with a capital raising to fund exploration. The agreement is conditional on completion of due diligence and approval by shareholders at the annual general meeting. These matters remain in process at the date of signing this report.

Environmental Regulations
The Group's operations are not regulated by any significant environmental regulation under the law of the Commonwealth or of a State or Territory.

Information on Directors
The Company's Directors have a strong background in mineral exploration, mining engineering, mine management, finance and accounting, with considerable international experience including Australia, USA, Canada, Philippines, Indonesia, Papua New Guinea, Pakistan, Myanmar and Sweden.

NAME	QUALIFICATIONS	APPOINTED
Ross Johnston	B.Com, FCA	08-08-97
Peter J. Gilchrist	B.Eng(Civil), M.Eng Sc, MBA.	08-08-97
James G. Clavarino	FRMIT (Geology) MAIMM, MMICA.	08-08-97

Ross Johnston (Independent Director) - Over 30 years experience as an accountant in public practice, having founded one of the larger independently-owned accountancy practices in Queensland. Has long experience in commercial and financial experience on various boards.

Jim Clavarino (Executive Director) - Has worked as a mineral exploration geologist for over 35 years in Australia and many parts of the world, with considerable experience as a director of mineral exploration companies.

Peter Gilchrist (Executive Director) - Over 30 years experience as an engineer in mining, construction and manufacturing in Australia and USA. He is Executive Chairman of the Aquatec Maxcon Group, which manufacture and install water treatment equipment for a wide range of customers in the municipal, power and mining industries.

Details of Company Secretary - Peter Gilchrist (Executive Director) has been Company secretary since the formation of the Company, and has experience as secretary with a number of companies.

Relevant direct interests of the Directors in the shares of the Company are:-

	Balance 30-6-16
Ross Johnston	-
Peter J. Gilchrist	-
James G. Clavarino	3,661,400

Messrs Gilchrist and Johnston have an interest in 13,190,758 shares held by 202 Ltd, and 5,122,560 shares held by Kemkay Pty Ltd, a subsidiary of 202 Ltd, entities of which they are both Directors and Mr Johnston is a shareholder.

Mr Gilchrist has an interest, through a close family member, in 3,360,730 shares in the company.

Mr Ross Johnston is a Director and substantial shareholder of Bushfly Air Charter Pty Ltd, a company which holds 4,000,000 shares in the company.

Mr Clavarino is a director and shareholder of Lake Gold Pty Ltd, a company which holds 400,000 shares in the company.

There were no movements in these interests during the financial year.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Remuneration Report (Audited)

This report details the policies, nature and amount of remuneration for each director of Lake Resources NL.

A. Remuneration policy and practices

The board policy is to remunerate directors at market rates for time, commitment, responsibilities and overall performance. The board determines payments to the directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of directors' fees that can be paid is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company. The Group did not utilise the services of remuneration consultant for the year.

As the Group has no full-time employees, contract services are engaged for executive directors who are remunerated with cash consideration.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. The Group does not issue equity based remuneration. All remuneration, and any other transactions with key management personnel are on normal commercial terms and conditions. For 2016, no remuneration has been paid as the Group has restructured and recapitalised.

B. Performance-based Remuneration

The Company does not pay any incentive performance-based component of remuneration.

C. Company performance, shareholder wealth and director and executive remuneration

As discussed in Part A of the Remuneration Report, the maximum aggregate amount of directors' fees that can be paid to directors is subject to approval by shareholders at the Annual General Meeting. To align directors' and shareholder interests, the directors are encouraged to hold shares in the Company. The Company has no full-time employees but engages contactors as necessary.

The current remuneration policy seeks to align director and executive objectives with those of shareholders by recognising the exploration and development stage of the Company and the criticality of funds being utilised to achieve development objectives.

The following table shows some key performance data of the Company for the last five years, together with the share price at the end of each respective year.

	2012	2013	2014	2015	2016
	$	$	$	$	$
Revenue	75,477	11,361	-	-	-
Net Loss	136,750	6,525,567	135,093	88,420	41,682
Net Assets	6,603,263	77,696	(57,397)	109,713	68,031
Capitalised Exploration Expenditure	6,042,045	-	-	-	-
Share Price at Year-end	0.02	0.01	0.01	0.01	0.01
Dividends Paid	nil	nil	nil	nil	nil

D. Key Management Personnel Remuneration for Year

The remuneration received and receivable for each director of the Company during the year was as follows:

2016	**Short-term Benefits**		**Other**		
Key Management Personnel	Fees	Contract Service Fees	**employment Benefits**	**Total**	Performance Related
	$	$	$	$	%
Ross Johnston (Non-Executive Director)	-	-	-	-	-
Jim Clavarino (Executive Director)	-	- #	-	-	-
Peter Gilchrist (Executive Director)	-	- *	-	-	-
	-	-	-	-	-

2015	Short-term Benefits		Other		
Key Management Personnel	Fees	Contract Service Fees	employment Benefits	Total	Performance Related
	$	$	$	$	%
Ross Johnston (Non-Executive	-	-	-	-	-
Jim Clavarino (Executive Director)	-	- #	-	-	-
Peter Gilchrist (Executive Director)	-	- *	-	-	-
	-	-	-	-	-

***** The company has engaged Trenlin Pty Ltd, a company which Mr PJ Gilchrist is a shareholder to provide professional services to the company.

The Company has engaged Argent Resources Pty Ltd, a company which Mr Clavarino is a director, to provide exploration services to the Group.

These services are provided on normal commercial terms and conditions, no more favourable than those provided by other parties, except that in 2015 and 2016 these services have been rendered for nil consideration.

E. Service contracts of directors and specified executives

The service conditions of the managing director, Mr Peter Gilchrist, and the exploration director, Mr Jim Clavarino are not formalised in contracts.

The Group does not have any employment contracts.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and is attached to the directors' report.

This directors report is signed in accordance with a resolution of directors.

P.J. Gilchrist
Director

Brisbane, Queensland
19 July 2016

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

To the Directors of Lake Resources N.L.

I declare that, to the best of my knowledge and belieffor the year ended 30 June 2016there have been no contraventions:

(i) to the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) of any applicable code of professional conduct in relation to the audit.

This declaration is made in respect of Lake Resources N.L. and the entities it controlled during the year.

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd

Nigel Bamford

N D Bamford
Director

Date:19 July 2016

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LAKE RESOURCES N.L.

Report on the Financial Report

We have audited the accompanying financial report of Lake Resources N.L. (the Company), which comprises the consolidated statement of financial position as at 30 June 2016, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note1the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *CorporationsAct 2001*.We confirm that the independence declaration required by the *Corporations Act 2001*which has been provided to the directors of Lake Resources N.L. as attached to the directors' report, has not changed as at the date of this auditor's report.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LAKE RESOURCES N.L. (CONTINUED)

Auditor's Opinion

In our opinion:

a) the financial report of Lake Resources N.L. is in accordance with the Corporations Act 2001, including:

   i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
   ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis Of Matter – Continued Operations and Future Funding

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the Directors are assessing the Company's strategic direction regarding investment and exploration opportunities, and that the Company will need to raise further working capital to continue with any planned activities. At 30 June 2016 the Company's balance sheet shows net assets of $68,031 including cash balance of $74,210.

On 25 May 2016 the Company announced an intention to purchase Argentine exploration interests and conduct a capital raising. These matters will require shareholder approval in a planned forthcoming shareholder meeting.

The directors have prepared the financial report on a going concern basis which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future. The financial report does not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary, should the Company be unable to secure further working capital.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Lake Resources N.L. for the year ended 30 June 2016 complies with s 300A of the Corporations Act 2001.

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd

Nigel Bamford

N D Bamford
Director

Level 28, 10 Eagle Street,
Brisbane, QLD, 4000

Date:19 July 2016

LAKE RESOURCES N.L.

ABN 49 079 471 980

DIRECTORS' DECLARATION

The directors of the company declare that:

1 The attached financial statements and notes are in accordance with the *Corporations Act 2001* and:

(a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

(b) give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and it's performance for the 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; and

3 The directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

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

Brisbane, Queensland
19 July 2016

LAKE RESOURCES NL

ABN 49 079 471 980

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2016

	Note	2016 $	2015 $
Revenue	2	-	-
Classification of Expenses by Function:			
Exploration expenditure expensed/written back		12,017	(34,117)
Administrative expenses		(16,241)	(15,511)
Corporate expenses		(37,458)	(38,792)
Loss before income tax expense	3	(41,682)	(88,420)
Income tax expense	4	-	-
Loss for the year attributable to members of the company		(41,682)	(88,420)
Other comprehensive income:			
Items that will not reclassified to profit or loss		-	-
Iterms that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the period attributable to members of the company		(41,682)	(88,420)
Earnings per share			
Basic earnings per share (cents per share)	7	(0.001)	(0.001)
Diluted earnings per share (cents per share)	7	(0.001)	(0.001)
Dividends per share (cents per share)		-	-

The accompanying notes form part of these financial statements.

LAKE RESOURCES NL

ABN 49 079 471 980

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Note	2016	2015 $
CURRENT ASSETS			
Cash and cash equivalents	8	74,210	130,222
Other current assets	9	1,070	1,070
Total Current Assets		75,280	131,292
NON-CURRENT ASSETS			
Investment accounted for using the equity method	10	35	35
Exploration and evaluation expenditure	11	-	-
Total Non-Current Assets		35	35
TOTAL ASSETS		75,315	131,327
CURRENT LIABILITIES			
Trade and other payables	12	7,284	21,614
Total Current Liabilities		7,284	21,614
NON-CURRENT LIABILITIES			
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		7,284	21,614
NET ASSETS		68,031	109,713
EQUITY			
Issued capital	14	8,946,465	8,946,465
Reserves	15	4,997	4,997
Accumulated losses		(8,883,431)	(8,841,749)
TOTAL EQUITY		68,031	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 Year Ended 30 June 2016

	Issued Capital	Capital Profits Reserve	Retained Earnings	Total
	$	$	$	$
Balance 1 July 2014	8,690,935	4,997	(8,753,329)	(57,397)
Net loss for year	-	-	(88,420)	(88,420)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(88,420)	(88,420)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the year - note 16	255,530	-	-	255,530
Total transactions with owners and other transfers	255,530	-	-	255,530
Balance 30 June 2015	8,946,465	4,997	(8,841,749)	109,713
Balance 1 July 2015	8,946,465	4,997	(8,841,749)	109,713
Net loss for year	-	-	(41,682)	(41,682)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(41,682)	(41,682)
Transactions with owners, in their capacity as owners, and other transfers				
Total transactions with owners and other transfers	-	-	-	-
Balance 30 June 2016	8,946,465	4,997	(8,883,431)	68,031

The accompanying notes form part of these financial statements.

LAKE RESOURCES NL
ABN 49 079 471 980

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(56,012)	(52,506)
Net cash provided by/ (used in) operating activities	**16**	(56,012)	(52,506)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for investment in associate		-	(35)
Net cash provided by/ (used in) investing activities		-	(35)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue	**14**	-	234,410
(Repayment) / Proceeds of/from borrowings		-	(55,000)
Net cash provided by/ (used in) financing activities		-	179,410
Net increase/(decrease) in cash held		(56,012)	126,869
Cash at beginning of year		130,222	3,353
Cash at end of year	**8**	74,210	130,222

The accompanying notes form part of these financial statements.

These consolidated financial statements and notes represent those of Lake Resources NL and Controlled Entities (the "consolidated group" or "group"). Lake Resources NL is a listed public company, incorporated and domiciled in Australia.

The separate financial statements of the parent entitiy, Lake Resources NL, have not been presented within the financial report as permitted by the Coproations Act 2001.

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001,* Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial report has been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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 previous business activities have been focussed on the exploration program in Pakistan. Historically the Company has financed these activities through equity. These activities were farmed out in June 2015. 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, and as set out in note 22 on 25th May 2016 the company announced an intention to purchase Argentine exploration interests and conduct a capital raising.

At 30 June 2016 the Company's balance sheet shows net assets of $68,031 including a cash balance of $74,210. The Company funded operations in the year 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.

Accounting Policies

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Lake Resources NL) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of subsidiaries is provided in Note 13.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the group from the date on which control is obtained by the group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the group.

Note 1: Statement of Significant Accounting Policies (cont)

b. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant tax authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Note 1: Statement of Significant Accounting Policies (cont)

c. Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

d. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit and loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised costs using the effective interest rate method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between the initial amount and the maturity amount calculated using the effective interest rate method.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Note 1: Statement of Significant Accounting Policies (cont)

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the profit or loss.

e. Impairment of Assets

At each reporting date, the company assesses whether there is any indication that an set may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the assets carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment).* Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f. Foreign Currency Transactions and Balances

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Note 1: Statement of Significant Accounting Policies (cont)

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange rate differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

g. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

i. Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable.

All revenue is stated net of the amount of goods and services tax (GST).

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

k. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to the company, are classified as finance leases.

Lease payments to operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Note 1: Statement of Significant Accounting Policies (cont)

l. Fair Value of Assets and Liabilities

The company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis after initial recognition, depending in the requirements of the applicable Accounting Standard. Currently though there are no assets or liabilities measured at fair value.

Fair value is the price the Company would receive to see an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuations techniques maximise, to the extent possible, the use of observable market data.

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

m. Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method of accounting , whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the joint venture.

n. Equity Settled Compensation

The company makes equity-settled share-based payments to directors, employees and other parties for services provided. The fair value of the equity is measured at grant date and recognised as an asset or as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price.

o. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

The critical accounting estimate/judgement used in preparing the financial statements is the going concern basis - see note 1 Basis of Preparation above.

	2016 $	2015 $
NOTE 2: REVENUE		
Revenue	-	-

NOTE 3: PROFIT/(LOSS) FOR THE YEAR

The current year result primarily includes listing costs, share registry fees, insurance costs and audit fees, offset by prior year accrued exploration costs of $12,017 written back.

NOTE 4: INCOME TAX EXPENSE/(BENEFIT)

	2016 $	2015 $
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Prima facie tax payable/(benefit) on profit/(loss) from ordinary activities before tax income tax at 30% (2015: 30%).	(12,505)	(26,526)
Add tax effect of:		
Future income tax benefit of tax losses not brought to account	12,505	26,526
Income tax expense	-	-
The weighted average effective tax rate is	0%	0%

The Company has unrecouped, unconfirmed carry forward tax losses of approximately $9.6 million (2015: $9.5 million).

A deferred income tax asset arising from carry forward tax losses will only be recognised to the extent that:

(a) it is probable that the Company will derive future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realised;

(b) the Company continues to comply with the conditions for deductibility imposed by the law; and

(c) no changes in tax legislation adversely affect the Company in realising the benefit from the losses.

	2016	2015
	$	$

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Names and positions held of Company key management personnel in office at any time during the financial year are:

Peter Gilchrist	Managing Director
James Clavarino	Exploration Director
Ross Johnston	Non-Executive Director

(b) Key Management Personnel Compensation

The Company has no employees. The two working directors operate under contracts to provide services, based on commercial rates. Directors may also receive fees for directorial services. Amounts paid during the year are set out in the directors report. Totals paid are:

	2016 $	2015 $
Fees for all services	-	21,120
Other benefits	-	-
	-	21,120

See note 17 for other transactions with KMP.

(c) Shareholdings

Number of shares directly held by Key Management Personnel (2016)

Key Management Personnel	Opening balance	Received as compensation	Purchases/ (sales)	Closing balance
	No.	No.	No.	No.
Peter Gilchrist	-	-	-	-
James Clavarino	3,661,400	-	-	3,661,400
Ross Johnston	-	-	-	-

Messrs Gilchrist and Johnston have an interest in 13,190,758 shares held by 202 Ltd, and 5,122,560 shares held by Kemkay Pty Ltd, a subsidiary of 202 Ltd, entities of which they are both Directors and Mr Johnston is a shareholder.

Mr Gilchrist has an interest, through a close family member, in 3,360,730 shares in the company.

Mr Ross Johnston is a Director and substantial shareholder of Bushfly Air Charter Pty Ltd, a company which holds 4,000,000 shares in the company.

Mr Clavarino is a director and shareholder of Lake Gold Pty Ltd, a company which holds 400,000 shares in the company.

	2016 $	2015 $

NOTE 6: AUDITORS' REMUNERATION

	2016 $	2015 $
Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial report	9,000	9,200
- other services	-	-
	9,000	9,200

NOTE 7: EARNINGS PER SHARE

		2016 $	2015 $
(a)	The earnings figure used in the calculation of both the basic EPS and the diluted EPS are the	(41,682)	(88,420)
(b)	Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS	95,876,034	83,073,688

(c) Classification of Securities

Only ordinary shares were on issue during the 2016 and 2015 years.

NOTE 8: CASH AND CASH EQUIVALENTS

	2016 $	2015 $
Cash at bank and in hand	74,210	130,222
	74,210	130,222

	2016	2015
	$	$

NOTE 9: OTHER ASSETS

	2016	2015
Current:		
Prepayments	1,070	1,070

NOTE 10: INVESTMENT IN JOINT ARRANGEMENT

Lake Resources NL (the parent) holds a 27.5% interest through its subsidiary in Chagai Resources (Pvt) Ltd, a joint arrangement between the group and two other parties. The principal place of business is Pakistan and the primary purpose is mineral exploration. As set out in note 11, that entity has been granted new exploration licences over areas previously held by Lake Resources which were conditionally surrendered. The new licences have a three year term to June 2018 and are renewable for 2 further periods of 3 years to June 2024. The Group's interest is equity accounted and the Group's investment represents its share of net assets.

	2016	2015
Equity accounted investment	35	35

The initial financial contribution to the entity will be a minimum of US$1.9 million by the major party, Colt Resources Middle East, to be expended on exploration of the licences by 2018. Through further contributions the major party's interest in the project can increase, with Lake's ultimate interest settling at 15%. If the initial contribution is not made and/or Chagai Resources fails to expend the contribution on exploration of the licence areas within 3 years, then the Group will assume 100% ownership of Chagai Resources.

During the year no significant exploration activities were undertaken.

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE

	2016	2015
Exploration and evaluation costs carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	-	-
Movement during the year in exploration and evaluation expenditure:		
At cost:		
Carrying amount at beginning of year	-	-
Surrender of exploration licences in 2015 (see note below)	-	-
Carrying amount at the end of year	-	-

The company held 3 exploration licences in the region of Balochistan in Pakistan - EL 71/5468-78, EL 72/5492-5503 and EL 73/5479-91 – these were conditionally surrendered in the 2015 year and new exploration licences were granted on 12 June 2015 to a new entity in which Lake Resources NL has a 27.5% interest (see note 10) .

Exploration and evaluation costs are carried forward in the statement of financial position as detailed in accounting policy note 1(d). Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of minerals. These costs were fully impaired in 2013 and any subsequent exploration costs have been expensed up to the date the exploration licences were surrendered in 2015.

NOTE 12: TRADE AND OTHER PAYABLES

	2016 $	2015 $
Current		
Unsecured		
Sundry creditors and accrued expenses	7,284	21,614
	7,284	21,614

NOTE 13: INTEREST IN SUBSIDIARY

The subsidiary listed below was incorporated on 4 December 2014.
The subsidiary has share capital consisting solely of ordinary shares which are held directly by the group. The proportion of ownership interests held equals the voting rights held by the group. The subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	*Principal place of business*	*Ownership interest*
Lake Mining Pakistan (Pvt) Limited	Pakistan	100%

The subsidiary was incorporated for $35 and acquired the Chagai Resources interest - see note 10.

NOTE 14: ISSUED CAPITAL

		2016 $	2015 $
	95,876,034 (2015: 95,876,034) fully paid ordinary shares	8,946,465	8,946,465
(a)	**Fully paid ordinary shares**		
	Balance at the beginning of the reporting period	8,946,465	8,690,935
	Shares issued during the year - rights issue (i)	-	234,410
	- share based payment (ii)	-	21,120
	Balance at reporting date	8,946,465	8,946,465
			No.
	Balance at the beginning of the reporting period	95,876,034	70,323,026
	Shares issued during the year - rights issue (i)	-	23,441,008
	- share based payment (ii)	-	2,112,000
	Balance at reporting date	95,876,034	95,876,034

(i) In 2015 the company completed a 1 right for every 3 shares held non-renounceable rights issue at $0.01 per share.
(ii) In 2015 2,112,000 shares were issued at $0.01 per share to a director in settlement of services rendered (note 17).

The Company does not have authorised capital or par value in respect of its issued shares.

Ordinary shares participate in dividends and the proceeds on winding up of the entity in proportion to the number of shares held.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Options

There are no options over shares.

(c) Capital Management

Exploration companies such as Lake Resources NL are funded primarily by share capital. The Company’s capital comprises share capital supported by financial assets and financial liabilities.
Management controls the capital of the Company to ensure it can fund its operations and continue as a going concern.
Capital management policy is to fund exploration activities by way of equity. No dividend will be paid whilst the Company is in its exploration stage. There are no externally imposed capital requirements.
There have been no changes in capital management policies since the prior year.

NOTE 15: RESERVES

		2016 $	2015 $
(a)	**Capital Profits Reserve**	4,997	4,997

The capital profits reserve records non-taxable profits on sale of investments.

NOTE 16: CASH FLOW INFORMATION

(a) Reconciliation of Cash Flow from Operations with Profit/(loss) after Income Tax:

	2016 $	2015 $
Profit/(loss) after income tax	(41,682)	(88,420)
Non-cash flows in result: expenses written back.	(12,017)	-
Changes in operating assets and liabilities:		
Decrease/(Increase) in receivables	-	21,866
(Decrease)/Increase in trade creditors and accruals	(2,313)	14,048
Cash flows from operations	(56,012)	(52,506)

As set out in note 17 a share based payment of $21,120 was made in the prior year.

NOTE 17: RELATED PARTY TRANSACTIONS

The company received funding from 202 Limited in 2014; this funding was repaid in 2015. Otherwise the company's main related parties are the directors (key management personnel) and their related entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Directors' transactions with the Company

Directors' remuneration is detailed Note 5(b) and in the remuneration section of the directors report.

	2016 $	2015 $
The Company incurred fees from Argent Resources Pty Ltd, a Company of which Mr J.C. Clavarino is a director, for professional services in relation to exploration work undertaken on behalf of the Company. *	-	-
The Company paid Trenlin Pty Ltd, a Company of which Mr P.J. Gilchrist is a shareholder, nominal rent of premises. *	-	-

* These services were rendered in the year for nil consideration.

	2016	2015
	$	$

NOTE 17: RELATED PARTY TRANSACTIONS (cont)

Directors' holding of shares and options (see also Note 5(c))

Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date, the following equity interests in the Company:

	No.	No.
Ordinary shares	16,544,690	16,544,690

No shares were issued to directors during the year on terms more favourable than those which it is reasonable to expect the entity would have adopted if dealing in an arm's length transaction with an unrelated party.

No options were issued to director related entities during the year (2015: nil), and no options are held by directors or director-related entities.

Share based payment

During the 2015 year the company settled the liability owing to Argent Resources Pty Ltd by the issue of 2,112,000 shares at $0.01 each, totalling $21,120. The price reflected the subscription amount per share achieved by the company in the rights issue in the year.

NOTE 18: COMMITMENTS

Exploration Commitments - nil

See note 10 for further details on exploration activity.

NOTE 19: CONTINGENT AMOUNTS

As set out in note 10 the company's previous exploration activity will now be undertaken by Chagai Resources. Subject to final negotiations regarding that exploration activity:

- the company may be able to recover approximately Pakistan R3 million (approximately $38,000) of exploration licence deposits paid in prior years.
- the company may need to cover the costs approximately Pakistan R3 million (approximately $38,000) of recovery of contractor drill equipment from the tenement sites.
- the company may need to cover final costs of approximately $3,000 in respect of its former Pakistan branch office.

NOTE 20: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of bank balances and payables. The totals for each category of financial instruments, measured in accordance with AASB 139, as detailed in the accounting policies to these financial statements, are as follows:

	Note	2016	2015
			$
Financial Assets			
Cash and cash equivalents	**8**	74,210	130,222
Total Financial Assets		74,210	130,222
Financial Liabilities			
Financial liabilities at amortised cost:			
Trade payables and accrued expenses	**12**	7,284	21,614
Total Financial Liabilities		7,284	21,614

Financial Risk Management Policies

The directors of the company meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The director's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit, liquidity and market risk, consisting of interest rate risk and foreign currency risk.

a. Credit risk

Credit risk arises from the risk that a counterparty will default on obligations to the company.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company. Bank balances are with major international banks.

b. Liquidity risk

Liquidity risk arises from the possibility the company might encounter difficulty meeting obligations on financial liabilities and commitments.

The company manages liquidity risk by monitoring forecast cash flows, and maintaining adequate levels of cash. The table below analyses liquidity.

NOTE 20: FINANCIAL RISK MANAGEMENT (cont)

Financial instrument composition and maturity analysis

	Within 1 year		1 to 5 years		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**	**$**	**$**
Financial liabilities due for payment						
Trade and other payables	7,284	21,614	-	-	7,284	21,614
Total expected outflows	7,284	21,614	-	-	7,284	21,614
Financial assets - cash flows realisable						
Cash and cash equivalents	74,210	130,222	-	-	74,210	130,222
Total anticipated inflows	74,210	130,222	-	-	74,210	130,222
Net (outflow)/inflow on financial instruments	66,926	108,608	-	-	66,926	108,608

c. Market risk
Interest rate risk
The company does not have any material exposure to any interest rate risk as the company has no debt. The company's only interest rate risk exposure is in relation to cash at bank. The company manages interest rate risk as a result of changes in market interest rates through the use of variable rate accounts.

Foreign currency risk
The company is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the company’s measurement currency, and from holding foreign currency financial instruments.

Price risk
The company is not exposed to any commodity price risk.

Sensitivity Analysis
The company has performed a sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

NOTE 20: FINANCIAL RISK MANAGEMENT (cont)

Interest Rate Sensitivity Analysis

At 30 June 2016, the effect on profit and equity as a result of a 2% (2015: 2%) change in the interest rate, with all other variables remaining constant would be +/- $Nil (2015: $Nil)

Foreign Currency Risk Sensitivity Analysis

At 30 June 2016, the effect on profit and equity as a result of a 10% (2015: 10%) change in the value of the Pakistan Rupee, with all other variables remaining constant would be $+/- $205 (2015: +/- $202).

This exposure arises from the Pakistan Rupee bank accounts. Net exposure is PKR 160,456 (2015: PKR 160,456), and is not considered material.

The above interest rate and foreign exchange rate sensitivity analysis were performed on the assumption that all other variables remain unchanged.

Net Fair Values

The net fair value of the company's financial assets and liabilities approximate their carrying value due to the short term nature of all these items (level 2 fair value hierarchy, observable inputs, income approach - amortised cost).

NOTE 21: COMPANY DETAILS

The registered office and principal place of business of the company is:

Lake Resources NL
5 Maud Street
NEWSTEAD QLD 4006

NOTE 22: EVENTS AFTER THE BALANCE SHEET DATE

On 25 May 2016 the company advised in an announcement to the ASX that it had signed a conditional purchase agreement for all the shares in Lith NRG Pty Ltd, a private explorer with lithium-focused exploration applications in Argentina together with a capital raising to fund exploration. The agreement is conditional on completion of due diligence and approval by shareholders at the annual general meeting. These matters remain in process at the date of signing this financial report.

NOTE 23: OPERATING SEGMENTS

(a) 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 financial statements.

(b) Revenue by geographical region

	2016 $	2015 $
Australia	-	-
Pakistan	-	-
Total revenue	-	-

(c) Assets by geographical region

The location of segment assets is disclosed below by geographical location of the assets:

	2016	2015
Australia	73,024	129,036
Pakistan	2,291	2,291
Total assets	75,315	131,327

(d) Major customers

The company has no revenue from external customers.

NOTE 24: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Accounting Standards and Interpretations issued by the AASB that are relevant but not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the group when adopted in future periods, are discussed below:

* AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the group on initial application of this Standard and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the company elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

This Standard is not expected to impact the group's financial statements.

* AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The new Standard does not make any significant changes to lessor accounting and as such is only expected to impact lease accounting from a lessee's perspective. AASB 16 is therfore not expected to significantly impact the group's financial statements.

NOTE 25: PARENT INFORMATION

The following information has been extracted from the books and records of the parent nad has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position	**2016**	**2015**
	$	$
Assets		
Current assets	75,280	131,292
Non-current assets	35	35
Total assets	75,315	131,327
Liabilities		
Current liabilities	7,284	21,614
Non-current liabilities	-	-
Total liabilities	7,284	21,614
Net assets	68,031	109,713
Equity		
Issued capital	8,946,465	8,946,465
Reserves	4,997	4,997
Retained profit	(8,883,431)	(8,841,749)
Total equity	68,031	109,713
Statement of Profit or Loss and Other Comprehensive Income		
Total	(41,682)	(88,420)
Total comprehensive income	(41,682)	(88,420)

Parent entity commitments and contingencies are as for the Group, see notes 18 & 19.

LAKE RESOURCES NL

ABN 49 079 471 980

Additional Information for Listed Public Companies

The shareholder information set out below was applicable as at 15 July 2016.

1. Twenty Largest Shareholders

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Shares

	Name	No. of Ordinary Shares Held	Investors	Percentage of Issued Shares
1	HSBC CUSTODY NOMINEES (AUST) LTD	18,705,925		19.51%
2	202 LTD	13,190,758		13.76%
3	KEMKAY PTY LTD	5,122,560		5.34%
4	KHATTAR CAPITAL INTERNATIONAL PTE LTD	5,000,000		5.22%
5	BUSHFLY AIR CHARTER PTY LTD	4,000,000		4.17%
6	JG CLAVARINO	3,661,400		3.82%
7	ELIZABETH MARGARET GILCHRIST	3,360,730		3.51%
8	INVIA CUSTODIAN PTY LIMITED	2,346,705		2.45%
9	BENSONS OF BRISBANE PTY LTD	2,000,000		2.09%
9	ROBERT TAN KAH BOH	2,000,000		2.09%
9	CHNG SENG CHYE	2,000,000		2.09%
12	CORPORATE PROPERTY SERVICES PTY LTD	1,774,428		1.85%
13	MRS LILIANA TEOFILOVA	1,540,845		1.61%
14	CALAMA HOLDINGS PTY LTD	1,235,608		1.29%
15	FUB INVESTMENTS PTY LTD	1,141,900		1.19%
16	MR K.W.J HARRIS & MISS K FURRO	1,125,000		1.17%
17	MR J.H LATIMER & MRS J.A LATIMER	1,000,000		1.04%
17	JAN MUHAMMED	1,000,000		1.04%
19	PR FROST & SL LECKY	800,000		0.83%
20	MR IANAKI SEMERDZIEV	761,000		0.79%
	TOTAL FOR TOP 20 SHAREHOLDERS:	**71,766,859**	**20**	**74.85%**
	TOTAL OTHER INVESTORS SHAREHOLDINGS	**24,109,175**	**547**	**25.15%**
	TOTAL ORDINARY SHARES ON ISSUE	**95,876,034**	**567**	**100.00%**

2. Distribution of equity securities:

(a) Analysis of security by size of holding -number of security holders

Ranges	Investors	Securities	% Issued Capital
1 to 1000	11	4,428	0.00%
1001 to 5000	77	242,772	0.25%
5001 to 10000	140	1,234,949	1.29%
10001 to 100000	269	8,238,604	8.59%
100001 and Over	70	86,155,281	89.86%
Total	567	95,876,034	100.00%

(b) The number of security investors holding less than a marketable parcel of 12,196 securities ($0.041 on 13/7/2016) is 264, and they hold 1,905,707 securities.

LAKE RESOURCES NL

ABN 49 079 471 980

Additional Information for Listed Public Companies

3. Substantial Shareholders

The following details of substantial shareholders listed in the company's register at 15 July 2016 are:

Shareholder	Number of Shares
HSBC Custody Nominees	18,705,925
202 LTD	13,190,758
Kemkay Pty Ltd	5,122,560
Khattar Capital International	5,000,000

4. Voting Rights

Each ordinary shareholder is entitled to one vote when a poll is called, otherwise each member present at a meeting has one vote on a show of hands.

5. The name of the Company Secretary is Mr. Peter Gilchrist.

6. The address of the principal registered office in Australia is 5 Maud Street, Newstead Qld 4006.

7. Register of securities are held at the following address:

Link Market Services Ltd		
Level 12	or	Locked Bag A14
300 Queen Street		SYDNEY SOUTH NSW 1235
BRISBANE QLD 400		Telephone No. 1300 554 474
Telephone No. (07) 3320-2232		(02) 820 7454

8. Stock Exchange Listing

Quotation has been granted for all of the ordinary shares of the company on all Members Exchanges of the Australian Stock Exchange Limited

9. Restricted Securities

There are no restricted securities.

10 Schedule of Tenements as at 30 June 2016

The Pakistan tenements previously held were farmed out in the 2015 financial year - see note 11 of the financial statements.