

Tuesday 26 March 2019

## **Kalium Lakes Concludes Historic Binding Offtake Agreement with Global Potash Producer K+S**

### **Highlights**

- **German fertiliser producer and distributor K+S commits to purchase up to 90,000tpa of SOP production from Kalium Lakes**
- **10 Year binding agreement underscores initial revenue estimated to be ~A\$650M**
- **K+S, with a market capitalisation of more than €3 billion and Potash revenues of approximately €1.9 billion per annum, is one of the world's largest SOP producers**
- **Australia's first Sulphate of Potash production on schedule to begin in 2020**

Kalium Lakes Limited (Kalium Lakes) (ASX:KLL) is delighted to announce the latest in a series of global associations by entering into a Binding Offtake Agreement with K+S, with respect to Sulphate of Potash (SOP) production from its Beyondie Sulphate of Potash Project (Beyondie Project) in the East Pilbara region of Western Australia.

Kalium Lakes Managing Director, Brett Hazelden, commented: "We are extremely pleased to have reached agreement with one of the world's pre-eminent SOP producers and distributors. It further strengthens our desire to be the first commercial SOP production facility in Australia, supplying Australian and overseas farmers with a locally produced premium fertiliser.

"As a major and long-term partner, K+S offers unparalleled access to extensive expertise in design, construction and operation of SOP facilities, which will assist Kalium Lakes during the critical Commissioning and Production ramp up phase of the project.

"With our recent funding announcements and now this binding offtake deal, we can now confidently focus on finalising our important Final Investment Decision targeting the second quarter of 2019," Mr Hazelden said.

### **Binding Offtake Agreement – Key Elements**

The Agreement includes the following key elements:

- An initial 10-year term to provide K+S with 90,000tpa of SOP products, representing 100% of the anticipated production from Phase 1 of the Beyondie Sulphate of Potash Project.
- Pricing is linked to the sales price realised by K+S, which will also receive a marketing fee for selling and distributing the SOP product.
- K+S offers Kalium Lakes unparalleled expertise and technical support in relation to design, construction and commissioning.

## About K+S

K+S is a customer-focused, independent minerals company for the Agriculture, Industry, Consumers, and Communities segments and wants to grow the EBITDA to €3 billion by 2030. The Company has approximately 15,000 employees working to enable farmers to provide nutrition for the world, develop solutions that sustain different industries and improves daily life for consumers.

K+S continually meets the growing demand for mineral products from production sites in Europe, North and South America, as well as through its worldwide sales network. In striving for sustainability K+S is deeply committed to its responsibilities to people, the environment, the communities and the economy in the regions in which it operates.

Learn more about K+S at: <http://www.k-plus-s.com>

## Next Steps

With the Binding Offtake now finalised with K+S, Kalium Lakes is well progressed towards completion of all financing tasks and a Final Investment Decision in the second quarter of 2019.

<b>Milestones</b>	<b>Indicative Timeline</b>
Continue Early Works Construction Activities	Ongoing
Complete Front-End Engineering Design (FEED)	Complete
Finalise Binding Offtake Agreement	Complete
Finance Due Diligence Complete	Q1 2019
Award EPC/M and Lump Sum Contracts	Q1/Q2 2019
Receive Final Approvals for Government Agencies	Q2 2019
Project Financing Complete	Q2 2019
Final Investment Decision (FID)	Q2 2019
Full Construction Activities	~15 Months from FID
Commissioning and Ramp Up to Name Plate Throughput	During 2020

\*\*\*ENDS\*\*\*

## Cautionary Statement Regarding Forward-Looking Information

Certain information in this document refers to the intentions of Kalium Lakes, but these are not intended to be forecasts, forward looking statements or statements about the future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of the events in the future are subject to risk, uncertainties and other actions that may cause Kalium Lakes' actual results, performance or achievements to differ from those referred to in this document. Accordingly Kalium Lakes and its affiliates and their directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of these events referred to in the document will actually occur as contemplated.

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- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence.

## Corporate Profile



Kalium Lakes Limited is an exploration and development company, focused on developing the Beyondie Sulphate Of Potash Project in Western Australia with the aim of producing Sulphate of Potash (SOP), a high yield, premium fertiliser, for both domestic and international markets. There is currently no SOP production in Australia.

Approaching a Final Investment Decision, the Company has just completed a Bankable Feasibility Study for the Project (the first BFS for any Australian deposit) which confirmed the Project is technically and financially robust, with first production anticipated in 2020.

The Project aims to commence production at 90ktpa of SOP, before ramping up to 180ktpa of SOP for domestic and international sale. An initial mine life of between 30-50 years is anticipated for a project designed to be a low cost, long life and high margin producer.



The Carnegie Joint Venture (CJV) is focussed on the exploration and development of the Carnegie Potash Project (CPP) in Western Australia, which is located approximately 220 kilometres east-north-east of Wiluna and covers a total area of approximately 3,081 square kilometres.

The CJV is a Joint Venture between Kalium Lakes (KLL, 70% Interest) and BCI Minerals (BCI, 30% interest). The JV Companies have endorsed proceeding to a staged Pre-Feasibility Study, with an initial focus on securing tenure and access to all required tenements.

## Kalium Lakes Limited



ABN: 98 613 656 643  
ASX: KLL  
Ordinary Shares on Issue: 189,340,675



### Board of Directors:

Mal Randall	Non-Executive Chairman
Brett Hazelden	Managing Director
Rudolph van Niekerk	Executive Director
Brendan O'Hara	Non-Executive Director



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### Chief Financial Officer and Joint Company Secretary:

Christopher Achurch

### Joint Company Secretary:

Gareth Widger



### Share Registry:

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