

Key Contracts Awarded – Purification Plant

Highlights

- **Key Purification Plant contracts have been awarded in excess of \$60M:**
 - **Ebtec GbR (K-UTEC and Ebner) awarded Engineering and Procurement Contract for purification plant design plus supervision and commissioning services**
 - **DRA Global (DRA) has been awarded the EPCM contract for the overall project delivery**
 - **Maschinenfabrik Köppern GmbH & Co. KG (Köppern) awarded the compaction plant for production of granular SOP**
 - **Firm Construction Pty Ltd to provide WHS implementation across Beyondie SOP Project site in accordance with the Office of the Federal Safety Commissioner**
- **Performance guarantees on quality, throughput and timeframes are included**
- **All contracts awarded within budget and confirm the 15-month post FID schedule**
- **Australia's first Sulphate of Potash production on schedule to begin in 2020**

Kalium Lakes Limited (Kalium Lakes) (ASX:KLL) is pleased to announce that it has awarded the key contracts for the engineering, procurement, construction management and commissioning associated with the development of the Purification Plant facilities for its Beyondie Sulphate of Potash Project (BSOPP). The total value across the four key contracts awarded is in excess of \$60 million. The contracts allow commencement of early works with the full scope subject to a Final Investment Decision (FID).

Importantly, all the contracts awarded are within the budget outlined in the Bankable Feasibility Study (BFS) and Front-End Engineering and Design (FEED). The contracts confirm the 15-month construction schedule post a FID, followed by a commissioning and ramp up period.

Kalium Lakes' Chief Development Officer, Rudolph van Niekerk, commented: "We have spent a significant amount of time and effort ensuring we selected the right partners to deliver each of the important ingredients for a successful, integrated project.

"Companies with SOP specific experience and capabilities are hard to find, especially when looking for those that have taken projects from design into execution, then on to production. After years of investigation and months of negotiation, we have compiled a contracting strategy that brings a bankable solution, as well as achieving the next significant milestone to take us into the development stage of the project.

"We are very pleased to have concluded the contracts with companies that have become critical partners in the successful completion of the BSOPP as we enter the next, exciting stage of the Project together," Mr van Niekerk said.

The consortium Ebtec GbR (Ebtec) is an arrangement between K-UTEC AG Salt Technologies(K-UTEC) and Ebner GmbH (Ebner) to provide Engineering, Procurement and Supervision (EPS) services for the BSOPP. Both parties have worked together recently to provide similar services for a SOP plant in Austria that has been successfully running for a number of years. Ebtec will supply the process plant and provide equipment installation supervision, followed by the commissioning of the plant.

Ebtec's contract includes performance guarantees to ensure the quality of SOP production is in line with the requirements of the K+S Offtake Agreement and includes liquidated damages for performance and schedule. The contract also includes a bonus arrangement.

An Engineering, Procurement and Construction Management (EPCM) contract has been executed with DRA, with that company taking the lead on overall BSOPP development and commissioning. DRA brings significant global and Western Australia specific project development experience, combined with SOP specific knowledge and experience that was developed with the involvement of DRA, since the Pre-Feasibility Study (PFS) stage of the BSOPP. DRA have developed the basis for the overall project scope, budget and schedule.

Maschinenfabrik Köppern GmbH & Co. KG has been awarded the engineering and supply of key equipment associated with the compaction plant for the production of granular SOP. Köppern brings SOP specific compaction experience and have successfully delivered these plants for other SOP projects, including K+S.

A construction contract with Firm Construction Pty Ltd (Firm) has also been awarded for various construction services for the BSOPP. Firm is accredited under the WHS Scheme with the Office of the Federal Safety Commissioner, a requirement of Northern Australia Infrastructure Facility (NAIF) financing.

The Companies



K-UTEC AG Salt Technologies is based in Germany and has completed the PFS, BFS and FEED, as well as developing the process design and engineering for the BSOPP.

For more information click this link: <https://www.k-utec.de/en/our-company.html>



Ebner GmbH is a German engineering company who specialises in fabrication, procurement and construction of brine processing plants and equipment.

For more information click this link: <https://ebner-co.de/en/about-us/the-company/>



DRA Global is a diversified global engineering, project delivery and operations management group headquartered in Perth, Australia, with an impressive track record spanning more than three decades. Known for its collaborative approach and extensive experience in project origination and delivery, as well as turnkey operations and maintenance services, DRA Global delivers optimal solutions that are tailored to meet clients' needs.

With expertise in the areas of project development, mining, mineral processing, plant optimisation, operations, maintenance and related water, energy and infrastructure requirements, DRA Global delivers truly comprehensive solutions to the resources sector. DRA Global employs over 4,300 people and offers flexible engineering, project delivery and operations and maintenance management services worldwide through 17 offices.

For more information click this link: <https://www.draglobal.com/>



Maschinenfabrik Köppern GmbH & Co. KG brings SOP specific compaction experience and has successfully delivered similar plants for other SOP projects, including K+S.

For more information click this link: <http://www.koepfern-international.com/>



Firm Construction Pty Ltd is accredited under the WHS Scheme with the Office of the Federal Safety Commissioner, a requirement of the NAIF financing.

For more information click this link: <https://www.firmconstruction.com.au/>

Next Steps

Kalium Lakes is well progressed towards completion of all financing tasks and a Final Investment Decision in the second quarter of 2019.

Milestones	Indicative Timeline
Continue Early Works Construction Activities	Ongoing
Complete Front-End Engineering Design (FEED)	Complete
Finalise Binding Offtake Agreement	Complete
Award EPC/M and Lump Sum Contracts	Complete
Finance Due Diligence Complete	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.

Statements contained in this document, including but not limited to those regarding the possible or assumed future costs, performance, dividends, returns, revenue, exchange rates, potential growth of Kalium Lakes, industry growth or other projections and any estimated company earnings are or may be forward looking statements. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Kalium Lakes. Actual results, performance, actions and developments of Kalium Lakes may differ materially from those expressed or implied by the forward-looking statements in this document. Such forward-looking statements speak only as of the date of this document. There can be no assurance that actual outcomes will not differ materially from these statements. To the maximum extent permitted by law, Kalium Lakes and any of its affiliates and their directors, officers, employees, agents, associates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumption;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- 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.



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: 238,966,103



Board of Directors:

Mal Randall	Non-Executive Chairman
Brett Hazelden	Managing Director
Rudolph van Niekerk	Executive Director
Stephen Dennis	Non-Executive Director



Contact Details:

Kalium Lakes Limited
Unit 1, 152 Balcatta Road
BALCATTWA WA 6021

PO Box 610
BALCATTWA WA 6914

Email: info@kaliumlakes.com.au
Web: www.kaliumlakes.com.au

Tel: +61 (0)8 9240 3200

Chief Financial Officer and Joint Company Secretary:

Christopher Achurch

Joint Company Secretary:

Gareth Widger



Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth, WA 6000
Tel: (within Australia): 1300 850 505
Tel: (outside Australia): +61 3 9415 4000