

Tuesday 11 June 2019

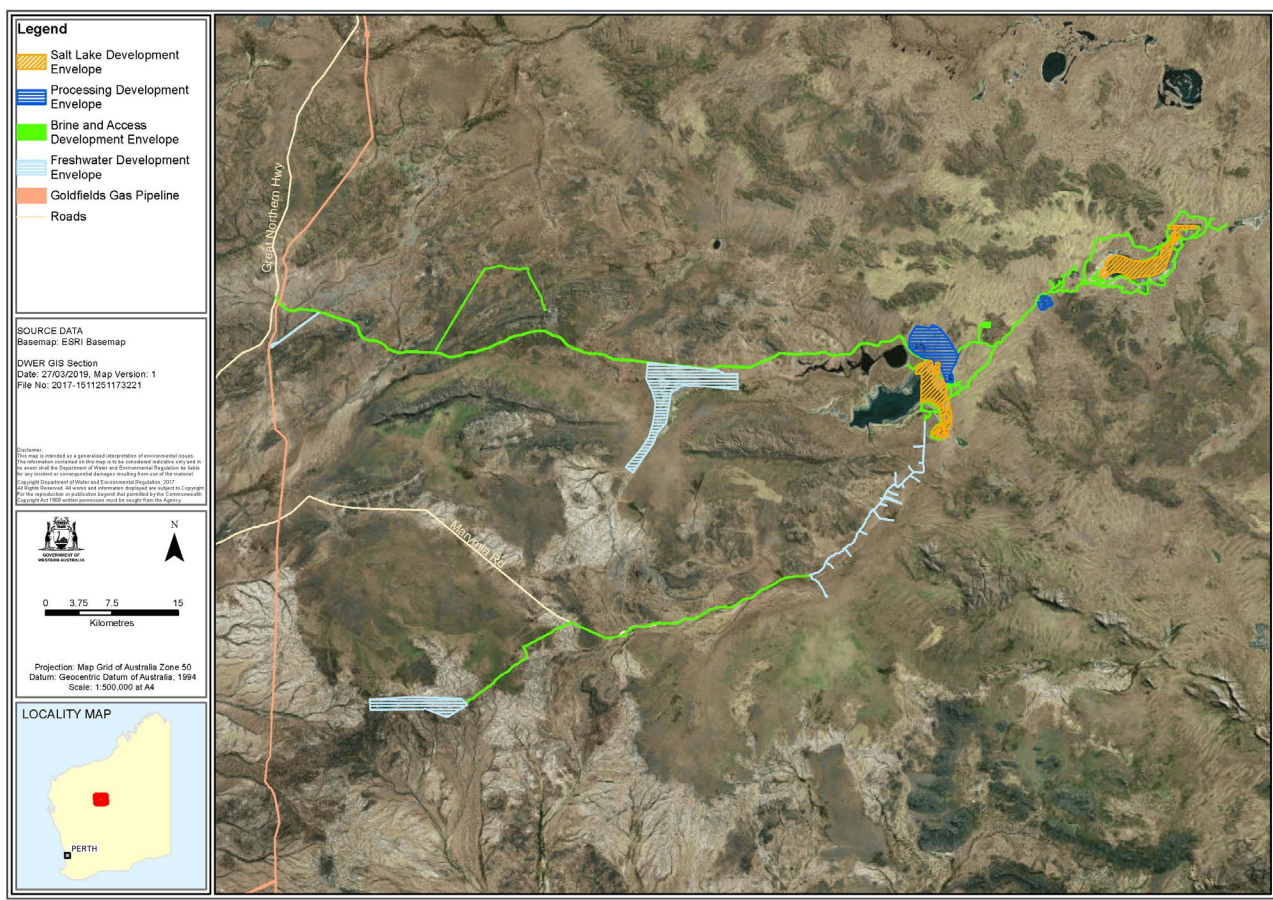
State Environmental Ministerial Statement Approves Implementation of Beyondie SOP Project

Kalium Lakes Limited (KLL) advises that consistent with section 45(1) of the Environmental Protection Act 1986, the Minister for Environment, the Hon. Stephen Dawson MLC, has consulted with other decision-making authorities and reached agreement that EPA Report 1631, relating to the Beyondie Sulphate of Potash Project, may be implemented subject to the conditions set out in Statement Number 1098. Full details can be found on the Government of Western Australia’s Environmental Protection Authority (EPA) [website](#).

Managing Director, Brett Hazelden, commented: “The Ministerial Statement approving the implementation of the Beyondie SOP Project, by Minister Dawson, completes a comprehensive four year process to obtain State Environmental Approval for the Project.

“Kalium Lakes is the first and only Australian SOP project to achieve a recommendation from the EPA and approval via the Ministerial Statement. The State approval is in addition to the Federal Environmental Approval received in January this year under the Environmental Protection and Biodiversity Conservation Act.

“This approval delivers the certainty required for financial institutions to provide low cost and long tenor debt financing for a project which is expected to be in operation for the next 30 to 50 years. The Beyondie SOP Project remains on schedule to commence Australia’s first commercial SOP production next year in 2020, with early works underway and long lead items progressively being ordered,” Mr Hazelden said.



Beyondie Sulphate Of Potash Project

*** ENDS ***

Beyondie Sulphate Of Potash Project

Developing Australia's First SOP Operation



Final Investment Decision Mid 2019

Production 2020

First Mover Advantage

- Kalium Lakes Limited (KLL.ASX)
- An ASX listed Sulphate Of Potash (SOP) developer
- 100% owned Beyondie Sulphate Of Potash Project (BSOPP)
- Located 160km south east of Newman, in Western Australia
- BSOPP Bankable Feasibility Study (BFS) completed September 2018
- Front End Engineering and Design (FEED) complete March 2019
- Early Works commenced – roads, communications, village
- Final Investment Decision (FID) anticipated in Mid 2019
- Binding Offtake Agreement with K+S, ~\$650M revenue over first 10 years
- KLL currently targeting initial production during 2020
- The BSOPP is on track to be the first SOP project developed in Australia
- Macquarie Capital (Australia), Morgans Financial Limited and BurnVoor Corporate Finance assisting with future capital requirements



Strategic Location Close to Gas Pipeline, Sealed Roads and Ports



30 to 50 Year Initial Mine Life

- **5.1Mt Ore Reserve**
- Initial Mine Life in excess of 30 years (up to 50 years)
- 19.6Mt Drainable Mineral Resource
- Compliant with both JORC 2012 and CIM standards
- Australia's highest grade long life brine SOP deposit: 12.4 kg/m3 SOP
- Lowest Impurity Levels: Na:K ratio of 8.8:1



Approvals in Place

- All Native Title Mining Agreements are in place
- Federal Environmental Approval Received
- State Environmental Protection Authority (EPA) Approval Received
- Mining Tenure Granted
- Gas Pipeline Licence Granted
- EPA and DMIRS early works approvals in place
- Other State Approvals in place to commence construction



Pilot Scale Trials Complete with More Than 10,000 Tonnes of Salts Produced



High Margins

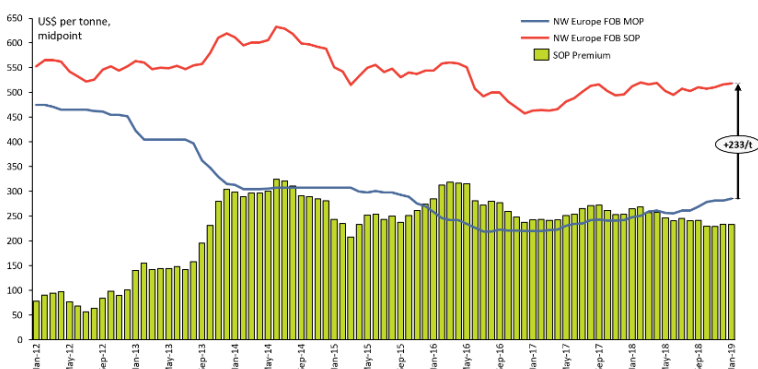
- No Current SOP Production in Australia – fully imported
- Phase 1 Start-up = 90ktpa SOP; Phase 2 = 180ktpa SOP
- Pre-production CAPEX of A\$216M (includes \$29M Contingency)
- Low All In Sustaining Operating Cost (AISC) ~US\$178-207 /t FOB
- Pre-Tax NPV₈ \$606M, IRR of 20.3% and +A\$3B LOM free cashflow
- Current SOP Sales prices ~US\$530/t

No Production in Australia

- **Low Cost, High Margin, Long Life Project**
- Premium Product Suite: >51% K₂O, low Cl SOP products in granular, standard and soluble form
- Potential Upside – Magnesium, Salt, Carnegie SOPP JV
- **Low Cost Financing Identified** – NAIF (\$74M), KfW (\$102M) and Euler Hermes German Government Guarantee



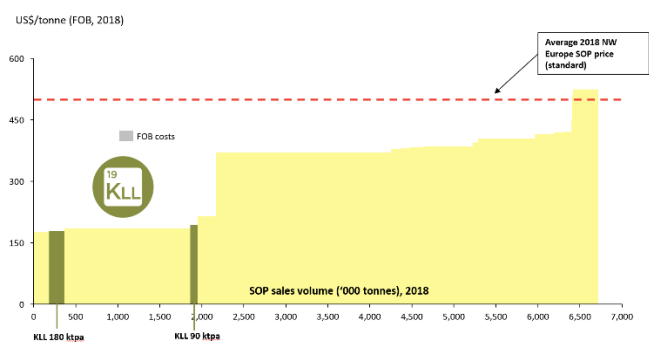
SOP Achieves a Premium Price of >US\$500/t due to the Low Chloride and High Sulphur Content



Copyright ©2019 Argus Media group. All rights reserved. Argus disclaims any and all liability related to or arising out of use of the extract above to the fullest extent permissible by law.



Kalium Lakes BSOPP will be One of the World's Lowest Cost Producers



Copyright ©2019 Argus Media group. All rights reserved. Argus disclaims any and all liability related to or arising out of use of the extract above to the fullest extent permissible by law.

Source: Integer, Argus Media

Note: Costs refer to cash-operating items and excludes sustaining capital, and royalties

Compliance Statement

The information in this document that relates Production Targets has been extracted from the ASX announcements listed below:

- 17 September 2018: Bankable Feasibility Study Completed With Exceptional Financial Outcomes
- 4 March 2019: Lower Operating Cost and Increased Production For BSOPP (Front-End Engineering and Design (FEED) works)

The announcements are available to be viewed on the website at: <https://www.kaliumlakes.com.au/asx-announcements/>

Kalium Lakes confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Ore Reserve Estimates, Exploration Targets or Production Targets, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Competent Persons Statement

The information in this ASX announcement and the accompanying Report that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Thomas Schicht, a Competent Person who is a Member of a 'Recognised Professional Organisation' (RPO), the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1077) and Anke Penndorf, a Competent Person who is a Member of a RPO, the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1152).

Thomas Schicht and Anke Penndorf are full-term employees of K-UTEC AG Salt Technologies (K-UTEC).

K-UTEC, Thomas Schicht and Anke Penndorf are not associates or affiliates of Kalium Lakes or any of its affiliates. K-UTEC will receive a fee for the preparation of the Report in accordance with normal professional consulting practices. This fee is not contingent on the conclusions of the Report and K-UTEC, Thomas Schicht and Anke Penndorf will receive no other benefit for the preparation of the Report. Thomas Schicht and Anke Penndorf do not have any pecuniary or other interests that could reasonably be regarded as capable of affecting their ability to provide an unbiased opinion in relation to the Beyondie Potash Project.

K-UTEC does not have, at the date of the Report, and has not had within the previous years, any shareholding in or other relationship with Kalium Lakes or the Beyondie Potash Project and consequently considers itself to be independent of Kalium Lakes.

Thomas Schicht and Anke Penndorf have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Thomas Schicht and Anke Penndorf consent to the inclusion in the Report of the matters based on their information in the form and context in which it appears.

Cautionary Statement Regarding Forward-Looking Information

Statements regarding plans with respect to the Company's mineral properties may contain forward looking statements. Statements in relation to future matters can only be made where the Company has a reasonable basis for making those statements. This announcement has been prepared in compliance with the current JORC Code 2012 Edition and the current ASX Listing Rules. The Company believes it has a reasonable basis for making the forward-looking statements, including any production targets, based on the information contained in the announcement and in particular the JORC 2012 and NI 43-101 Technical Report - Bankable Feasibility Study.

All statements, trend analysis and other information contained in this document relative to markets for Kalium Lakes, trends in resources, recoveries, production and anticipated expense levels, as well as other statements about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Kalium Lakes does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. Investors should not place undue reliance on forward-looking statement.

Kalium Lakes Limited



ABN: 98 613 656 643
ASX: KLL
Ordinary Shares on Issue: 238,966,103



Contact Details:
Kalium Lakes Limited
Unit 1, 152 Balcatta Road
BALCATT A WA 6021

PO Box 610
BALCATT A WA 6914

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

Tel: +61 (0)8 9240 3200



Board of Directors:

Mal Randall
Brett Hazelden
Rudolph van Niekerk
Stephen Dennis

Non-Executive Chairman
Managing Director
Executive Director
Non-Executive Director

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