

ASX Release

Tuesday 4 July 2017

EcoMag Limited - Letter Of Intent Magnesium Carbonate Recovery Potential

Highlights

- Kalium Lakes Limited has signed a **Letter of Intent (LOI)** with **EcoMag Limited** to trial the recovery of **high value Hydrated Magnesium Carbonate (HMC)**.
- EcoMag is currently building a **transportable pilot plant** that will be deployed to the Beyondie Sulphate Of Potash Project for the trial.
- The recovery of HMC has the potential to **generate additional revenue** for the Kalium Lakes Project.
- **The LOI is exclusive** to Kalium Lakes among Western Australia's potash project developers.

Kalium Lakes Limited (KLL) is pleased to announce today that it has signed a Letter of Intent (LOI) with EcoMag Limited (EcoMag) to trial the recovery of Hydrated Magnesium Carbonate (HMC) as part of the large scale pilot pond works currently under construction at the Beyondie Sulphate Of Potash Project (BSOPP) in Western Australia.

EcoMag is the developer of a process for recovering magnesium-based materials from brines and bitterns, including HMC, which is used in the manufacture of chemically-toughened glass and fire retardants. It has a current market price of US\$800 – \$1,000 per tonne.

Ecomag has conducted laboratory scale trials and analysis of a brine sample from the BSOPP which indicate that the material is suitable for its process. The sample, provided from SOP tests completed by K-UTEC in Germany, had a magnesium content of almost 9.5%. Using the patented process, EcoMag achieved a magnesium recovery rate of more than 95% from the test sample, to produce 99.5% pure HMC.

As a result of the successful laboratory trials the two companies have entered into the LOI on an exclusive basis in relation to Western Australian based potash project developers. KLL and EcoMag will work together during and after the initial stages of the respective pilot projects.

KLL is currently finalising construction of its Large Scale Pilot Evaporation Ponds. EcoMag is currently in the process of building a transportable pilot plant to deploy to the BSOPP site and undertake several weeks of continuous operation in conjunction with KLL's pilot evaporation pond trials.

Shaun Triner, EcoMag's General Manager for Western Australia, said: "This agreement with Kalium Lakes provides us with an opportunity to demonstrate our process at scale."

KLL's Managing Director, Brett Hazelden, commented: "Working with EcoMag to produce a magnesium based product could generate additional revenue and increase profitability of the Beyondie Sulphate Of Potash Project. This in turn reduces risk and improves the potential return to our shareholders."



Brine from Kalium Lakes BSOPP (left), Brine processing (centre) and HMC product from final precipitation test (right).

About EcoMag Limited:

EcoMag is an unlisted Australian public company focussed on the commercial application of a patented process developed by Korea's Chonnam National University (CNU). EcoMag has been granted an exclusive licence to the technology for recovering high purity magnesium-based materials such as hydrated magnesium carbonate, magnesium oxide and magnesium hydroxide from bitterns and brines. These materials are used in a range of high-value applications, including chemically-toughened glass and fire retardants, and may in future be used in new-generation magnesium batteries.

The technology employed by EcoMag has been refined and successfully demonstrated at laboratory scale. EcoMag's pilot plant will be used to demonstrate the process at a larger scale, ahead of building a larger commercial demonstration facility processing bitterns and brines.

With Korea Chemical Corp (KC) and CNU, EcoMag has recently established a World Class 300 Project (US\$10 milion) to demonstrate the technology.

EcoMag's Technical Director, Professor Tam Tran, is a coinventor of the CNU Technology.

For more information about EcoMag please view <https://ecomagnesium.com/>

*** ENDS ***

Cautionary Statement Regarding Forward-Looking Information

All statements, trend analysis and other information contained in this document relative to markets for Kalium Lakes including 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 statements.

Corporate Profile (as at 4 July 2017)

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) for the domestic and international markets.

The Beyondie Sulphate Of Potash Project comprises 15 granted exploration licences and a miscellaneous licence covering an area of approximately 2,400 square kilometres. This sub-surface brine deposit will supply an evaporation and processing operation located 160 kilometres south east of Newman.

The Company is also a Joint Venture partner with BC Iron Limited (BCI) in the Carnegie Potash Project, a potash exploration project located approximately 220 kilometres north-east of Wiluna. Carnegie comprises one granted exploration licence and two exploration licence applications covering a total area of approximately 1,700 square kilometres.

Kalium Lakes Limited

ABN: 98 613 656 643

ASX: KLL

Ordinary Shares on Issue: 135,030,035

Board of Directors:

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

Company Secretary:

Gareth Widger

Contact Details:

Unit 1, 152 Balcatta Road
Balcatta, Western Australia 6021

PO Box 610
Balcatta, WA 6914

T: +61 (0)8 9240 3200
E: info@kaliumlakes.com.au

Share Registry:

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth, WA 6000

Telephone (within Australia): 1300 850 505
Telephone (outside Australia): +61 3 9415 4000