

21 November 2017

# Share Placement and Share Purchase Plan

Kalium Lakes Limited (ASX: KLL, "Kalium Lakes" or the "Company") is pleased to announce it is conducting an institutional placement ("Placement") and share purchase plan ("SPP") to fund the completion of the Bankable Feasibility Study ("BFS"), commence early site preparation works and to provide working capital for the Beyondie Sulphate Of Potash Project.

The new shares will be issued at a price of A\$0.42, which represents a 13.4% discount to the last closing price of A\$0.485 on 21 November 2017, and a 11.6% discount to the 10 trading day VWAP of A\$0.475 up to and including 21 November 2017.

Kalium Lakes shares will remain in a trading halt until the conclusion of the Placement. Normal trading is expected to resume on Friday 24 November 2017.

### Placement

The equity raising comprises a Placement of up to approximately 33.8 million ordinary shares at an issue price of A\$0.42 to institutional and sophisticated retail investors in Australia and internationally to raise up to approximately A\$14m, under the Company's 15% placement capacity under ASX Listing Rule 7.1 and additional 10% capacity under ASX Listing Rule 7.1A.

Brent Smoothy, Kalium Lakes' largest shareholder with 39% of the Company has committed to bid into the bookbuild for A\$2.0 million of the Placement, demonstrating his continued support for the company. The issue of shares to Brent Smoothy (or any of his controlled entities) will be subject to any scaleback and the Company obtaining shareholder approval at an EGM to be convened following completion of the Placement, to be held no later than 30 January 2018.

### SPP

In addition to the Placement, Kalium Lakes will also offer Eligible Retail Shareholders the opportunity to participate in a SPP Offer to raise a maximum of A\$2 million.

The Company reserves the right to reject or scale back applications under the SPP at its absolute discretion if applications exceed A\$2,000,000 in aggregate.

The SPP Offer will enable Eligible Shareholders as at the record date to apply for up to A\$15,000 worth of new Kalium Lakes shares at the same price as the Placement of A\$0.42, subject to any scaleback. An SPP Booklet with further details on the SPP Offer will be despatched to Eligible Shareholders on or around 29 November 2017.

New Kalium Lakes shares issued under the Placement and SPP Offer will rank equally with existing Kalium Lakes shares.

## Key Dates

<b>SPP Record Date</b> (the date that eligibility to participate in the SPP Offer is determined)	5.00pm (AEDT) Monday 20 November 2017
<b>Announcement of the Placement and SPP</b>	Aftermarket Tuesday 21 November 2017
<b>Placement Bookbuild Closes</b>	6.00pm (AEDT) Wednesday 22 November 2017
<b>Announcement of completion of Placement, Kalium Lakes shares re-commence trading on ASX</b>	Friday 24 November 2017
<b>Settlement of shares issued under the Placement</b>	Tuesday 28 November 2017
<b>Issue and normal settlement trading of shares issued under the Placement commences</b>	Wednesday 29 November 2017
<b>SPP Offer Opening Date</b>	Thursday 30 November 2017
<b>SPP Offer Closing Date</b>	Thursday 14 December 2017
<b>Issue of SPP Shares</b>	Tuesday 19 December 2017
<b>SPP Shares commence trading on ASX</b>	Wednesday 20 December 2017
<b>EGM Date</b>	No later than 30 January 2018
<i>This timetable is indicative only and Kalium Lakes may, at its discretion, vary any of the above dates by sending a revised timetable to ASX.</i>	

Macquarie Capital (Australia) Limited and BurnVoor Corporate Finance Limited have been engaged to act as joint lead managers for the Placement.

### 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

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## Corporate Profile (as at 21 November 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 SOP 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 results of the Pre-Feasibility Study (PFS), announced on 3 October 2017, confirmed that the Project, is technically and financially robust. The key outcomes of the PFS are:

- Indicated Resource of 4.37 Mt @ 14,000 mg/l SOP at a cut-off grade of 3,500mg/l K and an Inferred Resource of 13.74 Mt @ 12,788 mg/l SOP at a cut-off grade of 3,500mg/l K.
- Maiden Probable Reserve of 2.66 Mt @ 14,210 mg/l SOP at a cut-off grade of 3,500mg/l K based solely within the Stage 1 Approval Footprint, which represents ~21% of total lake surface area within the tenement package.
- Development base case of 150 ktpa SOP, with the option to incrementally phase the project, through a ramp up from 75 ktpa to 150 ktpa SOP, to minimise operational and financial risks.
- Development base case pre-tax NPV<sub>10</sub> of A\$388M, IRR of 28.7%, average EBITDA of A\$83 Mpa, EBITDA margin of 62%, a payback period of 3.7 years and Life of Mine (LOM) free cash flows of more than +A\$1B, based on an initial 21 year LOM and a USA\$500/t SOP sales price @ A\$/A\$US exchange rate of 0.75.
- Estimated LOM Operating Cash Cost of A\$244-253/t SOP FOB Geraldton or Fremantle Port. This places the BSOPP in the lowest quartile cost of global SOP production.
- Pre-production Capital Cost of A\$220 million including a 78 kilometre gas pipeline for the base case or A\$124 million for the phased ramp-up scenario.
- Potential additional revenue associated with recovery of magnesium by-products which have not been included in the current financial outcomes.

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

#### Chief Financial Officer

Frederick Kotzee

#### Company Secretary:

Gareth Widger

#### Contact Details:

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Email: [info@kaliumlakes.com.au](mailto:info@kaliumlakes.com.au)

#### Share Registry:

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Perth, WA 6000

Tel: (within Australia): 1300 850 505

Tel: (outside Australia): +61 3 9415 4000

Web: [www.kaliumlakes.com.au](http://www.kaliumlakes.com.au)