

ASX Release

24 November 2017

Oversubscribed Share Placement To Raise A\$14.2 Million

Kalium Lakes Limited (ASX: KLL, "Kalium Lakes" or the "Company") is pleased to announce the completion of a successful bookbuild for its institutional placement ("Placement") of new fully paid ordinary shares ("New Shares").

The Placement was oversubscribed and strongly supported by both existing and new institutional, as well as sophisticated investors. The Company has received commitments for approximately 33.5 million New Shares at an issue price of A\$0.42 per New Share to raise \$14.2 million.

The issue price of A\$0.42 represents a 13.4% discount to the last closing price of A\$0.485 on 21 November 2017. The Placement is scheduled to settle on Tuesday 28 November 2017.

As previously announced, Mr Brent Smoothy, Kalium Lakes' largest shareholder, affirmed his support for the Company and committed to subscribe for up to \$2.0 million of the Placement. Given the strong levels of demand received from investors, Mr Smoothy's commitment has been scaled back to \$1.6 million and he will be issued circa 3.8 million New Shares. The issue of New Shares to Mr Smoothy (or any of his controlled entities) will be subject to the Company obtaining shareholder approval at an Extraordinary General Meeting to be convened at a date no later than 30 January 2018.

Following settlement of the Placement, Kalium Lakes will have cash at bank of approximately A\$17.8 million, inclusive of the proceeds from the Placement and prior to the completion of the SPP. The Company expects to be fully funded to complete the Bankable Feasibility Study ("BFS"), commence early site preparation works and to provide working capital for the Beyondie Sulphate Of Potash Project.

Managing Director, Brett Hazelden, believes the oversubscribed Placement represents a strong endorsement of the first Pre-Feasibility Study and Reserve completed by an Australian SOP company and the commitment Kalium Lakes has demonstrated since listing 11 months ago.

"We continue to gain momentum and accumulate the support of investors and brokers who appreciate and understand the level of detail we are able to provide on every aspect of the Beyondie Sulphate Of Potash Project.

"The Company looks forward to completing the Pilot Scale Works, Bankable Feasibility Study and project financing during the course of next year," Mr Hazelden said.

Save for the New Shares to be issued to Mr Smoothy, New Shares under the Placement will be issued within the Company's existing 15% capacity under ASX Listing Rule 7.1 (being, approximately 20.2 million New Shares) and additional 10% capacity under Listing Rule 7.1A (being, approximately 9.7 million New Shares).

Share Purchase Plan

As announced on Tuesday 21 November 2017, in addition to the Placement, Kalium Lakes is also offering eligible shareholders the opportunity to participate in a share purchase plan ("SPP Offer") to raise a maximum of A\$2.0 million. The SPP Offer will enable eligible shareholders as at the record date to apply for up to A\$15,000 worth of New 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.

Kalium Lakes has requested that its trading halt be lifted with effect from the open of the ASX market today (10:00am Friday 24 November 2017).

Key Dates

SPP Record Date (the date that eligibility to participate in the SPP Offer is determined)	5.00pm (AEDT) Monday 20 November 2017
Kalium Lakes shares re-commence trading on ASX	Friday 24 November 2017
Settlement of shares issued under the Placement	Tuesday 28 November 2017
Issue and normal settlement trading of shares issued under the Placement commences	Wednesday 29 November 2017
SPP Offer Opening Date	Thursday 30 November 2017
SPP Offer Closing Date	Thursday 14 December 2017
Issue of SPP Shares	Tuesday 19 December 2017
SPP Shares commence trading on ASX	Wednesday 20 December 2017
EGM Date	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 BurnVoir Corporate Finance Limited acted 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

*** ENDS***

Corporate Profile (as at 24 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 NPV₁₀ 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:

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

PO Box 610
BALCATT A, WA 6914

Tel: +61 (0)8 9240 3200

Email: info@kaliumlakes.com.au

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

Web: www.kaliumlakes.com.au