

## ASX Release

29 November 2017

### Issue of Placement Shares

Kalium Lakes Limited (ASX: KLL, "**Kalium Lakes**" or the "**Company**") advises that further to its announcement on 24 November 2017, it has today placed a tranche of 29,471,793 fully paid ordinary shares ("**Shares**") at an issue price of \$0.42 per Share. A further 476,191 Shares will be issued and allotted in the next 24 to 48 hours, upon confirmation of receipt of cleared funds from certain offshore investors, so that the Company will raise a total of \$12.6 million (before costs) ("**Placement**").

As per the announcement on 24 November 2017, the Company intends to issue a further 3,809,524 Shares to Mr Brent Smoothy (or any of his controlled entities), subject to the Company obtaining shareholder approval at an Extraordinary General Meeting to be convened at a date no later than 30 January 2018, to raise an additional \$1.6 million (before costs).

Of the 29,471,793 Shares issued, 20,254,505 Shares were issued pursuant to Listing Rule 7.1 with the remaining 9,217,288 Shares being issued pursuant to Listing Rule 7.1A.

An Appendix 3B and cleansing statement in respect of the issue of Shares accompany this announcement.

#### Information required under Listing Rule 3.10.5A

The Shares were issued pursuant to the Company's 15% placement capacity under Listing Rule 7.1 and the Company's additional 10% placement capacity under Listing Rule 7.1A. As such, the Company provides the following information in accordance with Listing Rule 3.10.5A.

- (a) The dilutive effect of the Placement on existing shareholders is as follows:

Number of Shares on issue prior to the Placement	135,030,035
Shares issued under Listing Rule 7.1	20,254,505
Shares including those issued under Listing Rule 7.1	155,284,540
Shares issued under Listing Rule 7.1A	9,217,288
Dilution as a result of issue under Listing Rule 7.1A	5.94%
<b>Total number of Shares on issue</b>	<b>164,501,828</b>

- (b) The Company issued a portion of the Shares under its Listing Rule 7.1A placement capacity as it considers this to be the most efficient, expedient and certain method for raising funds at the time. The Company notes that it also announced that in conjunction with the Placement, it would also offer eligible shareholders the opportunity to participate in a Share Purchase Plan ("**SPP**") to raise up to \$2 million. The issue of Shares under the SPP will be at the same price as the Placement, being \$0.42 per Share.
- (c) No underwriting arrangements were in place for the Placement.
- (d) Macquarie Capital (Australia) Limited and BurnVair Corporate Finance Limited were appointed as joint lead managers to the Placement. Under the terms of their engagement, each are entitled to a fee of up to 3% of funds raised under the Placement and, subject to shareholder approval, 421,968 options with an exercise price of \$0.525, expiring 2 years from their date of issue.
- (e) The Company also incurred miscellaneous expenses including listing and legal fees in connection with the Placement.

## ASX Release

29 November 2017

### Cleansing Notice - Issue Of Shares

As announced on 24 November 2017, Kalium Lakes Limited (**KLL** or the **Company**) has undertaken an institutional placement (**Placement**) of fully paid ordinary shares in the Company (**Shares**) and is undertaking a share purchase plan (**SPP**) under which eligible existing shareholders may acquire Shares.

Following settlement of the Placement, the Company has today issued a total of 29,471,793 new fully paid ordinary shares (**Placement Shares**) in the Company at an issue price of A\$0.42 per Share.

KLL gives notice under section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (and paragraph 7(f)(i) of ASIC Class Order [09/425] in relation to the SPP) that:

- 1) KLL issued the Placement Shares, and will make offers to issue Shares under the SPP, without disclosure to investors under Part 6D.2 of the Corporations Act;
- 2) as at the date of this notice KLL has complied with:
  - a) the provisions of Chapter 2M of the Corporations Act as they apply to KLL; and
  - b) section 674 of the Corporations Act; and
- 3) as at the date of this notice, there is no information:
  - a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - b) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
    - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of KLL; or
    - (ii) the rights and liabilities attaching to the Shares

Gareth Widger  
Company Secretary

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

**Kalium Lakes Limited**

ABN

98 613 656 643

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | Fully paid ordinary shares ( <b>Shares</b> ) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 29,471,793                                   |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares                   |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?	Yes
	<p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	
5	Issue price or consideration	Approximately \$12.3 million (before costs) (\$0.42 per Share)
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Tranche 1 placement of Shares to qualified institutional and sophisticated investors as detailed in the ASX announcement dated 24 November 2017.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?	Yes
	If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i> , and comply with section 6i	
6b	The date the security holder resolution under rule 7.1A was passed	10 November 2017
6c	Number of +securities issued without security holder approval under rule 7.1	20,254,505
6d	Number of +securities issued with security holder approval under rule 7.1A	9,217,288

---

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A				
6f	Number of +securities issued under an exception in rule 7.2	N/A				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	<p>Yes - Shares issued at \$0.42</p> <p>15-day VWAP calculated to 28 November 2017 was \$0.466</p> <p>75% of 15-day VWAP is \$0.349</p>				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>ASX Listing Rule 7.1: Nil</p> <p>ASX Listing Rule 7.1A: 4,285,715</p>				
7	<p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	29 November 2017				
8	Number and +class of all +securities quoted on ASX ( <i>including</i> the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">106,731,981</td> <td style="text-align: center;">Fully Paid Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	106,731,981	Fully Paid Ordinary Shares
Number	+Class					
106,731,981	Fully Paid Ordinary Shares					

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

	Number	+Class
9	Number and +class of all	
	+securities not quoted on ASX	
	(including the +securities in	
	section 2 if applicable)	
	57,769,847	Fully Paid Ordinary Shares escrowed until 21 December 2018
	9,000,000	Options exercisable at \$0.25 each, expiring on 16 December 2019, escrowed until 21 December 2018
	330,882	Options exercisable at \$0.425 each, expiring on 29 September 2020
	20,000,000	Performance Rights
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

---

+ See chapter 19 for defined terms.

**Part 2 - Pro rata issue**

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A

---

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

---

+ See chapter 19 for defined terms.



### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of +securities  
(tick one)

(a)  +Securities described in Part 1 (Ordinary Securities Only)

(b)  All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

**Appendix 3B**  
**New issue announcement**

---

**Entities that have ticked box 34(b)**

38 Number of +securities for which +quotation is sought 

N/A
-----

39 +Class of +securities for which quotation is sought 

N/A
-----

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A
-----

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

N/A
-----

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	

---

+ See chapter 19 for defined terms.

**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  
  - There is no reason why those +securities should not be granted +quotation.
  
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
  
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: .....  
(Company Secretary)

Date: 29 November 2017

Print name: Gareth Widger

---

+ See chapter 19 for defined terms.

## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b><i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i></b>	
<b><i>Insert</i></b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	121,794,740
<b><i>Add</i></b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <b><i>Note:</i></b> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	13,235,295 (ratified on 10 November 2017)
<b><i>Subtract</i></b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	<b>135,030,035</b>

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	<b>20,254,505</b>
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	20,254,505 (29 November 2017)
“C”	<b>20,254,505</b>
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	20,254,505
<b>Subtract “C”</b> <i>Note: number must be same as shown in Step 3</i>	20,254,505
<b>Total</b> [“A” x 0.15] – “C”	<b>Nil</b> <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

**Part 2**

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	<b>135,030,035</b>
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	<b>13,503,003</b>
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	9,217,288 (29 November 2017)
<b>“E”</b>	<b>9,217,288</b>

---

+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	<b>13,503,003</b>
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	9,217,288
<b>Total</b> [“A” x 0.10] – “E”	<b>4,285,715</b> <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.