QUARTERLY ACTIVITIES REPORT
FOR PERIOD ENDING 31 March 2018

Highlights

- Signing of the second and final Native Title Agreement, covering the eastern tenements required for the development of the Beyondie Sulphate Of Potash Project (BSOPP), with the Mungarlu Ngurarankatja Rirraunkaja (Aboriginal Corporation) RNTBC.
- Notifications received under the Environmental Protection Act 1986 (WA) from the Environmental Protection Authority of Western Australia and the Environment Protection and Biodiversity Conservation Act 1999 (Cth) from the Australian Department of the Environment and Energy for the BSOPP. Approvals expected Q3 2018.
- Applications submitted pursuant to the Mining Act 1978 (WA) for two Mining Leases and a number of ancillary Miscellaneous Licences. These applications cover the Stage 1 area of the BSOPP and will support the development base case of 150 ktpa SOP, as outlined in the Pre-Feasibility Study. Grant expected Q2/Q3 2018.
- Ongoing Large Scale Pilot Evaporation trials at the BSOPP, where the pilot ponds have been run continuously and the harvest trials are providing detailed data about the salts, brines and techniques required to efficiently run the future operation.
- Recovery improvement and product quality optimisation for the Purification Plant which utilised harvested salts from the BSOPP Large Scale Pilot Evaporation Ponds.
- Successful EcoMag pilot plant trial, processing residual brines from the BSOPP large scale pilot evaporation ponds, to recover high purity hydrated magnesium carbonate (HMC).
- Signed a Letter of Intent with WA Salt Koolyanobbing Pty Ltd, part of the WA Salt Group, to evaluate and assess the recovery of Sodium Chloride (NaCl) salt products from the BSOPP.
- Carnegie Joint Venture reported brine analysis results for the initial auger sampling program completed at the Carnegie Potash Project and also presented recent geophysics results associated with identifying the potential palaeochannel location.
- Approval, at General Meeting held on 9 January 2018, of resolutions for the ratification of Prior Placement Shares, the issue of Further Placement Shares and issue of Advisor Options.
- The Company had $12.8 million cash on hand as at 31 March 2018.

Kalium Lakes Limited (KLL) is pleased to report its activities for the quarter ending 31 December 2017.

Beyondie Sulphate Of Potash Project

KLL is an exploration and development company focused on developing the 100% Owned Beyondie Sulphate Of Potash Project (BSOPP) in Western Australia with the aim of commencing production at 75ktpa of Sulphate Of Potash (SOP) expanding to 150ktpa of SOP for domestic and international sale.

The Project covers an area of approximately 2,400 square kilometres, comprising 15 granted exploration licences, one granted miscellaneous licence, two mining lease applications and nine miscellaneous licence applications. Kalium Lakes intends to develop a sub-surface Brine deposit to produce a SOP product, by undertaking an evaporation and processing operation 160 kilometres (km) south east of Newman.
The BSOPP is Australia’s highest grade SOP brine deposit with a Probable Reserve of 2.66 million tonnes at 14.2 kilograms per cubic metre SOP using a cut-off of 3,500mg/l K. The Project, which is located close to key infrastructure, is already well progressed and has completed a Pre-Feasibility Study (PFS) involving detailed technical reports, test pumping of brine, environmental, heritage surveys and economic analysis. KLL has two Native Title agreements covering the full project development area which provides certainty in relation to the development of the project.

Approvals are in place from the WA Department of Mines and Petroleum (DMP), the WA Department of Environmental Regulation (DER) and the WA Department of Water (DoW) for a 150ha of evaporation ponds and 1.5Gtpa of brine extraction – equivalent to production of ~20ktpta SOP.

The BSOPP has an Inferred Resource of 4.37 Mt SOP at 14.0 kilograms per cubic metre SOP using a cut-off of 3,500mg/l K, and an Inferred Resource of 13.74 Mt SOP at 12.7 kilograms per cubic metre SOP using a cut-off of 3,500mg/l K.

KLL is currently undertaking a Bankable Feasibility Study (BFS) in relation to the BSOPP which is schedule for completion in Q3 2018. Offtake and financing discussions are being conducted in parallel to the BFS and pilot scale trials.
Activities for the March Quarter (in order of ASX announcement)

Results of General Meeting: 9 January 2018

KLL announced the results of the General Meeting held on Tuesday 9 January 2018, where shareholders approved resolutions for the ratification of Prior Placement Shares, the issue of Further Placement Shares and issue of Advisor Options.

Native Title Agreement : Mungarlu Ngurrarankatja Rirraunkaja (Aboriginal Corporation) RNTBC

On 18 January 2018, KLL announced that it had signed a Native Title Agreement with Mungarlu Ngurrarankatja Rirraunkaja (Aboriginal Corporation) RNTBC (MNR) covering the eastern tenements of the BSOPP. MNR is the registered native title body corporate that holds the native title rights and interests the subject of the Birriliburu determination area in trust for the Birriliburu People.

MNR is the registered native title body corporate that holds the native title rights and interests the subject of the Birriliburu determination area in trust for the Birriliburu People. The Birriliburu People were determined by the Federal Court as the native title holders of over 66,000 square kilometres of the Western Desert, including the area of the eastern tenements of the BSOPP, on 20 June 2008.

The Native Title Agreement recognises the Birriliburu People as the traditional owners of the land and MNR as the registered native title body corporate in relation to the land. Kalium Lakes is committed to building a mutually beneficial relationship with MNR and the Birriliburu People through effective engagement, consultation and communication. The Native Title Agreement also provides opportunities for MNR and the Birriliburu People to participate in the BSOPP, as well as a future royalty stream.

This is the second and final Native Title Agreement required for the development of the BSOPP. The signing of this Agreement provides the certainty that will allow the Company to develop both Stage 1 and the subsequent Stage 2 of the Project.

MNR negotiation team with their consultants and representatives of Kalium Lakes
Environmental Approvals Update

Early in February KLL advised that it had received notifications under the *Environmental Protection Act 1986 (WA)* from the Environmental Protection Authority of Western Australia (EPA) and the *Environment Protection and Biodiversity Conservation Act 1999 (Cth)* from the Australian Department of the Environment and Energy (DotEE), for BSOPP.

Those notifications covered the Stage 1 area of the BSOPP, which reflects the development base case of 150 ktpa SOP as outlined in the PFS.

The EPA had advised, in November 2017, that the level of assessment is an “Environmental Review – no public review, with a proponent prepared Environmental Scoping Document (ESD)”. Kalium Lakes has provided the draft ESD and has received comments back from the EPA. After the ESD has been finalised and an Environmental Review Document submitted the EPA will assess the project and prepare a report and recommendations for the Minister for Environment. When the Minister has considered the EPA’s report a Ministerial Approval Statement can then be issued pursuant to s45(5) of the *Environmental Protection Act 1986 (WA)*. This sets out the conditions and procedures that the proponent must adhere to during a project’s implementation.

The DotEE has provided a referral decision as a “controlled action, requiring assessment by preliminary documentation”. The assessment is limited to direct and/or indirect impacts on potential habitat for two species. The DotEE will provide a request for additional information and when the DotEE is satisfied that KLL has provided sufficient information it will direct KLL to publish the information and commence its assessment of the Project. The Minister will review the DotEE’s assessment and may then make the decision to approve the Project.
Mining Tenure Applications Submitted

Kalium Lakes advised on 14 February that it has submitted applications pursuant to the Mining Act 1978 (WA) for two Mining Leases and a number of ancillary Miscellaneous Licences. These applications cover the Stage 1 area the BSOPP and will support the development base case of 150 ktpa SOP, as outlined in the PFS. The Mining Lease application areas are outlined on the map image below.

The application for mining tenure is a significant milestone for the company and represents the culmination of more than three years of detailed work, associated with technical and environmental studies, as well as Native Title and government consultation. The agreements currently in place with the Determined Native Title Holders provide for the consent to the grant of Mining Leases, ancillary tenure and approvals required for the BSOPP. The time frame for grant of this tenure is relatively short and is expected to be achieved during Q2 2018.

Following grant of the tenure and completion of project financing, Kalium Lakes intends to commence construction and mining during the second half of 2018.

Successful EcoMag Magnesium Pilot Trials

One week later, on 20 February 2018 KLL and EcoMag Limited (EcoMag) announced a successful EcoMag pilot plant trial, processing residual brines from the BSOPP large scale pilot evaporation ponds, to recover high purity hydrated magnesium carbonate (HMC).

- The trials, undertaken at EcoMag’s facility in Karratha, confirmed initial laboratory works completed during 2017.
- The pilot plant produced 99.5% pure HMC, with overall magnesium recovery exceeding 95%.
• The magnesium brine feedstock provided by KLL, which has magnesium content of 8-9%, makes use of the residual liquid from the evaporation ponds after the production of mixed potassium salts.

• Additional optimisation works are being undertaken by EcoMag as part of the pilot trials, including further downstream processing to produce even higher value magnesium oxide products.

• The pilot works confirm EcoMag’s process beyond the laboratory scale and provide data for capital and operating cost estimates for a planned commercial scale plant.

• KLL and EcoMag are currently in discussions with regard to a PFS examining the commercial viability of recovering magnesium from residual BSOPP brines.

Purification Plant Recovery Optimisation

Kalium Lakes provided an update in relation to testwork optimisation for the Purification Plant on 27 February 2018. That work utilised harvested salts from the BSOPP pilot evaporation ponds and:

• Duplicated laboratory trials at both K-UTEC in Germany and Saskatchewan Research Council (SRC) in Canada have continued to optimise process flow sheet design. The testwork program has continued to build on the previous work completed in the PFS.

• Optimisation works for batch recovery trials within the processing plant utilising more than one tonne of harvested salts from the pilot evaporation ponds have achieved individual recoveries of between 90% to 98%.

• Overall SOP recoveries have the potential to increase to more than 80%, including evaporation pond losses associated with both leakage and recovery.

• SOP product quality has been enhanced to a premium 51-52% K₂O product with minimal chloride (<0.5%) and insoluble material.

• Further optimisation and equipment vendor testwork is ongoing utilising eight (8) tonnes of recently harvested salts from the pilot evaporation ponds.

• Final product specifications aim to produce a Kalium Lakes Premium SOP, Granular SOP and horticulture grade Soluble SOP suite of products.
Process risk is being reduced by duplicating work in both Germany and Canada so as to independently verify and optimise the repeatability of the proposed flowsheet.

Utilising salts from the large scale pilot evaporation ponds has allowed KLL to produce representative mixed potassium salt samples which have then been utilised to optimise the process. The results to date have been considerably better than the PFS assumptions and the team has continued to improve the final SOP product quality.

**WA Salt Koolyanobbing - Letter Of Intent Evaluate NaCl Salt Products**

The Company announced on 20 March 2018 that it had signed a Letter of Intent with WA Salt Koolyanobbing Pty Ltd, part of the WA Salt Group (WA Salt), to evaluate and assess the recovery of Sodium Chloride (NaCl) salt products from the BSOPP.

The WA Salt Group, which produces high quality salt products for domestic and international customers, will work with Kalium Lakes to determine which types of NaCl products can be recovered from the BSOPP and may be suitable for both local and international markets.

The trials at the Large Scale Pilot Evaporation Ponds have produced more than 3,000 tonnes of NaCl salts. Test results from initial samples show sufficiently high NaCl concentrations to continue the testing of larger, bulk samples. This additional testing is continuing.

**Pilot Pond Update and Harvest Trials**

KLL provided an update on its Large Scale Pilot Evaporation trials BSOPP on Thursday 22 March 2018, advising that the pilot trials had begun when construction commenced in June 2017, with first brine entering the system in August 2017. The pilot ponds have been run continuously and will form the basis of pond design for the Bankable Feasibility Study (BFS).

The Large Scale Pilot Evaporation Pond program reflects KLL’s development strategy, where a staged development approach is preceded by a pilot program to verify current assumptions and operational parameters along with production of bulk samples for marketing purposes. This trial program is based at the Beyondie, 10 Mile and Sunshine areas of the BSOPP.

The pilot ponds have been operated on a continuous basis (not batch) as recommended by KLL's key consultants K-UTEC, DRA and DSB International. The process involves pumping brine from a bore and/or trench into a concentration pond which evaporates water prior to reaching the salting point (refer to the figure below).

At this point brine is gravity fed (not pumped) to the next series of ponds where the sodium salts crystallise out of solution. The brine is again gravity fed to the series of ponds where potassium salts commence crystallising out of solution. Finally, a residual magnesium bittern remains, representing only 1-2% of the original brine volume pumped into the concentrator pond. This residual brine has been the subject of magnesium product investigations and pilot trials.
Importantly all the ponds are tiered so that the brine can flow via gravity, without the need for pumping between ponds. The harvest trials are providing detailed data about the salts, brines and techniques required to efficiently run the future operation. Some of the key details include:

- Evaporation Pond trials continue to provide invaluable insights at a representative scale not previously undertaken in Australia.
- 164 million litres of brine have been pumped since pump testing began, of which 83 million litres of brine have been pumped into the trial ponds.
- More than 10,000 tonnes of salts have been produced so far, including 3,160 tonnes of mixed potassium salts that can be processed to generate approximately 520 tonnes of SOP.
- The ongoing harvesting trials provide input into harvest equipment selection and overall full scale harvest planning.
- Salt harvesting can commence on the engineered, 1mm HDPE-lined off lake ponds after deposition of a 100-150mm protective salt layer. This takes 3-6 months to develop, representing a significant time saving of at least 12 months to first SOP production in comparison to utilising lake or clay based pond surfaces.
- Brine concentration curves have performed consistently as the trials have scaled up from early pilot scale and bench top studies.
- Time required to achieve steady state operations is approximately six months, depending on seasonal effects (temperature and humidity).

Kalium Lakes has been able to assess pump and pipe requirements from bores and trenches, determine pond design parameters to achieve a fully gravity fed system, observe brine evaporation behaviour and measure salt crystallisation and growth, test harvesting techniques and identify maintenance requirements.

As the largest scale pilot pond in Australia, the trials provide government agencies, investors and prospective debt financiers with a high level of certainty on scale up parameters that are being included in the BFS.

A short video showing some of the harvest trials can be accessed on KLL’s website by using this link.
Other Activities and Subsequent Events

Other activities undertaken during and subsequent to the quarter included:

- Continued drilling at 10 Mile and Sunshine Development Areas
- Purchase of additional camp and communication facilities
- K- UTEC competent person site visit occurred during the quarter
- Ongoing BFS engineering, design and costing activities
- Ongoing offtake and marketing discussions undertaken both domestically and internationally
- On 5 April 2018, advised that Independent Investment Research had published a detailed report, compiled by Michael Harrowell, on the Company. The Research Report, which can be accessed via this link Kalium Lakes Investor Research Reports, focusses on the ongoing development of the BSOPP and the Company’s other activities, as well as summarising the current worldwide market for potassium fertilisers.
- On 10 April 2018, KLL announced that Mr Christopher Achurch had accepted an offer from the Board to replace Mr Frederick Kotzee as Chief Financial Officer. Mr Kotzee had decided to step down from his position as Chief Financial Officer and Joint Company Secretary due to family commitments.

To ensure a smooth transition, Mr Kotzee agreed to continue in his current roles until mid-May 2018. Mr Achurch is currently a Senior Manager with RSM Australia, one of this nation’s top six corporate financial and advisory accounting service providers. He has considerable experience, operating at a senior level, in providing expert audit advice to a number of major businesses across the exploration, mining and agricultural sectors.

- The Company was also able to advise that, as part of its preparation of the BFS for the BSOPP, it has received Expressions Of Interest (EOIs) from a number of domestic and international financial institutions associated with debt funding for the Project. KLL is evaluating these EOIs and will continue to work with these financial institutions to complete relevant due diligence and credit approval process, in parallel with completing the BFS.

Planned Activities for Next Quarter

The Company’s main objectives and planned activities include:

- Finalise additional drilling
- Commence BFS update of geological model and hydrogeological numerical model
- Ongoing BFS engineering, design and costing activities
- EPA and EPBC assessment and discussions
- Ongoing operation of the large scale pilot evaporation ponds and test pumping
- Finalise salt harvesting trials
- Ongoing K-UTEC & SRC Purification Pilot Plant Optimisation Tests
- Upgrade of site facilities and communication systems
- Ongoing offtake discussions
- Review of Expressions Of Interest (EOIs) received from domestic and international financial institutions associated with debt funding for the Project
- Appointment of Independent Technical Experts (ITE) and Independent Marketing Consultants (IMC)
- Various Investor presentations and conferences
- Submission of Mining proposal and closure plan post grant of Mining Tenure
Carnegie Potash Project - Joint Venture

The Carnegie Joint Venture (CJV) is focussed on the exploration and development of the Carnegie Potash Project (CPP) in Western Australia, which is located approximately 220 kilometres east-north-east of Wiluna. The CJV comprises one granted exploration licences (E38/2995) and five (5) exploration licence applications (E38/2973, E38/2928, E38/3297, E38/5296 and E38/3295) covering a total area of approximately 1,725 square kilometres.

This Project is prospective for hosting a large sub-surface brine deposit which could be developed into a solar evaporation and processing operation that produces sulphate of potash (SOP). The Carnegie Project tenements are located directly north of Salt Lake Potash Limited’s (SO4) – Lake Wells tenements and Australian Potash Limited’s (APC) – Lake Wells tenements.

The CJV is a Joint Venture between Kalium Lakes (KLL, 85% Interest) and BCI Minerals (BCI, 15% interest). Under the terms of the agreement BCI can earn up to a 50% interest in the CJV by predominantly sole-funding exploration and development expenditure across several stages. KLL is the manager of the CJV and will leverage their existing Intellectual Property to fast track work.

- Stage 1 - BCI can earn a 30% interest by sole funding the $1.5M Scoping Study Phase,
- Stage 2 - BCI can elect to earn a further 10% interest by sole funding a further $3.5M Pre-Feasibility Study Phase,
- Stage 3 - BCI can elect to earn a further 10% interest by sole-funding a further $5.5M Feasibility Study Phase,
- By end of the Feasibility Study the CJV would have an ownership of 50% KLL and 50% BCI

Carnegie Potash Project Prospectivity Confirmed

On 11 January 2018, the CJV reported brine analysis results for the initial auger sampling program completed at the CPP. The CJV also presented recent geophysics results associated with identifying the potential palaeochannel location and provide an update on other works undertaken on the CPP.

The auger holes completed are located on granted tenement E38/2995 which is the eastern tenement of CPP. Assays from this initial program returned potassium grades of up to 4,790 mg/L, which is equivalent to an SOP grade of 10,674 mg/L. These results are positive and compare favourably with other SOP exploration and development projects in the region.

Brine samples were also collected to enable commencement of evaporation and processing bench scale testwork was completed during the quarter.

The CJV has completed an initial geophysics desktop assessment to identify the potential palaeochannel locations and followed up with a field geophysics program comprising 123km of traverses.

The field data has been analysed and interpreted and when, combined with publicly available information from other companies’ projects to the south, has identified the likely continuation of a palaeochannel from Lake Wells extending north through CPP’s E38/2995 tenement. Drilling targets designed to test the location and depth of the interpreted palaeochannel system have been identified and will be tested during the coming months.

Scoping Study activities have been underway since last year and are progressing to plan. To date hydrogeological desktop study works have been completed and environmental and regulatory approvals requirements have been identified. Access and product haul route options have also been determined.

The works completed to date, plus Carnegie’s extensive area, confirms the CPP’s potential scale and prospectivity, with positive initial brine assays results and a comparative lake surface footprint that is significantly greater than other SOP exploration projects in the area.
Activities & Subsequent Events

Joint Venture activities undertaken during and subsequent to the quarter included:

- Initial 64 auger hole program completed and analysed
- Potassium results up to 4,790 mg/L, equivalent to a SOP grade of 10,674 mg/L
- Completed the collection of brine samples for evaporation and processing testwork
- Process evaporation testwork and brine concentration curve determination
- Approximately 120 kilometres of geophysical traverses have previously been completed
- Exploration targets along the interpreted palaeochannel identified
- Received Permit of Works approval for Scoping Study drilling
- Completed ground truthing for future Permit of Works applications
- Site visit by K-UTEC Competent Persons
- Hydrogeological desktop study works completed and Scoping Study program now well advanced
- Access and product haul route options have also been determined

Planned Activities for Next Quarter

The Joint Venture’s planned activities include:

- Further exploration including drill testing
- Additional meetings with Native Title parties
- Finalise product transport options review
- Finalise evaporation testwork and assumed purification plant design
- Announce Mineral Resource and Exploration Target
- Finalise Scoping Study Works
Comparative Location of Carnegie Potash Project

Carnegie JV Project Regional Overview Map

Scale 1:2,000,000

Kilometers

Coordinate System: SGI 1984 MGA Zone 51
Projection: Transverse Mercator
Datum: GDA 1994

www.kaliumlakes.com.au
Carnegie and Lake Wells SOP Exploration Projects Comparative Footprint

### Carnegie JV Project Potash Project Comparisons

<table>
<thead>
<tr>
<th>Lake Surface Areas</th>
<th>Lake Surface Area (Km²)</th>
<th>Tenement Area (Km²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carnegie East (granted)</td>
<td>500</td>
<td>555</td>
</tr>
<tr>
<td>Carnegie West (pending Tenement)</td>
<td>840</td>
<td>1170</td>
</tr>
<tr>
<td>Lake Wells (SO4)</td>
<td>440</td>
<td>1164</td>
</tr>
<tr>
<td>Lake Wells (APC)</td>
<td>150</td>
<td>1733</td>
</tr>
</tbody>
</table>

**Carnegie and Lake Wells SOP Exploration Projects Comparative Footprint**
Potash Prospects – Dora / Blanche (100% Owned)

The Company has applied for exploration licences that could, if granted, introduce a new prospective area, the Dora/Blanche Prospect, for potassium exploration.

Kalium Project and Prospect Comparative Location in Western Australia
Corporate Activities

Cash Holdings

The Company had $12.8 million cash on hand as at 31 March 2018.

Business Development

The Company plans to continue to actively assess business development opportunities that relate to its existing project portfolio.

As and when acquisitions, divestments or partnerships are completed the Company will make announcements to the market under continuous disclosure requirements.

Investor Road Show

In April 2018, KLL undertook a national investor roadshow and released an investor presentation to update and inform existing investors, brokers and fund managers on current progress and upcoming activities.

Shares On Issue

The Company currently has 169,793,465 Ordinary Shares on Issue.

A total of 3,809,524 Ordinary Shares were issued during the quarter.

The following is a list detailing the ASX Restricted Securities:

- 57,769,847 Fully Paid Ordinary shares will be escrowed for a period of 24 months from the date of official quotation on the ASX.
- 9,000,000 Options exercisable at $0.25 each, expiring on 16 December 2019, will be escrowed for a period of 24 months from the date of official quotation on the ASX.
- 20,000,000 Performance Rights with terms and conditions as set out at pages 190 to 192 of the Prospectus will be escrowed for a period of 24 months from the date of official quotation.
- 330,882 Options exercisable at $0.425 each and expiring on 29 September 2020.
- 843,936 Options exercisable at $0.525 each, expiring on 22 January 2020.
- 4,000,000 Options exercisable at $0.525 each, expiring on 11 January 2021.

Tenement Interests

Below is a schedule of tenement interests by project as at 31 March 2018.

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Tenement Name</th>
<th>Holder</th>
<th>State</th>
<th>Status</th>
<th>Grant Date</th>
<th>Interest</th>
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<tbody>
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<td>E69/3306</td>
<td>Yanneri-Terminal</td>
<td>KLP</td>
<td>WA</td>
<td>Granted</td>
<td>17-3-2015</td>
<td>100%</td>
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<tr>
<td>E69/3309</td>
<td>Beyondie - 10-Mile</td>
<td>KLP</td>
<td>WA</td>
<td>Granted</td>
<td>17-4-2015</td>
<td>100%</td>
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<tr>
<td>E69/3339</td>
<td>West Central</td>
<td>KLP</td>
<td>WA</td>
<td>Granted</td>
<td>22-6-2015</td>
<td>100%</td>
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<td>E69/3340</td>
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<td>KLP</td>
<td>WA</td>
<td>Granted</td>
<td>22-6-2015</td>
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<tr>
<td>E69/3341</td>
<td>West Yanneri</td>
<td>KLP</td>
<td>WA</td>
<td>Granted</td>
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<tr>
<td>E69/3342</td>
<td>Aerodrome</td>
<td>KLP</td>
<td>WA</td>
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<tr>
<td>Tenement</td>
<td>Tenement Name</td>
<td>Holder</td>
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<td>Status</td>
<td>Grant Date</td>
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<td>E69/3343</td>
<td>T Junction</td>
<td>KLP</td>
<td>WA</td>
<td>Granted</td>
<td>22-5-2015</td>
<td>100%</td>
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<tr>
<td>E69/3344</td>
<td>Northern</td>
<td>KLP</td>
<td>WA</td>
<td>Granted</td>
<td>22-5-2015</td>
<td>100%</td>
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<tr>
<td>E69/3345</td>
<td>Wilderness</td>
<td>KLP</td>
<td>WA</td>
<td>Granted</td>
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<td>E69/3346</td>
<td>NE Beyondie</td>
<td>KLP</td>
<td>WA</td>
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<td>E69/3347</td>
<td>South 10 Mile</td>
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<td>WA</td>
<td>Granted</td>
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<td>E69/3348</td>
<td>North Yanneri-Terminal</td>
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<td>WA</td>
<td>Granted</td>
<td>11-8-2015</td>
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<td>E69/3349</td>
<td>East Central</td>
<td>KLP</td>
<td>WA</td>
<td>Granted</td>
<td>22-6-2015</td>
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<td>E69/3351</td>
<td>Sunshine</td>
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<td>WA</td>
<td>Granted</td>
<td>31-8-2015</td>
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<td>E69/3352</td>
<td>Beyondie Infrastructure</td>
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<td>Granted</td>
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<td>L52/162</td>
<td>Access Road</td>
<td>KLP</td>
<td>WA</td>
<td>Granted</td>
<td>30-3-2016</td>
<td>100%</td>
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<td>GNHwy Access Road</td>
<td>KLP</td>
<td>WA</td>
<td>Application</td>
<td>30-3-2016</td>
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<td>L52/187</td>
<td>Comms Tower 2</td>
<td>KLP</td>
<td>WA</td>
<td>Application</td>
<td>30-3-2016</td>
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<tr>
<td>L52/190</td>
<td>Kumarinia FW</td>
<td>KLP</td>
<td>WA</td>
<td>Application</td>
<td>30-3-2016</td>
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<tr>
<td>L69/28</td>
<td>Access Road Diversion</td>
<td>KLP</td>
<td>WA</td>
<td>Application</td>
<td>30-3-2016</td>
<td>100%</td>
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<tr>
<td>L69/29</td>
<td>Access Road Village</td>
<td>KLP</td>
<td>WA</td>
<td>Application</td>
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<td>WA</td>
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<td>KLP</td>
<td>WA</td>
<td>Application</td>
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<tr>
<td>L69/32</td>
<td>10MS FW A</td>
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<td>Application</td>
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<td>L69/34</td>
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<td>KLP</td>
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<td>M69/145</td>
<td>10 Mile</td>
<td>KLP</td>
<td>WA</td>
<td>Application</td>
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<td>M69/146</td>
<td>Sunshine</td>
<td>KLP</td>
<td>WA</td>
<td>Application</td>
<td>30-3-2016</td>
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Note: Kalium Lakes Potash Pty Ltd (KLP) is a wholly owned subsidiary of Kalium Lakes Limited (KLL)

### Carnegie Joint Venture

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Tenement Name</th>
<th>Holder</th>
<th>State</th>
<th>Status</th>
<th>Grant Date</th>
<th>Interest</th>
</tr>
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<tbody>
<tr>
<td>E38/2995</td>
<td>Carnegie East</td>
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<td>Rachlan</td>
<td>WA</td>
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<td>Rachlan</td>
<td>WA</td>
<td>Application</td>
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<td>Carnegie South West</td>
<td>KLP</td>
<td>WA</td>
<td>Application</td>
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<tr>
<td>E38/3296</td>
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<td>KLP</td>
<td>WA</td>
<td>Application</td>
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<td>E38/3297</td>
<td>Carnegie North</td>
<td>KLP</td>
<td>WA</td>
<td>Application</td>
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<td>85%</td>
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</table>

Note: Kalium Lakes Potash Pty Ltd (KLP) entered into a declaration of trust with Rachlan Holdings Pty Ltd (Rachlan) where Rachlan will hold for the benefit of KLP certain exploration licence applications and deal with the applications as directed by KLP (including transferring title).

### Potash Prospects

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Tenement Name</th>
<th>Holder</th>
<th>State</th>
<th>Status</th>
<th>Grant Date</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>E45/4436</td>
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<td>Rachlan</td>
<td>WA</td>
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<tr>
<td>E45/4437</td>
<td>Blanche</td>
<td>Rachlan</td>
<td>WA</td>
<td>Application</td>
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</table>

Note: Kalium Lakes Potash Pty Ltd (KLP) entered into a declaration of trust with Rachlan Holdings Pty Ltd (Rachlan) where Rachlan will hold for the benefit of KLP certain exploration licence applications and deal with the applications as directed by KLP (including transferring title).
### Indicated Mineral Resources

<table>
<thead>
<tr>
<th>Aquifer Type</th>
<th>Coverage (km²)</th>
<th>Volume (10⁶ m³)</th>
<th>Total Porosity (P)</th>
<th>Brine Volume (10⁶ m³)</th>
<th>Specific Yield (Sy)</th>
<th>Drainable Brine Volume (10⁶ m³)</th>
<th>K (mg/L)</th>
<th>K Mass (Mt)</th>
<th>SO₄ (mg/L)</th>
<th>SO₄ Mass (Mt)</th>
<th>Mg (mg/L)</th>
<th>Mg Mass (Mt)</th>
<th>SOP Grade (kg/m³)</th>
<th>K₂SO₄ Mass (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake Surface Sediments</td>
<td>288</td>
<td>1,066</td>
<td>0.46</td>
<td>492</td>
<td>0.14</td>
<td>150.59</td>
<td>6,685</td>
<td>1.01</td>
<td>18,710</td>
<td>2.82</td>
<td>5,617</td>
<td>0.85</td>
<td>14.91</td>
<td>2.24</td>
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<tr>
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<td>3,901</td>
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<td>1,951</td>
<td>0.03</td>
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<td>5,753</td>
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<td>16,156</td>
<td>1.89</td>
<td>4,908</td>
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<tr>
<td>Palaeochannel Sand</td>
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<td>146</td>
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<td>57</td>
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<td>38.64</td>
<td>6,004</td>
<td>0.23</td>
<td>18,453</td>
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<td>5,745</td>
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<tr>
<td>Fractured/ Weathered Bedrock</td>
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<td>113</td>
<td>0.10</td>
<td>11</td>
<td>0.05</td>
<td>5.63</td>
<td>8,200</td>
<td>0.05</td>
<td>25,070</td>
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<td>7,230</td>
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<td>311.88</td>
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<td>5,396</td>
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### Inferred Mineral Resources

<table>
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<tr>
<th>Aquifer Type</th>
<th>Coverage (km²)</th>
<th>Volume (10⁶ m³)</th>
<th>Total Porosity (P)</th>
<th>Brine Volume (10⁶ m³)</th>
<th>Specific Yield (Sy)</th>
<th>Drainable Brine Volume (10⁶ m³)</th>
<th>K (mg/L)</th>
<th>K Mass (Mt)</th>
<th>SO₄ (mg/L)</th>
<th>SO₄ Mass (Mt)</th>
<th>Mg (mg/L)</th>
<th>Mg Mass (Mt)</th>
<th>SOP Grade (kg/m³)</th>
<th>K₂SO₄ Mass (Mt)</th>
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</thead>
<tbody>
<tr>
<td>Lake Surface Sediments</td>
<td>260</td>
<td>1,559</td>
<td>0.45</td>
<td>701</td>
<td>0.12</td>
<td>182.43</td>
<td>6,344</td>
<td>1.16</td>
<td>18,646</td>
<td>3.40</td>
<td>6,834</td>
<td>1.25</td>
<td>14.15</td>
<td>2.58</td>
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<tr>
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<td>Palaeochannel Sand</td>
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<td>5,101</td>
<td>0.96</td>
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<tr>
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<td>13.74</td>
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### Exploration Target

<table>
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<th>Geological Layer</th>
<th>Maximum Thickness (m)</th>
<th>Coverage (km²)</th>
<th>Sediment Volume (10⁶ m³)</th>
<th>Porosity (P)</th>
<th>Total Stored Brine (10⁶ m³)</th>
<th>Specific Yield (Sy)</th>
<th>Drainable Brine (10⁶ m³)</th>
<th>K Grade (mg/L)</th>
<th>K Mass (Mt)</th>
<th>SO₄ Grade (mg/L)</th>
<th>SO₄ Mass (Mt)</th>
<th>Mg Grade (mg/L)</th>
<th>Mg Mass (Mt)</th>
<th>K₂SO₄ Mass (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alluvium</td>
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<td>157</td>
<td>942</td>
<td>0.4</td>
<td>377</td>
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<td>2,000</td>
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<td>6,080</td>
<td>0.57</td>
<td>2,320</td>
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<tr>
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<tr>
<td><strong>Total</strong></td>
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<td></td>
</tr>
<tr>
<td>Alluvium</td>
<td>12</td>
<td>157</td>
<td>1,884</td>
<td>0.5</td>
<td>942</td>
<td>0.18</td>
<td>170</td>
<td>4,500</td>
<td>0.76</td>
<td>12,375</td>
<td>2.00</td>
<td>4,950</td>
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<td>1,579</td>
<td>4,275</td>
<td>6.75</td>
<td>11,756</td>
<td>18.56</td>
<td>4,703</td>
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<td>15.05</td>
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<td>4,400</td>
<td>0.64</td>
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</tr>
</tbody>
</table>

### Probable Ore Reserves

<table>
<thead>
<tr>
<th>Aquifer Type</th>
<th>Brine Volume (10⁶ m³)</th>
<th>K Grade (mg/L)</th>
<th>K Mass (Mt)</th>
<th>SO₄ Grade (mg/L)</th>
<th>SO₄ Mass (Mt)</th>
<th>Mg Grade (mg/L)</th>
<th>Mg Mass (Mt)</th>
<th>SOP Grade (kg/m³)</th>
<th>K₂SO₄ Mass (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake Surface Sediments</td>
<td>138.44</td>
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<td>Production Bores</td>
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<td><strong>Total Reserve</strong></td>
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<td>5,417</td>
<td>1.01</td>
<td>14.21</td>
<td>2.66</td>
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</table>

Refer to Compliance Statement and Cautionary Statement Regarding Forward Looking Information. The Beyondie Project Exploration Target is based on a number of assumptions and limitations and is conceptual in nature. It is not an indication of a Mineral Resource Estimate in accordance with the JORC Code and it is uncertain if future exploration will result in the determination of a Mineral Resource.
Compliance Statement

The information in this document that relates to Mineral Resource and Ore Reserve Estimates has been extracted from the report(s) listed below.

- 3 October 2017:
  Pre-Feasibility Study with Maiden Ore Reserve Confirms Low Cost, Long Life and High Margin Beyondie SOP Project. (Including the attachment, JORC (2012) and NI 43-101 Technical Report, compiled by German Potash Experts and Competent Persons, K-UTEC AG Salt Technologies (K-UTEC)).

The report(s) are available to be viewed on the website at: www.kaliumlakes.com.au

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, 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.

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 on 3 October 2017, including any production targets, based on the information contained in the announcement and in particular the JORC 2012 and NI 43-101 Technical Report.

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 statements.

*** ENDS***

Kalium Lakes Limited
ABN: 98 613 656 643
ASX: KLL
Ordinary Shares on Issue: 169,793,465

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

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Balcatta, WA 6914
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Email: info@kaliumlakes.com.au
Web: www.kaliumlakes.com.au

Chief Financial Officer and
Company Secretary: Frederick Kotzee

Share Registry:
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Company Secretary: Gareth Widger