

Monday 28 May 2018

### EPA Minor and Preliminary Works Consent

Kalium Lakes Limited (KLL) is pleased to advise that it has received a notice of decision to Consent to Minor and Preliminary Works under the *Environmental Protection Act 1986* (WA) from the Environmental Protection Authority of Western Australia (EPA) for its Beyondie Sulphate Of Potash Project (BSOPP).

The notice Authorises Minor and Preliminary Works at the BSOPP in their entirety, associated with the construction, operation and maintenance of:

- Site access road upgrade;
- Upgrade accommodation camp, including waste water treatment plant;
- Workshop upgrade; and
- Upgrade of communication towers.

Managing Director, Brett Hazelden, commented: “The consent to minor and preliminary works from the EPA continues to support our stated project timelines with the aim of starting construction in the coming months and having first product by the end of next year. The remaining State and Federal Approvals for the BSOPP are anticipated to be received during the next quarter (Q3 2018).

“This approval will permit greater ease of access to and from site, better living conditions, a larger workshop and more reliable communication facilities for Kalium Lakes’ personnel and contractors,” Mr Hazelden said.

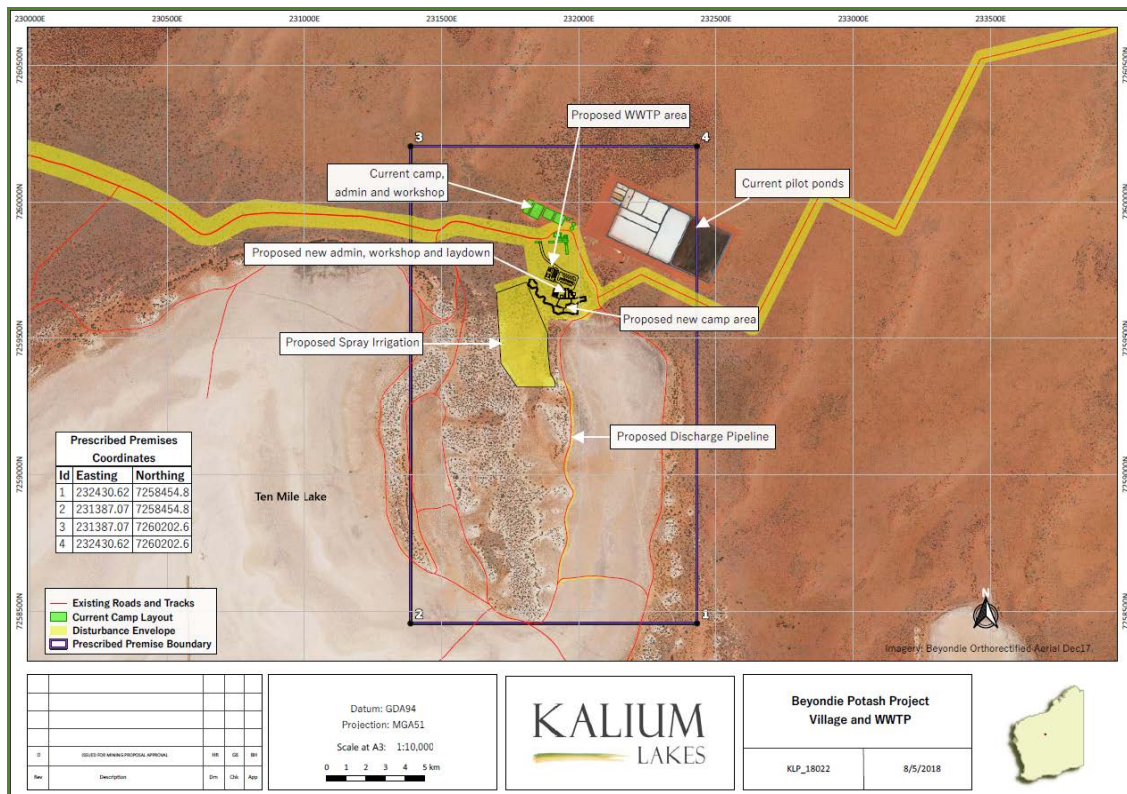


Figure 1: Location of the minor or preliminary works (accommodation camp and workshop)

## Compliance Statement

The information in this document that relates to Exploration Targets, Exploration Results, Mineral Resources, Ore Reserves and Production Targets have 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-UTECH AG Salt Technologies (K-UTECH)).
- 3 May 2018: BFS Exploration Drill Program Complete.

The report(s) are available to be viewed on the website at: [www.kaliumlakes.com.au](http://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, Ore Reserve Estimates, Exploration Targets or Production Targets, 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.

## Corporate Profile (as at 28 May 2018)

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.

### 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

**Chief Financial Officer:** Christopher Achurch

**Company Secretary:** Gareth Widger

### Contact Details:

Kalium Lakes Limited  
Unit 1, 152 Balcatta Road  
BALCATTWA WA 6021

PO Box 610  
BALCATTWA WA 6914

Tel: +61 (0)8 9240 3200

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

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