

## ASX Release

Friday 31 August 2018

### **Beyondie SOP Project Mining Proposal Approved and Mining Tenure Granted**

Kalium Lakes Limited (KLL) is pleased to advise the Mining Proposal and Mine Closure Plan have now been assessed and approved by the Department of Mines, Industry Regulation and Safety (DMIRS) and determined to provide the information required in the guidelines approved under section 700 of the Mining Act 1978 (the Act). The Mining Proposal relates to the Minor and Preliminary Works for the Beyondie Sulphate Of Potash Project (BSOPP).

KLL previously announced, on 28 May 2018, that it had 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 the BSOPP.

The approvals allow for 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.

KLL is also pleased to advise that in addition to its recently granted Mining Leases for the BSOPP, all of the key Miscellaneous Licence Applications for the Project have now been granted.

These Miscellaneous Licences allow for the development of the following supporting infrastructure; gas pipeline, water pipeline, power line, bridge/culverts, search for groundwater, taking water, meteorological station, communications facility, drainage channel, pump station, mine site accommodation facility, bore and borefield, water management facility, power generation, storage and transport facility for mine concentrate, mine site administration facility, workshop and storage facility.

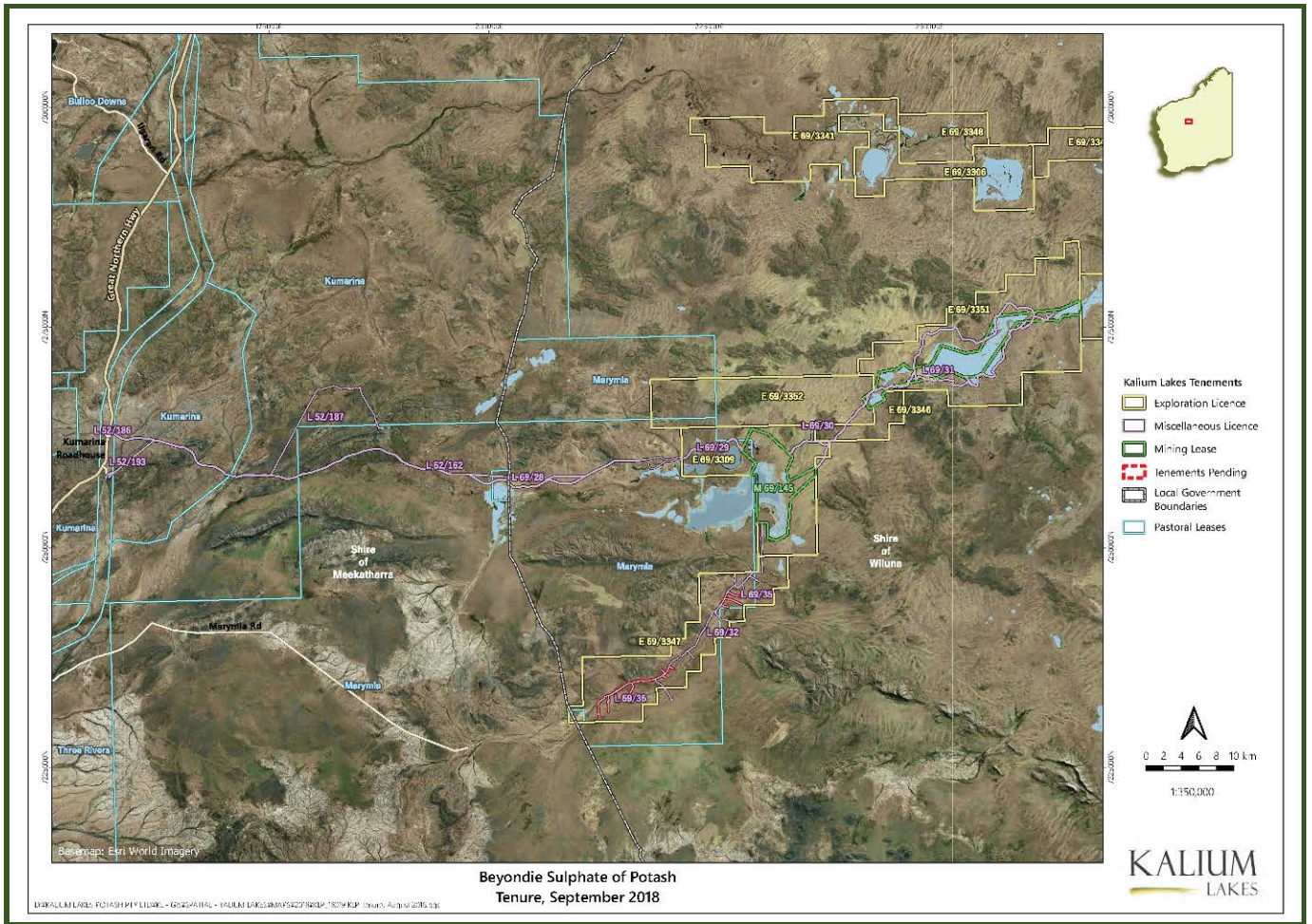
Kalium Lakes' full list of exploration and mining tenure associated with the 100% owned BSOPP is set out in Table 1 below. The mining tenure location (Figure 1) covers the Stage 1 area of the Project (Figure 2). Minor ancillary applications may be made in the future, as required.

Managing Director, Brett Hazelden, commented: "The approval of the Mining Proposal and grant of our initial Mining Tenure requirements ensures that we are able to undertake the early works construction activities this calendar year, while the remaining approvals for the BSOPP are processed."

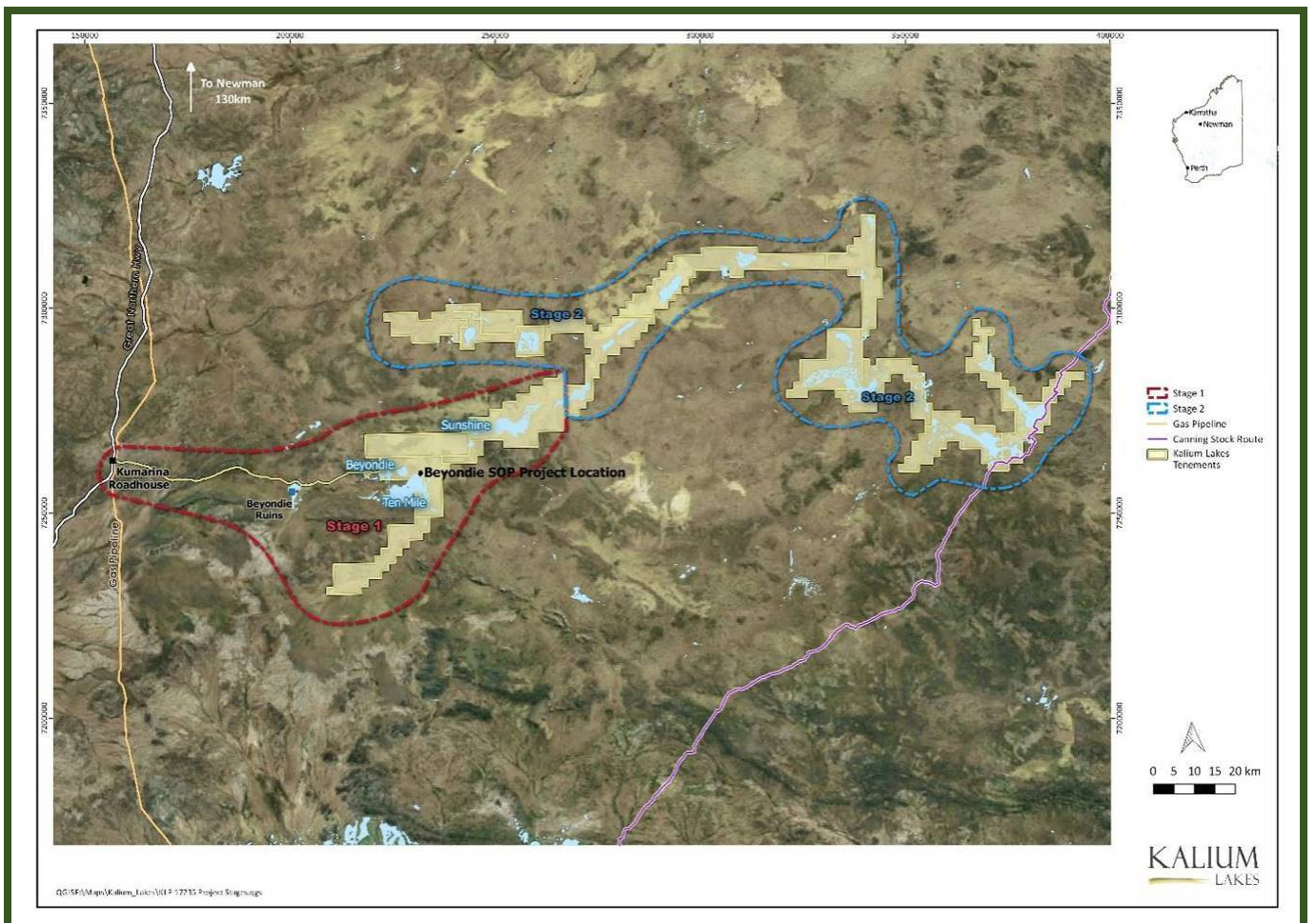
**Table 1 - Current Exploration and Mining Tenure for the Beyondie Sulphate Of Potash Project**

Tenement	Name	Holder	State	Status	Grant Date	Interest
<b>Exploration Licences</b>						
E69/3306	Yanneri-Terminal	KLP	WA	Granted	17-3-2015	100%
E69/3309	Beyondie - 10-Mile	KLP	WA	Granted	17-4-2015	100%
E69/3339	West Central	KLP	WA	Granted	22-6-2015	100%
E69/3340	White	KLP	WA	Granted	22-6-2015	100%
E69/3341	West Yanneri	KLP	WA	Granted	11-8-2015	100%
E69/3342	Aerodrome	KLP	WA	Granted	22-6-2015	100%
E69/3343	T Junction	KLP	WA	Granted	22-5-2015	100%
E69/3344	Northern	KLP	WA	Granted	22-5-2015	100%
E69/3345	Wilderness	KLP	WA	Granted	22-5-2015	100%
E69/3346	NE Beyondie	KLP	WA	Granted	11-8-2015	100%
E69/3347	South 10 Mile	KLP	WA	Granted	11-8-2015	100%
E69/3348	North Yanneri-Terminal	KLP	WA	Granted	11-8-2015	100%
E69/3349	East Central	KLP	WA	Granted	22-6-2015	100%
E69/3351	Sunshine	KLP	WA	Granted	31-8-2015	100%
E69/3352	Beyondie Infrastructure	KLP	WA	Granted	31-8-2015	100%
<b>Miscellaneous Licences</b>						
L52/162	Access Road	KLP	WA	Granted	30-3-2016	100%
L52/186	G N Hwy Access Road	KLP	WA	Granted	30-5-2018	100%
L52/187	Comms Tower 2	KLP	WA	Granted	30-5-2018	100%
L52/190	Kumarina FW 1	KLP	WA	Withdrawn		
L52/193	Kumarina FW 2	KLP	WA	Granted	13-8-2018	100%
L69/28	Access Road Diversion	KLP	WA	Granted	7-8-2018	100%
L69/29	Access Road Village	KLP	WA	Granted	7-8-2018	100%
L69/30	Comms Tower 1	KLP	WA	Granted	30-5-2018	100%
L69/31	Sunshine Access Road	KLP	WA	Granted	7-8-2018	100%
L69/32	10MS FW A	KLP	WA	Granted	14-8-2018	100%
L69/34	10MS FW B	KLP	WA	Granted	14-8-2018	100%
L69/35	10MS FW C	KLP	WA	Application	-	100%
L69/36	10MS FW D	KLP	WA	Application	-	100%
<b>Mining Leases</b>						
M69/145	10 Mile	KLP	WA	Granted	6-6-2018	100%
M69/146	Sunshine	KLP	WA	Granted	6-6-2018	100%





**Figure 1: Beyondie Sulphate Of Potash Project, Mining Tenure**



**Figure 2: Stage 1 - Represents ~21% of the total lake surface area within the tenement packages**



## 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.
- 27 July 2018: Scoping Study Completed with Maiden Resource and Exploration Target for the Carnegie Potash Project

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.

\*\*\* ENDS \*\*\*

## Corporate Profile

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 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, E38/2982, E38/3297, E38/5296 and E38/3295) covering a total area of approximately 3,081 square kilometres.

The Scoping Study, Maiden Resource and Exploration Target confirmed that the CPP has potential to be a technically and economically viable project, with an Inferred Resource of 0.88 Mt SOP @ 3,466 mg/l K (equivalent to 7,724 mg/l SOP) based only on the top 1.7 metres of the 27,874 hectare surficial aquifer on granted tenement E38/2995 plus an Exploration Target for material below the top 1.7 metres.

The CJV is a Joint Venture between Kalium Lakes (KLL, 70% Interest) and BCI Minerals (BCI, 30% 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 its existing Intellectual Property to fast track work. The JV Companies have endorsed proceeding to a staged Pre-Feasibility Study, with an initial focus on securing tenure and access to all required tenements.

**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

**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](mailto:info@kaliumlakes.com.au)  
Web: [www.kaliumlakes.com.au](http://www.kaliumlakes.com.au)

**Chief Financial Officer and  
Joint Company Secretary:**

Christopher Achurch

**Joint Company Secretary:**

Gareth Widger

**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