

## ASX Release

Thursday 8 November 2018

### **K+S Completes Offtake Due Diligence**

Kalium Lakes Limited (ASX:KLL) is pleased to advise that it has received written confirmation from K+S that it has satisfactorily completed its technical due diligence (DD) review on the Beyondie Sulphate Of Potash Project (BSOPP). The offtake arrangement for the entire Phase 1 SOP production from the 100% owned BSOPP in the East Pilbara region of Western Australia remains subject to the parties agreeing and entering into a formal binding offtake agreement (Binding Offtake Agreement) and the completion of DD satisfies the condition precedent required for the execution of the Binding Offtake Agreement.<sup>1</sup>

The DD review, undertaken during the past five months, was conducted by K+S working in close co-operation with the team at Kalium Lakes. It involved a site visit to the BSOPP site, technical reviews with K-UTEC, DRA Global, Advisian and others in Germany and Australia. The assessment also included a detailed review of the Bankable Feasibility Study, with emphasis on the geology, brine analysis, processing, quality and cost components of the Project.

Kalium Lakes Managing Director, Brett Hazelden, commented: "The completion of this intensive due diligence is seen as the final step prior to executing the legal documentation required for a binding off-take agreement with K+S, which we anticipate will be completed this month.

"Importantly, as K+S is one of the top potash providers worldwide, the due diligence discussion has been extremely rewarding, confirming the strategic and technical basis we used as the foundation for the Bankable Feasibility Study.

"We have enjoyed working with the group of expert professionals from the world's pre-eminent SOP producer and distributor. Our entire team is now looking forward to this strong relationship continuing well into the future," he said.

Learn more about K+S at: <http://www.k-plus-s.com>

#### **Cautionary Statement Regarding Forward-Looking Information**

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.

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<sup>1</sup> Refer to KLL ASX Release dated Thursday 21 June 2018 " Offtake Terms Sheet Signed with K+S" for further details.

## 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), a high yield, premium fertiliser, for both domestic and international markets. There is currently no SOP production in Australia.

Approaching a Final Investment Decision, the Company has just completed a Bankable Feasibility Study for the Project (the first BFS for any Australian deposit) which confirmed the Project is technically and financially robust, with first production anticipated in 2020. The Project aims to commence production at 82ktpa of SOP, before ramping up to 164ktpa of SOP for domestic and international sale. An initial mine life of between 30-50 years is anticipated for a project designed to be a low cost, long life and high margin producer.

## For Further Information Contact:

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