

Power Station Contract Awarded

Highlights

- **Power supply contracts awarded to Clarke Energy, including:**
 - **Circa \$10 million design and construct contract for the project's 7.5MW gas fired power station**
 - **Several smaller diesel generators for village power and the brine transfer pump stations**

Kalium Lakes Limited (Kalium Lakes) (ASX:KLL) is pleased to announce that it has awarded the contract to design, supply, install and commission the 7.5MW gas fired power station for its Beyondie Sulphate of Potash Project (BSOPP) to Clarke Energy. The scope of the contract includes three Jenbacher 616, 2.5MW gas reciprocating engines, a Kohler KV440C2 black start generator, high and low voltage switch rooms, auxiliary equipment and the power station controls system. Gas for power generation will be supplied from Kalium Lakes' owned and operated gas lateral that will also be built as part of the Project for the Stage 1 90ktpa SOP production capacity.

The scope under this contract has already commenced with early works to de-risk the project schedule and enable early contractor involvement for optimal integration with the power generation requirements of the Project. The balance of the contract scope will commence following a Final Investment Decision (FID) by Kalium Lakes.



Typical Clarke Energy power station configuration

Clarke Energy has also provided several smaller, diesel generators for the project from its signature Kohler brand, which will provide power to the village and the remote brine transfer pump stations.

Kalium Lakes' Chief Development Officer, Rudolph van Niekerk, commented: "Our experience in dealing with Clarke Energy on this project has been very positive and we are looking forward to the successful delivery of the Project's power station.

"Not only has Clarke Energy worked with us to find a technically viable solution for our project, it has gone the extra mile to also achieve the WHS Accreditation which is a requirement for this contract under Kalium Lakes' funding from the Northern Australia Infrastructure Facility," he said.



About Clarke Energy

Clarke Energy- a Kohler Company - is a leader in the engineering design, installation and long-term maintenance of gas engine-based power plants. The company is a green "gas to energy solutions provider" and is an authorized distributor and service provider for INNIO's (formerly GE Distributed Power) Jenbacher gas engines in 25 countries. Clarke Energy employs over 1,200 staff and has over 6,800 MW of Jenbacher gas generation equipment installed in its operational areas.

Click this link for additional information: www.clarke-energy.com/about/

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Beyondie Sulphate Of Potash Project

Developing Australia's First SOP Operation

KALIUM
LAKES



- 100% owned **Beyondie Sulphate Of Potash Project (BSOPP)**
- Located 160km south east of Newman, in Western Australia
- **Bankable Feasibility Study (BFS)** and **Front End Engineering and Design (FEED)** completed
- **Binding Offtake Agreement** with K+S, ~\$650M revenue over first 10 years
- **All Native Title Mining Agreements** are in place | **All EPA, EPBC, DMIRS, DWER construction approvals** in place
- **Phase 1 Start-up = 90ktpa SOP**; Phase 2 = 180ktpa SOP | **Low All In Sustaining Operating Cost (AISC) ~US\$178-207 /t FOB**
- Pre-Tax NPVs \$606M, **IRR of 20.3%** and **+A\$3B LOM free cashflow**
- **Low Cost Financing Credit Approved** - NAIF (\$74M), KfW (\$102M) with Euler Hermes German Government Guarantee
- **\$92 million equity raised during 2019** to complete Project funding requirement
- **Final Investment Decision (FID)** announced 3 October 2019

Compliance Statement

The information in this document that relates Production Targets has been extracted from the ASX announcement(s) listed below.

- 17 September 2018: Bankable Feasibility Study Completed With Exceptional Financial Outcomes
- 4 March 2019: Lower Operating Cost and Increased Production For BSOPP (Front-End Engineering and Design (FEED) works)

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, 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.

Competent Persons Statement

The information in this ASX announcement and the accompanying Report that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Thomas Schicht, a Competent Person who is a Member of a 'Recognised Professional Organisation' (RPO), the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1077) and Anke Penndorf, a Competent Person who is a Member of a RPO, the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1152).

Thomas Schicht and Anke Penndorf are full-term employees of K-UTEC AG Salt Technologies (K-UTEC).

K-UTEC, Thomas Schicht and Anke Penndorf are not associates or affiliates of Kalium Lakes or any of its affiliates. K-UTEC will receive a fee for the preparation of the Report in accordance with normal professional consulting practices. This fee is not contingent on the conclusions of the Report and K-UTEC, Thomas Schicht and Anke Penndorf will receive no other benefit for the preparation of the Report. Thomas Schicht and Anke Penndorf do not have any pecuniary or other interests that could reasonably be regarded as capable of affecting their ability to provide an unbiased opinion in relation to the Beyondie Potash Project.

K-UTEC does not have, at the date of the Report, and has not had within the previous years, any shareholding in or other relationship with Kalium Lakes or the Beyondie Potash Project and consequently considers itself to be independent of Kalium Lakes.

Thomas Schicht and Anke Penndorf have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Thomas Schicht and Anke Penndorf consent to the inclusion in the Report of the matters based on their information in the form and context in which it appears.

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, including any production targets, based on the information contained in the announcement and in particular the JORC 2012 and NI 43-101 Technical Report - Bankable Feasibility Study.

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 statement

Kalium Lakes Limited



ABN: 98 613 656 643
ASX: KLL
Ordinary Shares on Issue: 383,927,963



Board of Directors:

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Brett Hazelden
Rudolph van Niekerk
Stephen Dennis

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