

Wednesday 9 October 2019

Comprehensive BSOPP Construction Approvals Obtained

Highlights

- **Post the EPA and Ministerial Approval of the BSOPP in June 2019, Kalium Lakes has obtained a suite of approvals that have enabled full construction activities to commence, including:**
 - **DMIRS Mining Proposal and Mine Closure Plan**
 - **DMIRS Gas Pipeline Construction Safety Case**
 - **DWER Part V Works Approvals for Ponds & Waste Water Treatment Plant**
 - **DWER 5C Brine and Fresh Water Extraction Licences**
 - **DOH and Shire Building Approvals**
 - **DMIRS Dangerous Goods Site Licence**
- **Kalium Lakes is the only Australian SOP Developer to have obtained this comprehensive set of approvals, which clearly differentiates the Company from others in the sector.**
- **Australia's first Sulphate of Potash production is on schedule to begin in 2020.**

Kalium Lakes Limited (Kalium Lakes) (ASX:KLL) is pleased to provide an updated list of the approvals, agreements and consents it has obtained for its Beyondie Sulphate of Potash Project (BSOPP) as set out in the following table. This list includes the main full project construction approvals, early works approvals, exploration and pilot scale approvals.

As the Project transitions from Construction to Commissioning during 2020, various other secondary approvals required to commence operations will be obtained according to the legislative requirements. The Company obtained Major Project Status for the BSOPP in September 2019.

Kalium Lakes' Managing Director, Brett Hazelden, commented: "Our team has worked closely with a great number of people across a wide range of regulatory authorities and key stakeholders. This journey started in early 2015 with key exploration agreements signed with the respective Native Title Holders.

"That relationship has continued to grow, with ongoing heritage surveys and importantly mining land access agreements that enable works to be undertaken with the consent of the Traditional Owners.

"Our company has also continued to consult with the various government agencies, both state and federal, to obtain the required legislative approvals to undertake the first fully permitted Sulphate of Potash Mine in Australia. On behalf of our team I would like to thank all of those agencies for the valuable input and genuine support during this comprehensive process.

"We are the only SOP developer in Australia to have accumulated this comprehensive set of approvals. This has proved a key factor in allowing us to work with financial institutions, independent due diligence reviewers, brokers, institutions and investors, with all of that effort culminating in the announcement of a Final Investment Decision last week.

"This clearly differentiates Kalium Lakes in the market and we look forward to becoming Australia's first SOP Producer by the end of next year," Mr Hazelden said.

Legislation	Nature of Approval	Approval Status
<i>Environmental Protection Act 1986</i>	Part IV - EPA Approval (early works) Part IV - EPA Approval (full project)	Secured May 2018 EPA recommended approval April 2019. Ministerial Statement June 2019.
	Tecticornia Monitoring and Management Plan	Secured September 2019
	Compliance Assessment Plan	Secured July 2019
	Part V - Works Approval – Pilot Scale Evaporation Ponds Part V - Works Approval Amendment; Evaporation Ponds (full project)	Secured January 2016 Secured August 2019
	Part V – Works Approval - Waste Water Treatment Plant / Sewage	Secured October 2018
	Part V - Works Approval; Landfill	Secured June 2019
<i>Mining Act 1978</i>	POW - Exploration Proposal – Pilot Ponds & Infrastructure	Secured April 2016
	POW - Camp upgrade and communication towers	Secured July 2018
	Mining Proposal and Closure Plan – Camp, Workshop and Comms Tower (early works)	Secured August 2018
	Mining Proposal and Closure Plan (full project)	Secured September 2019
<i>Mines Safety and Inspection Act 1994</i>	Registration of Exploration Manager and nominated site safety representatives	Completed August 2015
	Registration of Construction Manager, Electrical Supervisor, Site Manager	Completed May 2019
	Project Management Plan (early works)	Secured February 2018
	Project Management Plan (full project)	Secured February 2019
<i>Rights in Water and Irrigation Act 1914</i>	26D Bore construction (early works)	Secured June 2015
	5C Licence for 1.5GPa pilot works (early works)	Secured August 2016
	5C licences for production (brine) and supply (fresh) bores (full project)	Secured July 2019
	26D Licence for production (brine) and supply (fresh) bores construction (full project)	Secured June 2019
<i>Environment Protection and Biodiversity Conservation Act 1999</i>	EPBC Act approval	Secured January 2019
	Night Parrot Management Plan	Secured July 2019
	Groundwater Monitoring and Management Plan	Secured June 2019
<i>Native Title Act 1993</i>	Mining Land Access Agreements	Secured March 2016 Gingirana Secured January 2018 MNR
<i>Aboriginal Heritage Act 1972</i>	Exploration Heritage Agreements	Secured March 2015
	Heritage Surveys	Completed during 2015/16/18/19
	Excess Tonnage Consent Letter	Secured December 2015
	Section 18 Clearance	Not required for the BSOPP
	Cultural Heritage Management Plans	Secured March 2016 Gingirana Secured January 2018 MNR
<i>Petroleum Pipelines Act 1969</i>	Pipeline Licence to Construct	Secured November 2018
	Construction Safety Case – Gas Pipeline Construction	Secured September 2019
<i>Health (Miscellaneous Provisions) Act 1911</i>	Approval to construct or install an apparatus for sewage treatment Certificate of Construction – Permit to Use (sewage)	Secured September 2018 Secured September 2019
<i>Main Roads Act 1930</i>	Great Northern Hwy Intersection Approval	Secured April 2019
<i>Building Act 2011</i>	Shire Building Permit for Camp	Secured July 2019
<i>Dangerous Goods Safety Act 2004</i>	Dangerous Goods Site Licence	Secured October 2019
<i>Medicines and Poisons Act 2014</i>	Poisons Permit (For Site Medic)	Expected October 2019

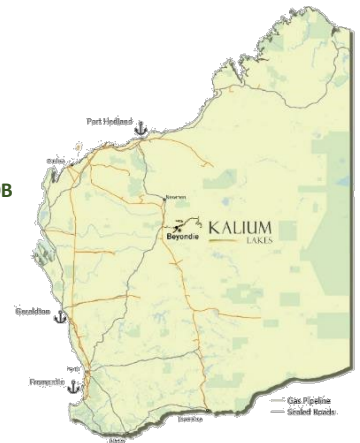
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Beyondie Sulphate Of Potash Project

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** - NAIIF (\$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:

Mal Randall
Brett Hazelden
Rudolph van Niekerk
Stephen Dennis

Non-Executive Chairman
Managing Director
Executive Director
Non-Executive Director



Contact Details:

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

PO Box 610
BALCATTWA WA 6914

Email: info@kaliumlakes.com.au
Web: www.kaliumlakes.com.au

Tel: +61 (0)8 9240 3200

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