

Monday 14 October 2019

Gas Supply Infrastructure Contracts Awarded

Highlights

- Major contracts for construction of \$20M Gas Pipeline Lateral have been awarded to:
 - Edgen Murray for 79.4 kilometres of gas pipeline manufacture and supply
 - Pipecraft for the gas pipeline installation
 - Primero for the design and construction of the inlet and delivery stations

Kalium Lakes Limited (Kalium Lakes) (ASX:KLL) is pleased to advise that it has awarded the contracts for design, supply and construction of its fully owned gas lateral.

The scope of the gas pipeline has been divided in three major contracts which include manufacture and supply of the coated linepipe by Edgen Murray, installation of the pipeline by Pipecraft and design, supply and construction of the inlet and delivery stations, as well as the pipeline design by Primero.

The inlet station will receive gas from the APA metering facility near the Kumarina Roadhouse (refer ASX announcement 28 June 2019 "[Shell Gas Supply and APA Gas Transport Contracts Awarded](#)"). It will allow gas supply via a four inch, 79.4 kilometre gas lateral to the delivery station from where gas will be provided, at controlled temperature and pressure, for both power generation and use within the SOP production facility.

The contracts for the gas supply infrastructure were tendered in accordance with Kalium Lakes' approved Australian Industry Participation Plan, which is one of the requirements of the funding received from the Northern Australia Infrastructure Facility (NAIF). Pipecraft also provided significant support to help meet another NAIF funding requirement, by applying and receiving its WHS Accreditation prior to award of the contract.

Kalium Lakes' Chief Development Officer, Rudolph van Niekerk, commented: "Kalium Lakes is pleased to have concluded the award of these important contracts to reputable contractors and suppliers and is looking forward to building the gas supply infrastructure for the Project.

"These contracts will not only supply gas for the initial 90ktpa of SOP production but are also sufficient to supply gas for our expansion plans to produce 180ktpa of SOP, as well as other potential Magnesium by-products," he said



EDGEN MURRAY, a subsidiary of Sumitomo Corporation, is a leading global supplier of specialised products for worldwide energy and infrastructure markets. Our global distribution platform expands across the Americas, Europe, the Middle East, and the Asia Pacific region. Edgen Murray Australia provide specialised services for the manufacture and delivery of coated linepipe to Australian gas projects. <https://www.edgenmurray.com/company-profile/>



PIPECRAFT is a Western Australian based specialist pipeline – construction and engineering contractor servicing Australia and PNG. PIPECRAFT provides a range of project management, engineering, construction, maintenance, mechanical and equipment hire services to the upstream, midstream and downstream resource, utility and energy markets. <https://pipecraft.com.au/why-us/about-us/>



PRIMERO is an ASX listed multi-disciplinary engineering and construction group who specialise in the turnkey design, construction and commissioning and operation of minerals, energy and non-process infrastructure projects: <https://www.primero.com.au/about/>

*** ENDS ***

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: 385,427,963



Contact Details:
Kalium Lakes Limited
Unit 1, 152 Balcatta Road
BALCATT A WA 6021

PO Box 610
BALCATT A WA 6914

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

Tel: +61 (0)8 9240 3200



Board of Directors:

Mal Randall	Non-Executive Chairman
Brett Hazelden	Managing Director
Rudolph van Niekerk	Executive Director
Stephen Dennis	Non-Executive Director

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