

Wednesday 16 October 2019

## SOP Purification Plant Construction Contract Awarded

### Highlights

- **Kalium Lakes awards the ~\$20M SOP Purification Plant construction contract to G&S Engineering.**
- **The scope includes construction & installation of all concrete, structural steel, mechanical equipment, piping, platework electrical, instrumentation & controls up to dry commissioning.**
- **G&S will also provide wet commissioning support services for the SOP plant.**

Kalium Lakes Limited (Kalium Lakes) (ASX:KLL) is pleased to advise that it has awarded the contract for construction of the SOP Purification Plant for its Beyondie Sulphate of Potash Project (BSOPP) to G&S Engineering Services Pty Ltd (G&S), a wholly owned subsidiary of DRA Global Ltd (DRA).

The scope of the contract includes completion of all works associated with:

- civil & concrete construction;
- structural steel assembly & erection;
- mechanical equipment assembly & installation;
- platework assembly & installation;
- piping installation;
- electrical, instrumentation & controls installation;
- dry commissioning, and
- wet commissioning support services in cooperation with Ebtec.

The battery limits of the contract covers the receipt of raw feed product harvested from the evaporation ponds, up to delivery of SOP products to the storage shed and includes schedule liquidated damages for late completion of the works under the contract.

The award of this contract was completed as one of Kalium Lakes' debt finance conditions and follows completion of sufficient detail engineering during early works, along with several months of planning and negotiation.

Kalium Lakes' Chief Development Officer, Rudolph van Niekerk, commented: "The DRA owned G&S Engineering Services was strategically selected to be the construction contractor for our project, to not only manage interface risk with DRA and Ebtec, but also improve efficiency of information transfer and minimise leakage of intellectual property.

"The strategy has already proven to be working, allowing building of relationships in an 'Early Contractor Involvement' type of environment whereby constructability and planning is incorporated early into the design of the plant.

"We are looking forward to continue working with G&S and to see the plant constructed on budget and on schedule," he said.

"DRA and G&S is looking forward to continue working with Kalium Lakes to realise the implementation of the Beyondie SOP Project in Western Australia and the award of this contract is yet another milestone throughout the collaborative journey with Kalium Lakes", added Greg McRostie, Executive Vice President of DRA Global in APAC.



**G&S Engineering Services**, a wholly owned subsidiary of DRA Global Ltd, is a provider of professional asset management services covering engineering, construction, maintenance and optimisation to the resources, energy, ports and infrastructure sectors in Australia. Headquartered in Mackay Queensland, G&S employs about 1000 people across the Australia. <http://www.g-s.com.au/>

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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](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.

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