Kalium Lakes Limited (KLL) is pleased to report its activities for the quarter ending 31 December 2019.

Beyondie Sulphate Of Potash Project

KLL is an exploration and development company focused on developing the 100% owned Beyondie Sulphate Of Potash Project (BSOPP) in Western Australia with the aim of commencing production at 90ktpa of Sulphate Of Potash (SOP) before ramping up to 180ktpa of SOP for domestic and international sale.

The Project covers an area of approximately 1,760 square kilometres, comprising 16 granted exploration licences, 15 granted miscellaneous licences, two granted mining leases and a gas pipeline licence. Kalium Lakes is developing a sub-surface Brine deposit to produce a SOP product, by undertaking an evaporation and processing operation 160 kilometres south east of Newman. A short video, which recorded the status of activities and progress at the Project site, was compiled in December and can be accessed via this website page: https://www.kaliumlakes.com.au
KLL announced that it had reached Financial Close for the Project on 9 December 2019, following the announcement of a Final Investment Decision on 3 October 2019.

The Company is now proceeding with full construction activities, with production anticipated in late 2020. In achieving Financial Close the Company acknowledges the contribution of leading industry specialists including K-UTEC, DRA Global, Advisian, Shawmac, Wyntak, SRK, Ebner GmbR and Preston Consulting as the principal technical consultants, as well as RSM, DLA Piper Australia, HopgoodGanim Lawyers, Macquarie Capital (Australia) Limited and also BurnVoir Corporate Finance as legal, commercial and financial advisors.

Kalium Lakes has entered into a Binding Offtake Agreement with pre-eminent international SOP producer and distributor, K+S. The Agreement includes the following key elements:

- An initial 10-year term to provide K+S with 90,000tpa of SOP products, representing 100% of the anticipated production from Phase 1 of the Beyondie Sulphate of Potash Project.
- Pricing is linked to the sales price realised by K+S, which will also receive a marketing fee for selling and distributing the SOP product.
- K+S offers Kalium Lakes unparalleled expertise and technical support in relation to design, construction and commissioning.

Kalium Lakes adheres to the JORC 2012 Code and the Canadian Institute of Mining, Metallurgy and Petroleum Best Practice Guidelines for Resource and Reserve Estimation for Brines (CIM Guideline).

In addition, the Company is part of the Association of Mining and Exploration Companies (AMEC) Potash Working Group and recognises that the Joint Ore Reserve Committee (JORC) has adopted the “Guidelines for the Resource and Reserve Estimation for Brines” that had been jointly developed by the Australian SOP Brine Industry and its specialist hydrogeologists in conjunction with AMEC.

**Activities for the December Quarter (in order of ASX announcement)**

**Final Investment Decision – Beyondie SOP Project**

On 3 October 2019 Kalium Lakes advised that the Company’s Board had approved the full development of its 100% owned Beyondie Sulphate of Potash Project. The development of this world class, long life, high margin and low cost Sulphate of Potash (SOP) Project will see Kalium Lakes become one of only a handful of primary SOP producers globally.

This decision followed the successful completion of the Company’s A$72 million capital raise in August in conjunction with the loan facilities to be provided by KfW IPEX-Bank (approximately A$102 million) and Northern Australia Infrastructure Facility (A$74 million) plus a working capital facility from Westpac Banking Corporation (A$15 million). The Company undertook to provide shareholders with an update in respect to the progress of the loan facilities by way of ASX announcements.

The Final Investment Decision (FID) allowed the acceleration of activities from the approved Early Works program to Full Scale Construction. As a result, the Company began the process of finalising the remaining key construction contracts.

**Power Station Contract Awarded**

Several days later, on 7 October 2019, the Company announced that it had awarded the contract to design, supply, install and commission the 7.5MW gas fired power station for its Beyondie Sulphate of Potash Project 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 had 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.
Comprehensive BSOPP Construction Approvals Obtained

Kalium Lakes reported, on 9 October 2019, that it was providing an updated list of the approvals, agreements and consents it had obtained for the BSOPP (see following page). 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.

Gas Supply Infrastructure Contracts Awarded

On 14 October 2019 Kalium Lakes advises that it had awarded the contracts for design, supply and construction of its fully owned gas lateral. The scope of the gas pipeline had 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 Kumanina Roadhouse. 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.

SOP Purification Plant Construction Contract Awarded

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

**List Of Comprehensive BSOPP Construction Approvals**
**Research and Development – Tax Offset**

The Company’s 2018/19 Research and Development (R&D) Tax Incentive claim was announced as being completed on 24 October 2019. Under the self-assessment program, KLL has registered eligible Australian R&D activities for the Beyondie Sulphate Of Potash Project.

The Company is also eligible to claim R&D tax offsets for overseas R&D expenditure, on R&D activities described in the approved Overseas Findings application, from the beginning of the 2015/16 income year until completion, which occurred during the 2018/19 period.

KLL has received a total of A$1,387,425 in R&D tax offsets for the 2018/19 income year for both Australian and approved overseas R&D activities in relation to the BSOPP.

**Wirtgen To Supply BSOPP With Salt Milling Machine**

On 28 October 2019, Kalium Lakes advised that it has selected a Wirtgen W 220 Large Milling Machine to harvest the hardened potassium salts from the evaporation ponds at the Beyondie Sulphate of Potash Project (BSOPP). The contract for this equipment falls within the facility guaranteed by the German Government export credit agency, Euler Hermes.

The specially equipped Wirtgen W220 large milling machine is ideally suited to the task of milling the very hard potassium salts that form in the evaporation ponds, ensuring the milled material can be “harvested” to Kalium Lakes’ specified grain size and then transported to the nearby purification plant for processing.

**WA Government Gives Green Light**

The Premier of Western Australia, Hon. Mark McGowan MLA, signed off on a Northern Australia Infrastructure Facility (NAIF) loan to assist in developing infrastructure for Kalium Lakes’ Beyondie SOP Project, on Thursday 14 November 2019.

The Premier, the Treasurer and the Minister for Mines and Petroleum of Western Australia released a joint media statement (Link to WA Government announcement: “Australia’s first sulphate of potash operation gets green light”).

**10 Mile West Delivers Highest Grades Recorded**

Kalium Lakes reported, on 19 November 2019, the initial brine analysis results for drill holes recently completed at its recently acquired 10 Mile West tenement (shown in Figure 2 below) at the BSOPP. The brine assay results were presented with exploration drill hole data in tables contained in the announcement (Link: “10 Mile West Delivers Highest Grades Recorded”). Drill hole locations are shown in Figure 1 below.

It is notable that some of these grades are the highest ever recorded at 10 Mile with potassium grades up to 12,900 mg/L, equivalent to a SOP grade of 28,750 mg/L. Further, the brine has Low Impurity Levels with Na:K ratios averaging around 7.4. This figure is key, as it means less Sodium Chloride (NaCl or table salt) is being produced and will result in lower waste salt disposal requirements.

10 Mile West is strategically located next to a granted Mining Lease, purification facilities and infrastructure, allowing future potential to extend the trench and bore network (currently under construction) for brine extraction at the BSOPP.
Figure 1: 10 Mile West Drill Hole Locations

Figure 2: Location of 10 Mile West Tenement (E69/3594)
Investigation with EcoMag into Sustainable Extraction of High Value Magnesium

On 26 November 2019, the Company announced that together with unlisted, emerging magnesium producer EcoMag Limited (EcoMag) it had signed a term sheet committing both companies to jointly undertake a feasibility study to evaluate the commercial extraction of magnesium from residual brines produced at the BSOPP, for sale into international speciality chemical markets.

On confirmation that the extraction of magnesium is financially viable, the parties propose to negotiate a formal joint venture arrangement. KLL has already identified 8.52 Mt$^1$ of existing Magnesium (Mg) JORC defined Mineral Resource.

The Term Sheet follows successful pilot scale trials by EcoMag of the residual brines from the BSOPP’s pilot evaporation ponds during 2018 and 2019. The trials utilised a high magnesium content (up to 9%) feed brine to produce 99.5% pure hydrated magnesium carbonate (HMC) with relatively low levels of impurities and an overall recovery rate in excess of 95%.

As a result, the potential Joint Venture is proposed to extract very high purity HMC as a precursor compound to producing magnesium oxides and hydroxides (see Figure 3), which have current market prices between US$1,000 and US$2,000 per tonne.

For more information refer to www.ecomagnesium.com and www.ecomagdirect.com

Financial Close Achieved

Kalium Lakes announced that it had reached Financial Close on 9 December 2019 and advised that it was able to proceed with first drawdown on its Project Debt Facilities underpinning the ongoing development of its 100% owned Beyondie Sulphate of Potash Project.

As previously announced, on 2 July 2019, Kalium Lakes secured ~A$102m of senior debt funding from KfW IPEX-Bank (KfW), of which approximately half is supported by a guarantee from the German Government Export Credit Agency, Euler Hermes. In addition, A$74 million of senior debt funding has been secured from the Northern Australia Infrastructure Facility (NAIF) and A$15 million in working capital facilities (and additional hedging lines) from Westpac.

Financial Close followed the satisfaction of all required Conditions Precedent under the Project Debt Facilities.

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1 These Mg mineral resources are not a production target and no forecast is made as to whether an ore reserve will be defined for the Mg mineral resources at the BSOPP, nor of financial outcomes.
Extensive Increase in Aquifer Thickness at Lake Sunshine

On 17 December 2019, the Company reported brine analysis results for recent drilling activities completed at Lake Sunshine as part of the Beyondie Sulphate of Potash Project. The brine assay results are presented in tables in the announcement (Link: “Extensive Increase in Aquifer Thickness at Lake Sunshine”) and drill hole locations are shown in Figure 4 below.

Lake Sunshine has existing Indicated and Measured Mineral Resources and Ore Reserves for the lake surface and shallow sediments associated with the palaeovalley and weathered bedrock. The drilling results have tested the Jilyili Sandstone Formation below the palaeovalley for brine grade and drainable porosity with the sandstone being contiguous with the current Mineral Resources and Ore Reserves.

Results show the sandstone extends down to a depth of up to 196 m with interbedded friable and cemented sandstone bands and minor siltstone. Brine samples were obtained at regular intervals throughout the profile with airlifts rates typically only restricted by the annulus of the drilling system. Borehole magnetic resonance (BMR) logs have been run in the open holes to measure drainable porosity.

It is notable that some of the grades are the highest ever recorded at Lake Sunshine with potassium grades up to 9,360 mg/L, equivalent to a SOP grade of 20,872 mg/L. The drill holes have been completed in the location of the Stage 1 production borefield at Lake Sunshine. These results mean that the production bore designs can be optimised to include the deeper higher-grade brine.

Figure 4: Sunshine Drill Hole Locations
Beyondie SOPP Construction and Operations Progress

Site works continued during the quarter with the key focus areas and other information summarised below:

- 113,918 cumulative man-hours worked to date.
- 238 personnel inducted to work on site to date.
- Continued expansion of accommodation facility which is nearing completion at 150 rooms (Photo 1). Other temporary rooms are planned to be used to cover any peak periods during construction.
- ~$200 million of contracts have been awarded with $56 million spent to date (excluding finance costs).
- The project is 24% complete as at the end of December 2019.
- The project is on schedule and within budget with contingency progressively being utilised as contracts are awarded, extra works identified and any rework undertaken.
- Freshwater borefield has all 10 bores and 42km out of 44km of pipework installed.
- 10 Mile brine borefield has 13 bores installed and 22.5km out of 23.7km of pipework installed (Photo 2). Current brine grade is higher than planned with overall bore flow rates slightly below plan. Four(4) additional production bores, located close to existing pipelines, will be installed.
- Sunshine brine borefield has six(6) bores installed with a further four(4) to be completed and 8.1km out of 23.1km of pipework delivered. The production bores have been optimised to take advantage of the extended depth and higher grades as reported above on Page 8. Some additional pumping and pipeline costs have been incurred due to the optimisation.
- Trenching at 10 Mile has two all-terrain diggers working (Photo 3) and anticipated to be complete in February with the diggers then moving to trench at Sunshine.
- Evaporation pond construction continues (Photo 4) with:
  - 400ha ponds cleared and grubbed;
  - 160ha of ponds levelled and trimmed ready for lining; and
  - 60ha of ponds lined.
- Approximately 350 million litres of brine have been pumped to the 10 Mile Pre-Concentrator Pond (Photo 5) since commencing on 13 October 2019. Evaporation is high with the pond currently holding 205 million litres of brine. The Sunshine Pre-Concentrator Pond is being finalised ready for lining (Photo 6).
- Brine transfer from the 10 Mile Pre-Concentrator Pond to the crystalliser ponds commenced on 15 January 2020.
- Brine containing approximately 6,000 tonnes of SOP has been pumped into the evaporation ponds to date, with brine production ramp up at 10 Mile and Sunshine borefields and trenches continuing.
- Non Processing Infrastructure works including administration office and workshops commenced installation works during the period (Photo 7).
- The Beyondie Airstrip is operational (Photo 8) with a review being undertaken to extend the airstrip to allow a larger 19 seat plane to land.
- Access road upgrades have been completed with ongoing maintenance work being undertaken.
- Engineering works continued on the Purification Plant and Gas Pipeline with key hold point and HAZOP reviews completed. Purification Plant earthworks are scheduled to start in February 2020 and Gas Pipeline construction is scheduled to commence in April 2020.
- 80km of gas pipeline has been fabricated and is presently being shipped to Australia (Photo 9).
- The Project received high winds over Christmas and New Year, followed by 60mm of rainfall at 10 Mile (Photo 10) and more than 100mm of rain at Sunshine as a result of the residual impact of tropical cyclone Blake on Thursday 9 January. Construction work ceased for approximately 18 hours. Some rework was required to the evaporation ponds, liner and access roads as a result of the weather conditions.
- Following the placement of an order in August 2019, Kalium continues to wait for Telstra to complete final technical connections to the upgraded microwave tower relaying data and telecommunications to the Project site. The failure of Telstra to deliver this vital business service to date may result in a delay to the mobilisation of contractors to site in the near term.

A short video, which recorded the status of activities and progress at the Project site, was compiled in December and can be accessed via this website page: https://www.kaliumlakes.com.au

Photo 2: 10 Mile Brine borefield and pipeline network – December 2019.

Photo 5: 10 Mile Pre-Concentrator Pond and transfer station – December 2019.

Photo 6: Sunshine Pre-concentrator pond nearly ready for Lining – December 2019.
Photo 7: Administration and workshop facilities with Purification Plant area cleared – December 2019.

Photo 9: Fabricated gas pipeline loaded into ship for transporting to Australia – December 2019.

Other Activities

Other activities undertaken during and subsequent to the quarter included:

- Heritage surveys for the clearance of land for Gas Pipeline.
- Award of various minor construction contracts.
- Various investor presentations.

Planned Activities for Next Quarter

The Company’s main objectives and planned activities include:

- Continuing to pump brine into lined evaporation ponds.
- Completion of accommodation buildings and facilities.
- Ongoing construction activities.
- Various investor presentations and conferences.
- Next Steps as summarised below.

Next Steps

<table>
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<th>Milestones</th>
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<td>Commissioning Commences</td>
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<td>Ramp Up to Name Plate Throughput</td>
<td>During 2021</td>
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Project Timeline to First Production

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- Final Investment Decision (FID)
- Village construction complete
- Gas Supply infrastructure available
- First Product
- Ramp Up
The Carnegie Joint Venture (CJV) is focussed on the exploration and development of the Carnegie Potash Project (CPP) in Western Australia, which is located approximately 220 kilometres east-north-east of Wiluna. The CJV comprises one granted exploration licences (E38/2995) and five (5) exploration licence applications (E38/2973, E38/2928, E38/3297, E38/5296 and E38/3295) covering a total area of approximately 3,040 square kilometres.

This Project is prospective for hosting a large sub-surface brine deposit which could be developed into a solar evaporation and processing operation that produces Sulphate of Potash (SOP). The Carnegie Project tenements are located directly north of Salt Lake Potash Limited’s (SO4) – Lake Wells tenements and Australian Potash Limited’s (APC) – Lake Wells tenements.

The CJV is a Joint Venture between Kalium Lakes (KLL, 70% Interest) and BCI Minerals (BCI, 30% interest). Under the terms of the agreement BCI can earn up to a 50% interest in the CJV by predominantly sole-funding exploration and development expenditure across several stages. KLL is the manager of the CJV and will leverage its existing Intellectual Property to fast track work.

- **Stage 1** - BCI can earn a 30% interest by sole funding the A$1.5M Scoping Study Phase - Complete
- **Stage 2** - BCI can elect to earn a further 10% interest by sole funding a further A$3.5M Pre-Feasibility Study Phase
- **Stage 3** - BCI can elect to earn a further 10% interest by sole-funding a further A$5.5M Feasibility Study Phase
- By end of the Feasibility Study the CJV would have an ownership of 50% KLL and 50% BCI

On 27 July 2018 KLL and BCI Minerals Limited (BCI) (BCI Minerals) (together the JV Companies), as the owners of the Carnegie Potash Project (CPP) via the Carnegie Joint Venture (CJV), announced the completion of the Scoping Study and a maiden Resource and Exploration Target for the CPP.

Highlights from the Scoping Study are:

- Scoping Study, Maiden Resource and Exploration Target confirmed the CPP has potential to be a technically and economically viable project.
- Inferred Resource of 0.88 Mt SOP @ 3,466 mg/l K (equivalent to 7,724 mg/l SOP) based only on the top 1.7 metres of the 27,874 hectare surficial aquifer on granted tenement E38/2995 plus an Exploration Target^2 for material below the top 1.7 metres.
- Exploration Target of 3.46 Mt – 7.33 Mt SOP @ 3,410 mg/l K – 3,420 mg/l K within the deeper aquifers on granted tenement E38/2995.
- A further 82,000 hectares of lake surface on pending tenements is not included in the current Inferred Resource or Exploration Target, providing further resource upside potential.
- The JV Companies endorsed proceeding to a staged Pre-Feasibility Study, with an initial focus on securing tenure and access to all required tenements.

The Joint Venture Project will progress PFS activities during the next 12-18 months. The initial focus will be on securing tenure and access to all CPP tenements, followed by various approvals to undertake site based exploration activities, including drilling, trenching and test pumping, with the aim of expanding the Resource (including from conversion of the Exploration Target).

The key PFS activities include:

- Native Title agreements and Section 18 heritage approvals;
- Various stakeholder discussions, approvals and permits to allow PFS field works to be undertaken including, Programme of Work approvals, Native Vegetation Clearing Permits, 26D licences and 5C water bore approvals;
- Secure the grant of the exploration tenement applications, to facilitate a PFS on the full extent of the Carnegie lake system;
- Drilling, trenching and test pumping to expand the current Resource;
- Pond, purification plant and infrastructure design; and
- Completion of a PFS.

^2 The Exploration Target is conceptual in nature, as there is insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will convert an Exploration Target to a Mineral Resource.
Potash Prospects – Dora / Blanche (100% Owned)

The Company has applied for exploration licences that could, if granted, introduce a new prospective area, the Dora/Blanche Prospect, for potassium exploration.

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Tenement Name</th>
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<td>Rachlan</td>
<td>WA</td>
<td>Application</td>
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Note: Kalium Lakes Potash Pty Ltd (KLP) entered into a declaration of trust with Rachlan Holdings Pty Ltd (Rachlan) where Rachlan will hold for the benefit of KLP certain exploration licence applications and deal with the applications as directed by KLP (including transferring title).

Kalium Project and Prospect Comparative Location in Western Australia
Corporate Activities

2019 Annual General Meeting

The General Meeting of shareholders of Kalium Lakes Limited was held on Wednesday 13 November 2019 at 09:00 (WST) - a copy of the Notice Of Meeting and Explanatory Memorandum can be accessed via this link: 2019 Annual General Meeting.

The results of the Meeting are available via this link: 2019 Annual General Meeting Results.

Cash Holdings

The Company had A$37.5 million cash on hand as at 31 December 2019.

Business Development

The Company plans to continue to actively assess business development opportunities that relate to its existing project portfolio.

As and when acquisitions, divestments or partnerships are completed the Company will make announcements to the market under continuous disclosure requirements.

Investor Road Shows

During the quarter, KLL undertook a number of investor roadshows and released investor presentations to update and inform existing investors, brokers and fund managers on current progress and upcoming activities.

Securities On Issue (as at 31 December 2019)

The Company had 391,866,166 ordinary shares on issue as at 31 December 2019 and passed the milestone of 3,000 shareholders on 6 January 2020.

The following is a list detailing other securities on issue at the end of the quarter:

- 10,000,000 performance rights
- 330,882 options exercisable at A$0.425 each and expiring on 29 September 2020.
- 1,000,000 options exercisable at A$0.525 each, expiring on 17 May 2021.
- 843,936 options exercisable at A$0.525 each, expiring on 22 January 2020
- 5,000,000 options exercisable at A$0.50 each, expiring on 30 June 2025.
## Tenement Interests - Beyondie Sulphate Of Potash Project (as at 31 December 2019)

Note: Kalium Lakes Potash Pty Ltd (KLP) and Kalium Lakes Infrastructure Pty Ltd (KLI) are wholly owned subsidiaries of Kalium Lakes Limited (KLL).

### Exploration Licences

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Name</th>
<th>Holder</th>
<th>State</th>
<th>Status</th>
<th>Grant Date</th>
<th>Interest</th>
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### Miscellaneous Licences

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<td>L69/29</td>
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<td>L69/30</td>
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### Mining Leases

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### Gas Pipeline

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### Measured Mineral Resources

<table>
<thead>
<tr>
<th>Aquifer Type</th>
<th>Volume (10^6 m³)</th>
<th>Total Porosity</th>
<th>Brine Volume (10^6 m³)</th>
<th>Specific Yield</th>
<th>Drainable Brine Volume (10^6 m³)</th>
<th>K Grade (mg/L)</th>
<th>K Mass (Mt)</th>
<th>SO4 Grade (mg/L)</th>
<th>SO4 Mass (Mt)</th>
<th>Mg Grade (mg/L)</th>
<th>Mg Mass (mg/L)</th>
<th>SOP Grade (kg/m³)</th>
<th>K2SO4 Mass (Mt)</th>
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<tbody>
<tr>
<td>Lake Surface Sediments</td>
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<td>14,995</td>
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### Indicated Mineral Resources

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<th>Total Porosity</th>
<th>Brine Volume (10^6 m³)</th>
<th>Specific Yield</th>
<th>Drainable Brine Volume (10^6 m³)</th>
<th>K Grade (mg/L)</th>
<th>K Mass (Mt)</th>
<th>SO4 Grade (mg/L)</th>
<th>SO4 Mass (Mt)</th>
<th>Mg Grade (mg/L)</th>
<th>Mg Mass (mg/L)</th>
<th>SOP Grade (kg/m³)</th>
<th>K2SO4 Mass (Mt)</th>
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<tbody>
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<td><strong>5,058</strong></td>
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### Inferred Mineral Resources

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<th>Total Porosity</th>
<th>Brine Volume (10^6 m³)</th>
<th>Specific Yield</th>
<th>Drainable Brine Volume (10^6 m³)</th>
<th>K Grade (mg/L)</th>
<th>K Mass (Mt)</th>
<th>SO4 Grade (mg/L)</th>
<th>SO4 Mass (Mt)</th>
<th>Mg Grade (mg/L)</th>
<th>Mg Mass (mg/L)</th>
<th>SOP Grade (kg/m³)</th>
<th>K2SO4 Mass (Mt)</th>
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### Exploration Target *

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<th>Maximum Thickness (m)</th>
<th>Coverage (km²)</th>
<th>Sediment Volume (10^6 m³)</th>
<th>Porosity (°)</th>
<th>Total Stored Brine (10^6 m³)</th>
<th>Specific Yield</th>
<th>Drainable Brine Volume (10^6 m³)</th>
<th>K Grade (mg/L)</th>
<th>K Mass (Mt)</th>
<th>SO4 Grade (mg/L)</th>
<th>SO4 Mass (Mt)</th>
<th>Mg Grade (mg/L)</th>
<th>Mg Mass (Mt)</th>
<th>SOP Grade (kg/m³)</th>
<th>K2SO4 Mass (Mt)</th>
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<td><strong>Total</strong></td>
<td><strong>11,000</strong></td>
<td><strong>920</strong></td>
<td><strong>1,800</strong></td>
<td><strong>1.6</strong></td>
<td><strong>2,810</strong></td>
<td><strong>3,300</strong></td>
<td><strong>9.3</strong></td>
<td><strong>25.6</strong></td>
<td><strong>10.4</strong></td>
<td><strong>20.7</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Errors are due to rounding.

* The Kalium Lakes Beyondie SOP Project “Exploration Target” is based on a number of assumptions and limitations and is conceptual in nature. It is not an indication of a Mineral Resource Estimate in accordance with the JORC Code (2012) and it is uncertain if future exploration will result in the determination of a Mineral Resource or that the Exploration Target will add to the economics of the BSOPP.
### BSOPP - Reserves Tables (as at 31 December 2019)

#### Proved Ore Reserves

<table>
<thead>
<tr>
<th>Aquifer Type</th>
<th>Brine Volume ((10^6 \text{ m}^3))</th>
<th>K (mg/L)</th>
<th>K Mass (Mt)</th>
<th>SO4 (mg/L)</th>
<th>SO4 Mass (Mt)</th>
<th>SOP Grade (kg/m³)</th>
<th>SOP Mass (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Bores</td>
<td>119</td>
<td>6,207</td>
<td>0.74</td>
<td>17,945</td>
<td>2.14</td>
<td>13.83</td>
<td>1.65</td>
</tr>
<tr>
<td><strong>Total Proved Reserve</strong></td>
<td>119</td>
<td>6,207</td>
<td>0.74</td>
<td>17,945</td>
<td>2.14</td>
<td>13.83</td>
<td>1.65</td>
</tr>
</tbody>
</table>

*Note: errors are due to rounding*

#### Probable Ore Reserves

<table>
<thead>
<tr>
<th>Aquifer Type</th>
<th>Brine Volume ((10^6 \text{ m}^3))</th>
<th>K (mg/L)</th>
<th>K Mass (Mt)</th>
<th>SO4 (mg/L)</th>
<th>SO4 Mass (Mt)</th>
<th>SOP Grade (kg/m³)</th>
<th>SOP Mass (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake Surface Sediments</td>
<td>212</td>
<td>4,755</td>
<td>1.01</td>
<td>13,669</td>
<td>2.90</td>
<td>10.60</td>
<td>2.25</td>
</tr>
<tr>
<td>Production Bores</td>
<td>83</td>
<td>6,713</td>
<td>0.56</td>
<td>18,867</td>
<td>1.56</td>
<td>14.96</td>
<td>1.24</td>
</tr>
<tr>
<td><strong>Total Probable Reserve</strong></td>
<td>295</td>
<td>5,306</td>
<td>1.57</td>
<td>15,129</td>
<td>4.46</td>
<td>11.82</td>
<td>3.49</td>
</tr>
</tbody>
</table>

*Note: errors are due to rounding*

#### Ore Reserves Summary

<table>
<thead>
<tr>
<th>Level</th>
<th>Drainable Brine Volume ((10^6 \text{ m}^3))</th>
<th>K Grade (mg/l)</th>
<th>K (Mt)</th>
<th>SO4 (Mt)</th>
<th>SOP (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proved Ore Reserve</td>
<td>119</td>
<td>6,207</td>
<td>0.74</td>
<td>2.14</td>
<td>1.65</td>
</tr>
<tr>
<td>Probable Ore Reserve</td>
<td>295</td>
<td>5,306</td>
<td>1.57</td>
<td>4.46</td>
<td>3.49</td>
</tr>
<tr>
<td><strong>Total Ore Reserve</strong></td>
<td>414</td>
<td>5,565</td>
<td>2.30</td>
<td>6.60</td>
<td>5.13</td>
</tr>
</tbody>
</table>

#### Forward-Looking Information

Certain information in this document refers to the intentions of Kalium Lakes, but these are not intended to be forecasts, forward looking statements or statements about the future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of the events in the future are subject to risk, uncertainties and other actions that may cause Kalium Lakes’ actual results, performance or achievements to differ from those referred to in this document. Accordingly Kalium Lakes and its affiliates and their directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of these events referred to in the document will actually occur as contemplated.

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- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumption;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).
Compliance Statement

The information in this document is extracted from the report titled “TECHNICAL REPORT FOR THE BEYONDIE POTASH PROJECT, AUSTRALIA, JORC (2012) and NI 43-101 Technical Report – Bankable Feasibility Study” and dated 17 September 2018 (Report), that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves and 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). Kalium Lakes confirms that it is not aware of any new information or data that materially affects the information included in the original announcement regarding the Report and, in the case of estimates of Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves, which all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. Kalium Lakes confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the original announcement regarding the Report.

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.

Tenement Interests - Carnegie Potash Project (as at 31 December 2019)

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Tenement Name</th>
<th>Holder</th>
<th>State</th>
<th>Status</th>
<th>Grant Date</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>E38/2995</td>
<td>Carnegie East</td>
<td>KLP</td>
<td>WA</td>
<td>Granted</td>
<td>31-7-2015</td>
<td>70%</td>
</tr>
<tr>
<td>E38/2973</td>
<td>Carnegie Central</td>
<td>Rachlan</td>
<td>WA</td>
<td>Application</td>
<td>-</td>
<td>70%</td>
</tr>
<tr>
<td>E38/2982</td>
<td>Carnegie West</td>
<td>Rachlan</td>
<td>WA</td>
<td>Application</td>
<td>-</td>
<td>70%</td>
</tr>
<tr>
<td>E38/3295</td>
<td>Carnegie South West</td>
<td>KLP</td>
<td>WA</td>
<td>Application</td>
<td>-</td>
<td>70%</td>
</tr>
<tr>
<td>E38/3296</td>
<td>Carnegie South East</td>
<td>KLP</td>
<td>WA</td>
<td>Application</td>
<td>-</td>
<td>70%</td>
</tr>
<tr>
<td>E38/3297</td>
<td>Carnegie North</td>
<td>KLP</td>
<td>WA</td>
<td>Application</td>
<td>-</td>
<td>70%</td>
</tr>
<tr>
<td>E38/3547</td>
<td>Burnside</td>
<td>KLP</td>
<td>WA</td>
<td>Application</td>
<td>-</td>
<td>70%</td>
</tr>
</tbody>
</table>

Note: Kalium Lakes Potash Pty Ltd (KLP) entered into a declaration of trust with Rachlan Holdings Pty Ltd (Rachlan) where Rachlan will hold for the benefit of KLP certain exploration licence applications and deal with the applications as directed by KLP (including transferring title).
Carnegie Potash Project - Resources Tables (as at 31 December 2019)

Inferred Mineral Resources

<table>
<thead>
<tr>
<th>Geological Layer</th>
<th>Maximum Thickness (m)</th>
<th>Coverage (km²)</th>
<th>Sediment Volume (10⁶ m³)</th>
<th>Porosity (P)</th>
<th>Total Stored Brine (10⁶ m³)</th>
<th>Specific Yield (Sy)</th>
<th>Drainable Brine (10⁶ m³)</th>
<th>K Grade (mg/L)</th>
<th>K Mass (Mt)</th>
<th>SO₄ Grade (mg/L)</th>
<th>SO₄ Mass (Mt)</th>
<th>KsSO₄ (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake Sediments</td>
<td>1.7</td>
<td>278.3</td>
<td>473.13</td>
<td>40%</td>
<td>189</td>
<td>0.24</td>
<td>113.55</td>
<td>3.466</td>
<td>0.39</td>
<td>11,715</td>
<td>1.33</td>
<td>0.88</td>
</tr>
</tbody>
</table>

Exploration Target*

<table>
<thead>
<tr>
<th>Geological Layer</th>
<th>Maximum Thickness (m)</th>
<th>Coverage (km²)</th>
<th>Sediment Volume (10⁶ m³)</th>
<th>Porosity (P)</th>
<th>Total Stored Brine (10⁶ m³)</th>
<th>Specific Yield (Sy)</th>
<th>Drainable Brine (10⁶ m³)</th>
<th>K Grade (mg/L)</th>
<th>K Mass (Mt)</th>
<th>SO₄ Grade (mg/L)</th>
<th>SO₄ Mass (Mt)</th>
<th>KsSO₄ (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alluvium</td>
<td>7</td>
<td>278</td>
<td>1,948</td>
<td>0.35</td>
<td>682</td>
<td>0.05</td>
<td>88</td>
<td>3,500</td>
<td>0.31</td>
<td>12,963</td>
<td>1.14</td>
<td>0.68</td>
</tr>
<tr>
<td>Clays</td>
<td>40</td>
<td>287</td>
<td>11,471</td>
<td>0.40</td>
<td>4,589</td>
<td>0.03</td>
<td>287</td>
<td>3,400</td>
<td>0.98</td>
<td>12,593</td>
<td>3.61</td>
<td>2.17</td>
</tr>
<tr>
<td>Basal Sands</td>
<td>7</td>
<td>80</td>
<td>557</td>
<td>0.28</td>
<td>156</td>
<td>0.15</td>
<td>84</td>
<td>3,300</td>
<td>0.28</td>
<td>12,222</td>
<td>1.02</td>
<td>0.61</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alluvium</td>
<td>12</td>
<td>561</td>
<td>6,727</td>
<td>0.40</td>
<td>2,691</td>
<td>0.14</td>
<td>377</td>
<td>3,500</td>
<td>1.32</td>
<td>12,963</td>
<td>5.00</td>
<td>2.94</td>
</tr>
<tr>
<td>Clays</td>
<td>60</td>
<td>287</td>
<td>17,207</td>
<td>0.45</td>
<td>7,743</td>
<td>0.06</td>
<td>465</td>
<td>3,400</td>
<td>1.58</td>
<td>12,593</td>
<td>5.85</td>
<td>3.52</td>
</tr>
<tr>
<td>Basal Sands</td>
<td>17</td>
<td>80</td>
<td>1,353</td>
<td>0.35</td>
<td>474</td>
<td>0.25</td>
<td>118</td>
<td>3,300</td>
<td>0.39</td>
<td>12,222</td>
<td>1.45</td>
<td>0.87</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Kalium Lakes Limited

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.

The Carnegie Joint Venture (CJV) is focussed on the exploration and development of the Carnegie Potash Project (CPP) in Western Australia, which is located approximately 220 kilometres east-north-east of Wiluna and covers a total area of approximately 3,081 square kilometres.

The CJV is a Joint Venture between Kalium Lakes (KLL, 70% Interest) and BCI Minerals (BCI, 30% interest). The JV Companies have endorsed proceeding to a staged Pre-Feasibility Study, with an initial focus on securing tenure and access to all required tenements.

Kalium Lakes Limited

ABN: 98 613 656 643
ASX: KLL
Ordinary Shares on Issue: 391,866,166

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

PO Box 610
BALCATTA 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 Company Secretary:

Christopher Achurch

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