

Wednesday 5 August 2020

Beyondie SOP Project Passes 50% Complete Milestone

Highlights

- Completion of the Beyondie SOP Project is at 52% as at the end of July
- Brine supply infrastructure for Sunshine Lake well advanced
- Construction of village expansion and non-processing infrastructure near completion
- Construction has commenced for the SOP purification plant

Kalium Lakes Limited (Kalium Lakes) (ASX:KLL) is pleased to announce that the Beyondie Sulphate of Potash Project (BSOPP) is now 52% complete and tracking ahead of its updated schedule. During July construction started on the SOP Processing Plant with the mobilisation of DRA to commence civil and concrete works and installation of underground services.



Construction of the SOP Processing Plant has commenced

Following completion of the recent capital raise, construction works recommenced in several project areas, with numbers peaking at more than 100 people on site during the month of July and forecast to exceed 200 people, on average, in the coming months. Measures have been put in place to manage the risks and impact of restrictions associated with COVID-19, allowing works to continue in accordance with the updated schedule. Delivery of equipment has commenced and forecast delivery of all long lead equipment is also on schedule.

Chief Executive Officer, Rudolph van Niekerk, commented: "This is a major milestone for the Beyondie SOP Project and it is pleasing to see everything we have worked so hard to achieve during the past four years becoming a reality.

"Having been involved in the Project from inception as one of the founders, I am really excited about taking on the role of CEO and leading the Project through to completion and into operations. Changes introduced over the past few months leave Kalium Lakes with a very strong owners' team to manage the BSOPP and good contractual mechanisms, including performance guarantees and penalties, to align contractors with the objective of successfully completing the Project on time and on budget, based on our revised forecasts.

"Our team remains focussed on delivering a complete, comprehensive project that will not only meet construction targets, but also meet expectations for production ramp-up and achieve the forecast production numbers. Planning has commenced for the commissioning of the processing facilities, along with implementation of operational readiness, placing Kalium Lakes in a prime position to commence production next year," he said.



All Primary Potassium Crystallisation Ponds Complete and Operational – July 2020

Lining work for all the primary ponds that will crystallise potassium feed salts is now complete, with approximately 114 hectares of the total ~400 hectares of evaporation ponds lined and operational at the end of July 2020.

Work continued on the Non-Process Infrastructure including 60 additional rooms for construction accommodation, two 110,000 litre diesel storage tanks, warehousing facilities, vehicle wash down and mobile equipment workshops. Brine extraction and delivery infrastructure for Sunshine Lake also progressed, with all brine HDPE piping installed pending final connections to bore and trench pump stations which is planned to occur during August.



60 Additional Rooms for Construction Accommodation



Trenching Works on Sunshine Lake with Director / Founder, Brent Smoothy (left) and Chairman, Mal Randal

Beyondie Sulphate Of Potash Project

Pioneering Australian SOP Production

- 100% owned **Beyondie Sulphate Of Potash Project (BSOPP)**
- Located 160km south east of Newman, in Western Australia
- 5.1Mt SOP Ore Reserve (1.65Mt Proven, 3.49Mt Probable)
- 25.37Mt SOP Drainable Mineral Resource (1.98Mt Measured, 9.6Mt Indicated, 13.79Mt Inferred)
- **Binding Offtake Agreement** with K+S, ~\$650M revenue over first 10 years
- **All Native Title Mining Agreements** 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\$200 /t FOB**
- Low cost, high margin, long life operation: pre-tax Phase 1 NPV(8) of A\$364M and pre-tax Phase 2 NPV(8) of A\$603M
- **Low Cost Financing** - NAIF (\$74M), KfW (\$102M) with Euler Hermes German Government Guarantee
- \$15M Westpac working capital facility
- **First production now due early Q3-2021 with +30 years ore reserve**
- Overall Project is 52.3% complete as at end of June 2020
- The BSOPP is subject to various specific and general risks as set out at Section 9 (pages 67-74) of the Prospectus published on 21 May 2020



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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. Statements contained in this document, including but not limited to those regarding the possible or assumed future costs, performance, dividends, returns, revenue, exchange rates, potential growth of Kalium Lakes, industry growth or other projections and any estimated company earnings are or may be forward looking statements. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Kalium Lakes. Actual results, performance, actions and developments of Kalium Lakes may differ materially from those expressed or implied by the forward-looking statements in this document. Such forward-looking statements speak only as of the date of this document.

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*** ENDS *** This announcement was approved and authorised for release by the Chief Executive Officer of Kalium Lakes Limited.

Kalium Lakes Limited



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Stephen Dennis	Non-Executive Director
Dale Champion	Non-Executive Director
Mark Sawyer	Non-Executive Director
Brent Smoothy	Non-Executive Director



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