

Wednesday 24 March 2021

## MAJOR CAPACITY UPGRADE FOR BEYONDIE SOP PROJECT

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- **Final plant design parameters support base case SOP production capacity of at least 100ktpa.**
- **Further short term and low capital intensity production increase opportunities identified and under review - targeting 120ktpa of SOP.**
- **Kalium Lakes is evaluating additional options for maximising value of its significant resource endowment, including expansion to 400ktpa of SOP and commercially exploiting valuable by-products, including magnesium.**

*"We are pleased to announce that a 'debottlenecking' style review of the plant design for the Beyondie SOP Project confirms that an annual steady-state production rate of at least 100ktpa is achievable. Additionally, the current evaporation ponds' performance indicates that this production rate can be achieved by mid-2022.*

*The Company is also confident that a production increase to 120ktpa can be achieved without the need for substantial plant modifications and is currently examining pathways to deliver this outcome.*

*Previous work has confirmed the embedded optionality in the Beyondie's enormous resource endowment. The current resource would support 400ktpa of SOP production for 20+ years and, consistent with our strategy to be a growth company, the Company is considering how best to leverage this asset and maximise value for shareholders."*

**Rudolph van Niekerk - Chief Executive Officer**

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### SOP Production

#### Capacity Increase to 100ktpa

A 'debottlenecking' style review of the design for the SOP Purification Plant, combined with performance to date from the brine supply and evaporation ponds, indicates that steady state production of least 100ktpa of SOP is achievable at the Beyondie SOP Project due to:

- Better than expected potassium grades in brines that will improve the quality of the plant feed salts.
- Improvements in forecast availability and utilisation of the SOP purification plant.
- Conservatism in the plant design.

## Further Capacity Increase Targeting 120ktpa

Additional work is underway to increase production beyond 100ktpa and the Company has identified the potential to increase throughput up to 120ktpa through some short term, low capital intensity improvements. Kalium Lakes continues to work with its technical consultants to develop an action plan for achieving these targets during the first year of production and will report back to the market as soon as those work streams are substantially progressed.

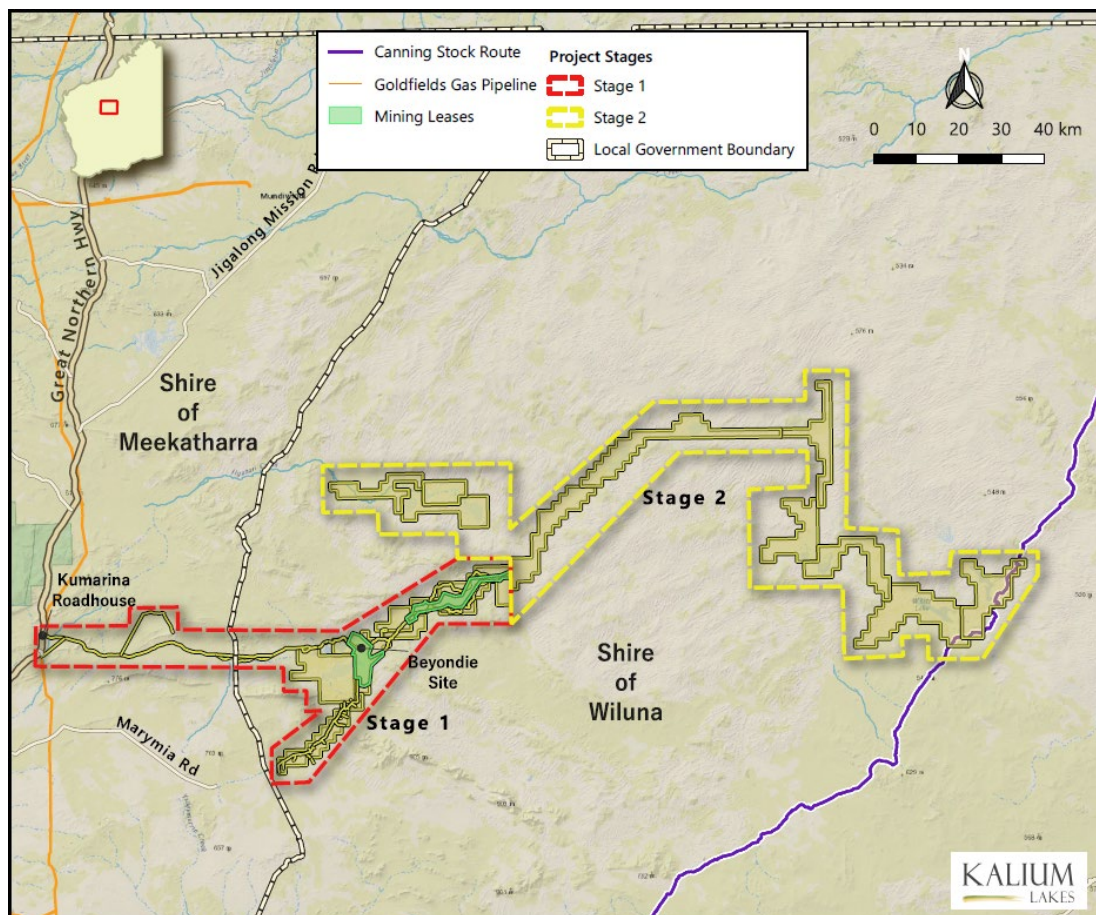
## Overall Resource Base Capacity

Beyondie's existing JORC Ore Reserve is 5.13mt tonnes with an SOP grading of 13.15kg/m<sup>3</sup>, representing only 16% of the Total Mineral Resource. An internal concept level analysis completed on the Company's published Resources and existing Mine Plan options (provided previously in the [BSOPP Bankable Feasibility Study ASX announcement](#)) shows potential for substantially increased production scenarios that will maximise the value of the resource endowment.

This review shows that 400,000 tonnes per annum of SOP production may be achievable for a 20+ year mine life within the current Beyondie SOP Project's total Mineral Resources. This increased throughput would be sourced from the total previously announced Resources, with Resources from the eastern tenements (Stage 2 as shown below) being brought forward in the Mine Plan.

In addition, internal studies show potential for realising value from magnesium which is a by-product of the production process. If realised, this has the potential to provide significant additional revenue streams and reduce Kalium Lakes' unit operating cost base. Once first SOP production has commenced, the Company plans to devote further resources to investigate this opportunity.

The project economics are expected to improve significantly at higher throughput levels, and further work to establish the Company's optimal growth strategy to maximise production is underway.



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

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