KALIUM LAKES

Equity Capital Raising Presentation

18 August 2022

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It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code, they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43 101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43 101 Standards") or (ii) Item 1300 of Regulation S-K, which governs disclosures of mineral reserves in registration statements filed with the SEC . Information contained in this document describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws. You should not assume that quantities reported as "resources" in this document will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

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COMPETENT PERSON STATEMENTS

The information in this document that relates to the Exploration Results, Mineral Resource estimate, Ore Reserve estimate and Exploration Target is based upon information compiled by Mr Adam Lloyd, a competent person who is an employee of Kalium Lakes. Mr Lloyd is a Member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and the activity which is being undertaken to qualify as a Competent Person for reporting of Exploration Results, Mineral Resources, Ore Reserves and Exploration Targets as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Lloyd consents to the inclusion in this document of the matters based upon his information in the form and context in which it appears.

The Company advises that, while the 120ktpa of SOP production target is predominantly based on Ore Reserves (53% of the production target is underpinned by the Probable category of Ore Reserve and 24% is underpinned by the Proved category) and Measured and Indicated Mineral Resources which fall outside of the Ore Reserves (13% of the production target), it is also partly based on Inferred Mineral Resources (10% of the production target) over the mine life. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised or that the Inferred Mineral Resources will add to the economics of the Beyondie SOP Mine. However, in preparation of the production target and associated financial forecasts derived from the production target, each of the modifying factors were considered. The Inferred Mineral Resource is not a determining factor in project viability and does not feature as a significant proportion early in the mine plan. None of the production target in years 0 to 11 of proposed production at the Beyondie SOP Mine is from the Inferred Mineral Resource category. The Company has concluded that it has reasonable grounds for disclosing a production target which includes an amount of Inferred Mineral Resource material. The estimated Ore Reserves and Mineral Resources underpinning the production target have been prepared by a Competent Person in accordance with the requirements in the 2012 edition of the JORC Code. No Exploration Target material has been included in the production target or financial forecasts of the Beyondie SOP Mine.

The production targets and financial forecasts detailed in this document for the Beyondie SOP Mine are based on the material assumptions detailed in the ASX announcement titled "Feasibility Study Complete for New Base Case Production Increase to 120ktpa at Beyondie SOP Project" dated 18 August 2021 (Announcement) (as modified and supplemented by the information in this document and in Appendix 2). Kalium Lakes confirms that it is not aware of any new information or data that materially affects the production target in the Announcement and confirms that the revised operating cost input (detailed in this document and in Appendix 2) do not materially affect the production target in the Announcement . All material assumptions and technical parameters underpinning the estimates in the Announcement, other than the revised operating cost input, continue to apply and have not materially changed. Given Kalium Lakes has commenced SOP production (and considering the increase in AISC), the financial forecasts previously disclosed by Kalium Lakes (including the NPV and EBITDA figures in the Announcement) are no longer relevant.

The financial forecasts and assumptions in this document are not recognised under International Financial Reporting Standards (IFRS). Kalium Lakes does not guarantee that these forecasts or assumptions will be accurate or will be realised and notes that they should not be considered in isolation or as a substitute for measures of performance or cash flow prepared in accordance with IFRS. As these non-IFRS financial forecasts are not based on IFRS, they do not have standardised definitions and the way Kalium Lakes calculates these measures may not be comparable to similarly titled measures used by other companies. You should therefore not place undue reliance on these non-IFRS financial forecasts and assumptions.

The production targets and the financial forecast detailed in this document are subject to various risk factors, including risk factors as previously disclosed by Kalium Lakes. While Kalium Lakes considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the production targets or estimated financial forecasts will be achieved.

Executive Summary

Australia's sole SOP producer

- SOP leader in Australia – first commercial sales of standard SOP in July 2022
- Long life, high margin project, with low carbon footprint
  - 50-year mine life with first 30 years based on 88% Ore Reserves with significant expansion potential
  - Low-cost producer with forecast steady state AISC of A$492/t (at 120ktpa operation) vs spot prices of >A$1,400/t
  - Brine operations benefit from significant solar evaporation, reducing carbon footprint
- Operations in final stages of commissioning, substantially de-risked
- Building operating expertise with assistance of significant SOP production experience out of US operations
- Targeting 80ktpa run rate in Q1 CY2023, and 120ktpa run rate in Q3 CY2024
- Significant investment of ~A$300m to date in plant and infrastructure
- Supportive financiers motivated to see Beyondie a long-life SOP producer
  - A$22m equity raise with commitment of A$8m from Greenstone and A$2m from directors
  - Undrawn Liquidity Facility of A$20m available for drawdown post completion of the capital raise
  - First principal repayment and maturity of term facilities extended to provide additional working capital

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Australia's sole Sulphate of Potash producer

Targeting a 120kpta Sulphate of Potash operation by Q3 CY2024

Leading market position

Australia's sole SOP producer, set to capitalise on domestic and international demand

Buoyant potash market

High crop prices and ongoing geo-political tensions continuing to drive attractive product pricing

Integrated production ready operation

On the path to 90ktpa nameplate and expanding to 120ktpa fully integrated SOP production target

Significant potential expansion upside

Detailed studies planned to evaluate significant potential future value drivers

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Corporate overview

Cash balance of A$21.5M at 30 June 2022

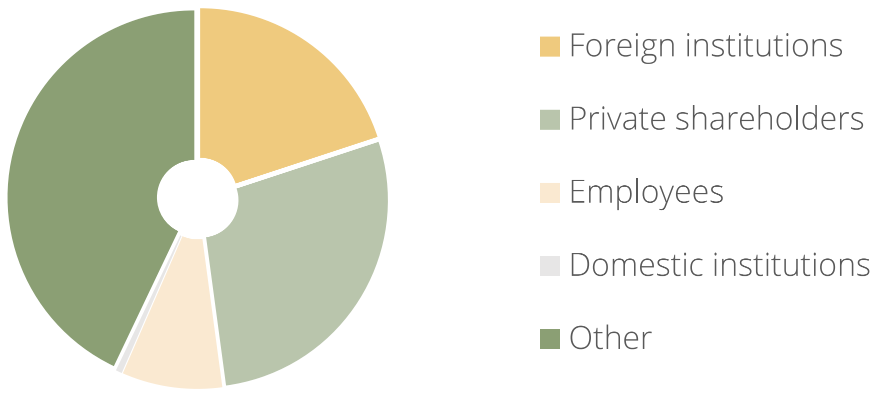
Capital structure

Share price [1]	A$0.092
Shares on issue [2]	1,181.7M
Market capitalisation [1]	A$108.7M
Cash [2]	A$21.5M
Debt [2,3]	A$179.1M
Enterprise value	A$266.3M

Other securities on issue [2]

Nil exercise price options (expiring 16 June 2023)	17,677,493
Options exercisable at A$0.50 each, expiring 30 June 2025	5,000,000

Share register (at 30 June 2022)



Share Price (12 months) [4]

1. Share price and Market capitalisation as at 9 August 2022
2. Securities on issue, Cash and Debt balance as at 30 June 2022. Cash balance includes A$2.7m of restricted cash at this date.
3. Refer page 17 for detail on debt funding arrangements
4. Share price data covering the period from 12 August 2021 to 9 August 2022

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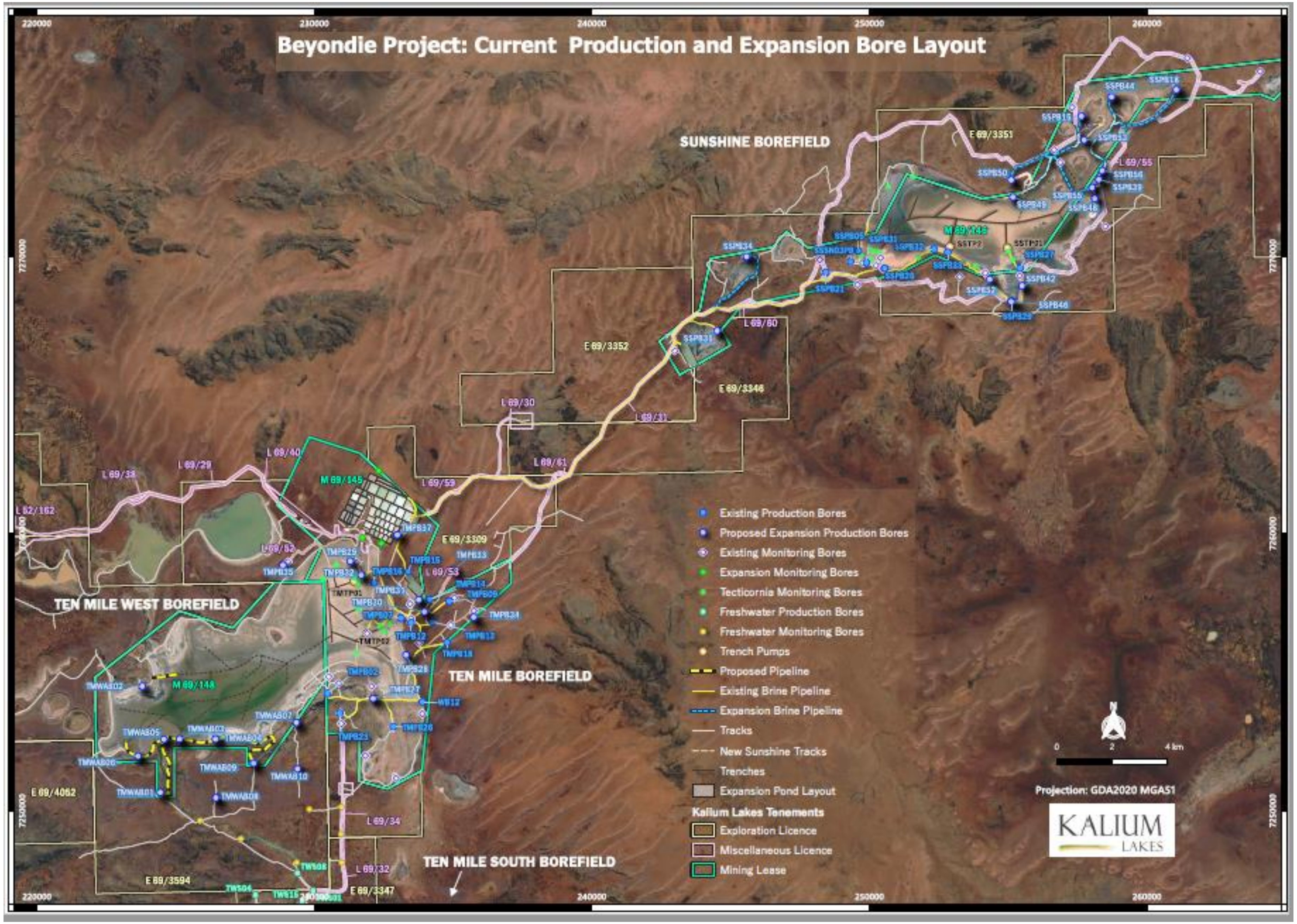
Beyondie SOP mine



Initial SOP output validates process and underpins a long life, high margin business

Target
120 ktpa[1]
SOP production

Long term
50 year[1]
mine life

2nd quartile AISC
A$492/t[2]
LOM at 120ktpa production rate

Buoyant SOP market
>A$1,400/t
Current median 2022 CFR price SOP [3]

Mineral Resource
Expansion Potential
for significant future upside

1. 120ktpa SOP production target and 50-year mine plan based on 120ktpa Feasibility Study detailed in KLL ASX release dated 18 August 2021. Kalium Lakes confirms that it is not aware of any new information or data that materially affects the production target in that release and confirms that the revised operating cost input (detailed in this document and in Appendix 2) do not materially affect the production target in that release. All material assumptions and technical parameters underpinning these estimates, other than the revised operating cost input, continue to apply and have not materially changed. As previously noted (refer KLL ASX release dated 18 August 2021), certain environmental approvals required for 120ktpa SOP production target remain subject to application (to be submitted) and approval. Given Kalium Lakes has commenced SOP production (and considering the increase in AISC), the financial forecasts previously disclosed by Kalium Lakes (including the NPV and EBITDA figures in the KLL ASX release dated 18 August 2021) are no longer relevant.
2. All in Sustaining Cost ("AISC") includes all mining, processing, site administration, product haulage to port, port costs, head office corporate costs, sustaining costs, but excludes selling costs, royalties and taxes. Refer to Appendix 2 for the material assumptions applicable to AISC.
3. Estimated median of international SOP prices on a CFR basis which range from US$900 – 1,200 per tonne across data sources (CRU, Argus and ABS), market and grade of product. Current AUD:USD exchange rates of 0.6889 at 30 June 2022 applied to determine the equivalent A$ price.

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Operational de-risking with first commercial sales delivered

- Over 1,700 tonnes of standard grade SOP cumulatively produced to 7 August 2022
- First commercial sales made in July 2022; over 500 tonnes delivered to 11 August 2022
- Significant SOP expertise engaged, including experienced operational managers formerly at Compass Minerals, USA
- Process design validated and plant commissioning proceeding as planned
- Brine supply capacity increasing as planned
- Preconcentration, evaporation pond and KTMS production controls upgraded
- Initial production ramp-up scheduled to 80ktpa by Q1 CY2023

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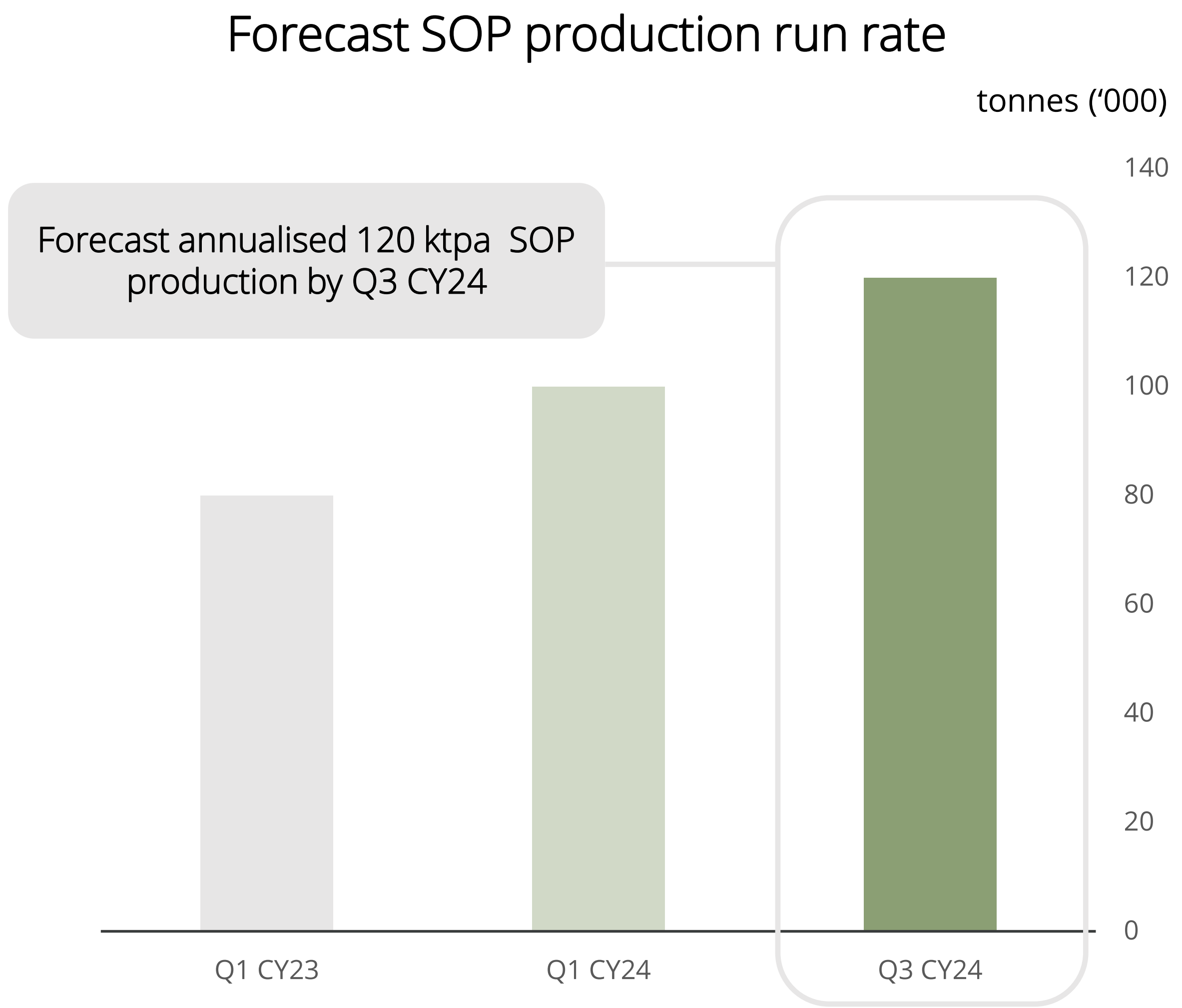
Leading market position in Australia

Australia's sole SOP producer

- Binding offtake for entire 120ktpa production target
- Kalium Lakes' production set to displace imports to the Australian market (Australia historically a 100% importer of 60-80ktpa of SOP[1])
- SOP delivery to local and international markets
- Kalium Lakes targeting to produce standard, granular and soluble grade SOP



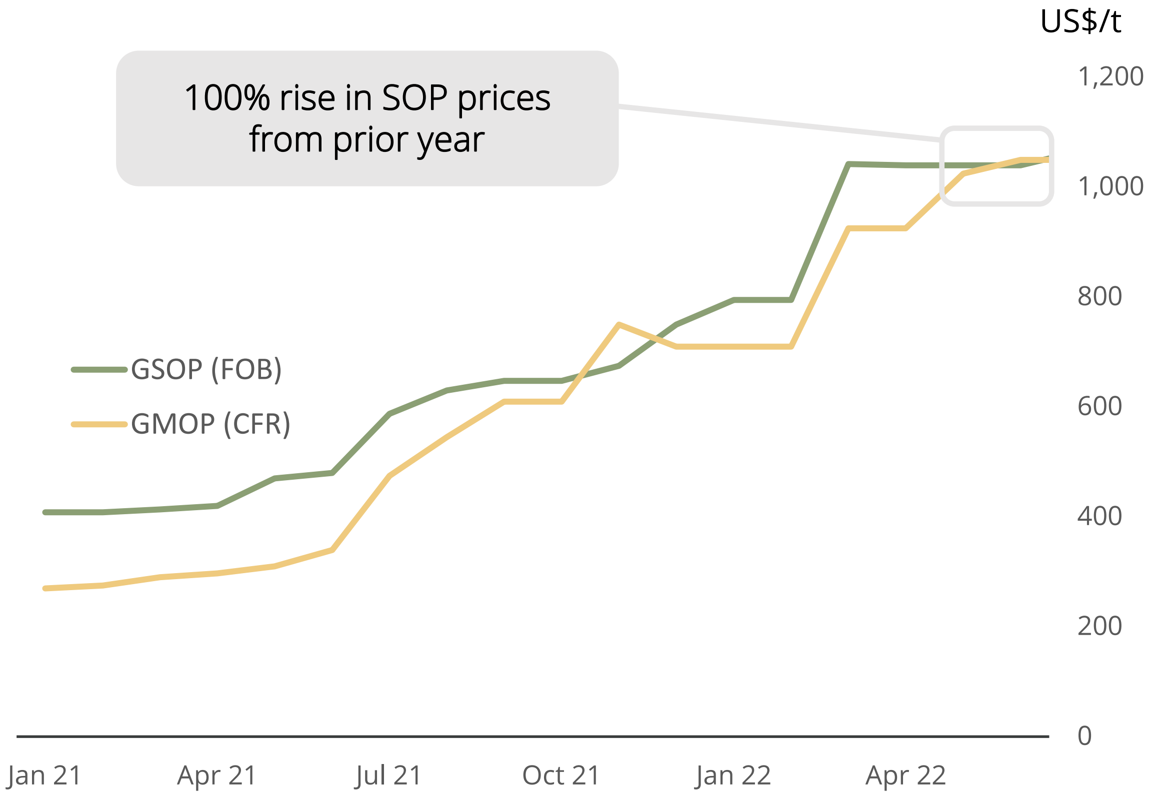
1. Source: ABS import data

Buoyant potash market

First commercial sales into high priced SOP market

- Elevated crop prices offset affordability concerns in a rising fertiliser price environment
- Ongoing geopolitical tensions with Belarus and the Russia - Ukraine conflict continue to impact fertiliser markets; security of potash supply a priority of customers of these markets
- Potash prices have risen as seasonally inactive markets pursue fertiliser volumes to secure future needs

Recent SOP Price Increases



Source: Argus Media pricing data for Asia region (up to 14 July 2022)

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EQUITY RAISING & DEBT RESTRUCTURE

Equity Raising Overview

Kalium Lakes is raising approximately A$22.0m via a two tranche Placement at A$0.04 per share

Offer Structure and Size	▪ Offer to raise approximately A$22.0 million ("Offer") via a two tranche placement, comprising: • An unconditional placement of up to 177.3 million new shares to raise up to approximately A$7.1 million ("Placement") utilising Kalium Lakes' existing Placement capacity pursuant to Listing Rules 7.1; and • A conditional placement of up to 372.7 million new shares to raise approximately A$14.9 million ("Conditional Placement"), subject to shareholder approval at a general meeting of shareholders to be held in late September 2022 ("General Meeting") ▪ New shares will rank equally with existing fully paid ordinary shares in Kalium Lakes ▪ In addition to the Offer, Kalium Lakes will conduct a share purchase plan ("SPP") of up to A$30,000 per shareholder to raise up to A$8.0 million
Offer Price	▪ Offer price of A$0.04 per new share, which represents a: • 56.5% discount to last closing price of A$0.092 per share on 9 August 2022, and • 41.3% discount to the 10-day VWAP of A$0.068 per share as at 9 August 2022
Share Purchase Plan	▪ Eligible Kalium Lakes shareholders as at the record date of Wednesday, 17 August 2022 with a registered address in Australia or New Zealand will have the opportunity to apply for Kalium Lakes shares pursuant to a non-underwritten SPP ▪ As the SPP is the second share purchase plan the Company has undertaken in the last 12 months, the shares to be issued under the SPP are subject to shareholder approval at the General Meeting. ▪ Offer price of A$0.04 per share, the same offer price as the Placement ▪ Up to A$30,000 per Eligible Shareholder, targeting to raise up to A$8.0 million ▪ Kalium Lakes may decide to accept applications (in whole or in part) that result in the SPP raising less than A$8.0 million in its absolute discretion. Kalium Lakes reserves the right (in its absolute discretion) to close the SPP early and scale back applications under the SPP if demand exceeds A$8.0 million.
Use of Proceeds	▪ Net proceeds of the Offer: • to fund additional working capital during production ramp-up of the Beyondie SOP mine; and • balance of funding for the expansion of the Beyondie SOP mine to targeted 120ktpa production run rate and debt service costs ▪ Refer page 15 for detailed Sources and Uses of Funds
Significant Shareholder Participation	▪ Greenstone Resources ("Greenstone"), Kalium Lakes' largest shareholder with approximately 19.6% of the Company's issued shares, has committed to subscribe for A$8 million of the Offer ▪ Greenstone will participate across both tranches of the Offer subject to shareholder approval at the General Meeting of shareholders. ▪ Greenstones shareholding post the Offer will increase to 24.9% assuming nil funds raised from the SPP (reducing to 22.3% if the SPP is fully subscribed). ▪ Directors have committed to subscribe for A$2 million subject to shareholder approval at the General Meeting.
Syndicate	▪ Morgans Corporate Limited is Lead Manager to the Offer ▪ Foster Stockbroking is Co-Manager to the Offer

Sources and Uses

Net proceeds from the Offer will be used to fund additional working capital during ramp-up, expansionary capex and debt service costs.

Sources of Funds	A$m
Opening cash at 1 July 2022 [1]	21.5
New equity – Two Tranche Placement	22.0
New equity – Share Purchase Plan [3]	8.0
Facility A final drawdown	2.5
Liquidity Facility (assume fully drawn)	20.0
Total Sources	74.0

Uses of Funds [2]	A$m
90ktpa and 120ktpa capex	33.1
Debt service interest	9.1
Financing and debt restructure fees	4.9
Working capital and costs of the equity offer	26.9
Total Uses	74.0

- Kalium Lakes is expected to be cash flow positive at current SOP prices shortly after the 80ktpa run rate is achieved which is scheduled for Q1 CY2023.
- Additional facilities providing working capital benefits to Kalium Lakes include:
  - A$20 million liquidity facility from senior lenders (KfW and NAIF) for working capital through to 1 January 2026
  - Current accelerated payment terms with K+S in place through to Q3 CY2024

1. Cash balance as at 30 June 2022 includes A$2.7m of restricted cash which will be released to pay term facility interest as part of the senior debt restructure.
2. Use of funds calculated over financial year ended 30 June 2023, after which Kalium Lakes is expected to be cashflow positive.
3. Assumes the Share Purchase Plan raises the maximum of A$8.0m.

Timetable

Key Event	Date *
Launch of Offer	Tuesday, 16 August 2022
Record date for eligibility to participate in SPP	7.00pm AEST Wednesday, 17 August 2022
Trading halt lifted and announcement of completion of equity raising and Investor Presentation released	Thursday, 18 August 2022
Settlement of Placement (excluding Greenstone)	Tuesday, 23 August 2022
Dispatch of SPP Prospectus	Tuesday, 23 August 2022
SPP Opening date	Tuesday, 23 August 2022
Allotment of Placement (excluding Greenstone)	Wednesday, 24 August 2022
Notice of meeting sent to shareholders	Monday, 29 August 2022
Settlement of Placement (Greenstone)	Wednesday, 7 September 2022
Allotment of Placement (Greenstone)	Thursday, 8 September 2022
SPP Closing date	Monday, 26 September 2022
Announcement of SPP Participation Results	Tuesday, 27 September 2022
General Meeting for shareholders to approve Conditional Placement Shares and SPP Shares	Wednesday, 28 September 2022
Settlement of Conditional Placement Shares	Monday, 3 October 2022
Issue of New Shares under SPP	Monday, 3 October 2022
Allotment of Conditional Placement Shares	Tuesday, 4 October 2022

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** Timetable is subject to change. Kalium Lakes reserves the right to alter the above dates at its discretion and without notice, subject to the ASX Listing Rules and Corporations Act.*

Debt facilities

Restructured to provide additional working capital during ramp up and longer maturity

- A$20m Liquidity Facility available for drawdown subject to raising net A$20m from the capital raise.
- First principal repayment date extended 12 months to 31 March 2025
- Current average all-in interest cost across term facilities of 4.15%

Restructured facilities and maturities

Lender	Borrower	Drawn [2,4,7]	Unused [7]	Maturity date
KfW / Euler Hermes	Kalium Lakes Potash - Facility A [1, 3, 4]	A$51.4M	A$2.5M	31 March 2040
KfW	Kalium Lakes Potash - Facility B [2, 3, 4]	A$53.7M	-	31 March 2040
NAIF	Kalium Lakes Potash - Facility C [4]	A$26.0M	-	31 March 2040
NAIF	Kalium Lakes Infrastructure [4]	A$48.0M	-	31 March 2040
KfW	Kalium Lakes Potash - Liquidity Facility A [5, 6]	-	A$10M	1 January 2026
NAIF	Kalium Lakes Potash - Liquidity Facility B [5]	-	A$10M	1 January 2026
Total [4]		A$179.1M	A$22.5M	

1. Tranche A facility is denominated in EUR. Converts to USD denominated loan on draw-down date. Upon conversion from EUR to USD on draw-down, loan is denominated in USD and interest accrues in USD.
2. Tranche B facility is denominated in USD.
3. Tranche A and B facilities have been converted to AUD at exchange rate of 0.6889 AUD:USD. Interest on Facilities A and B are floating rate based on USD Libor plus margin.
4. Term facilities A, B, C & KLI are subject to a cash sweep from March 2025, of 100% of excess cash until approx. A$46m of deferred debt principal repayments resulting from the 2021 debt restructure are fully repaid, thereafter a 50% cash sweep of excess cash applies, unless the combined debt service coverage ratio is greater than 2.25x for the last 4 consecutive quarters, in which case the cash sweep will be 65% for that quarter.
5. Liquidity Facility drawing will be available subject to successful completion of the capital raise which raises net proceeds of A$20m.
6. Liquidity Facility A provided by KfW is US$8M and is to be drawn *pari passu* with the NAIF Liquidity Facility B to an amount not greater than A$10m equivalent.
7. Drawn and Unused balances as at 30 June 2022

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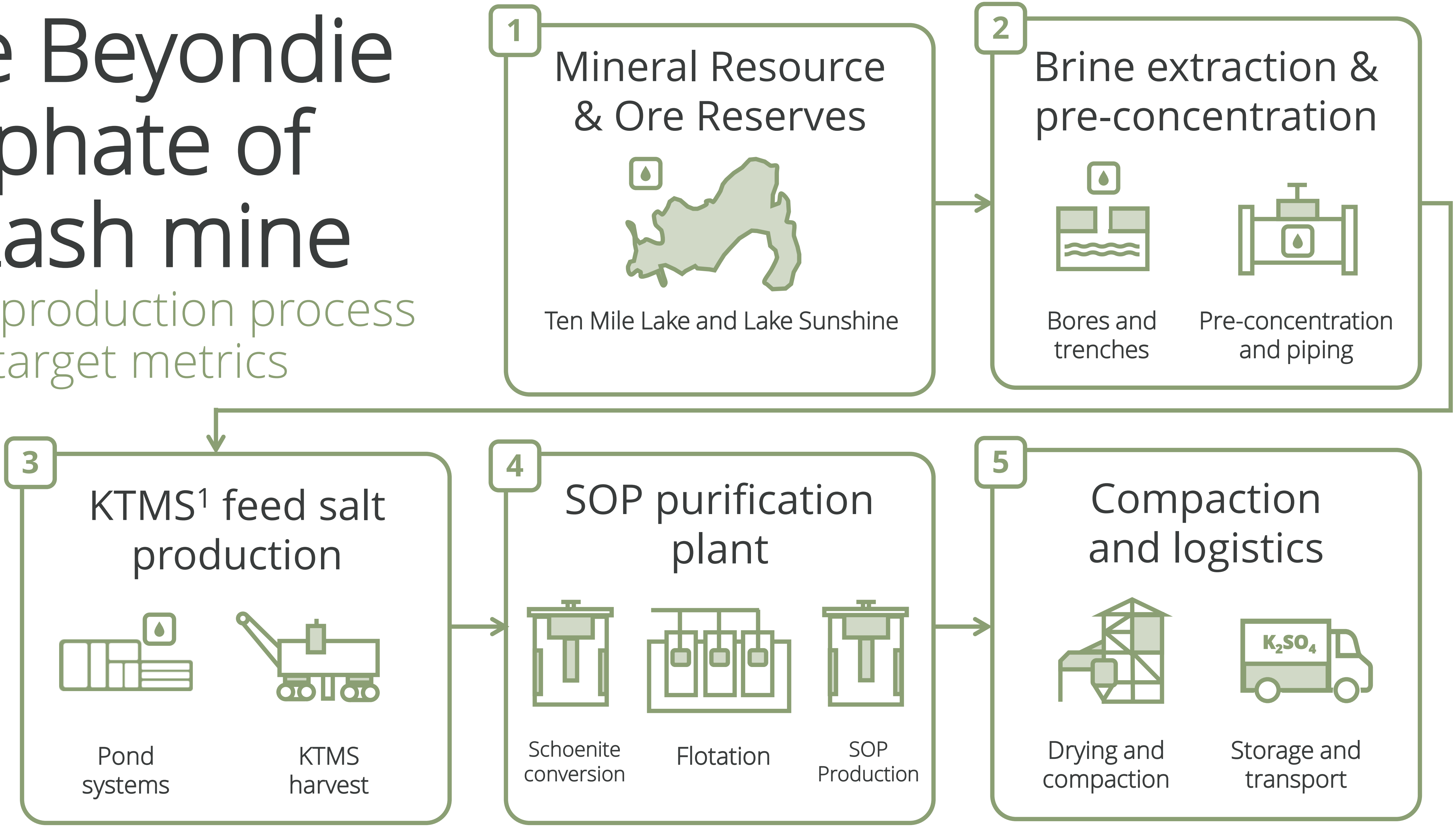
INTEGRATED PRODUCTION, FROM AQUIFER TO SOP

The Beyondie Sulphate of Potash mine

SOP production process and target metrics



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1. KTMS = Kainite Type Mixed Salt, the potassium based feed salts which are harvested from the evaporation ponds and fed to the SOP purification plant

1 Mineral Resource & Ore Reserves

Abstraction data underpins robust Mine Plan

- 5.1Mt of SOP Ore Reserve
- Reserves[1] located at Ten Mile Lake and Lake Sunshine, covering 180km^2
- Eastern Lakes (east of Lake Sunshine) and Ten Mile West provide significant potential upside with >1,100km^2 of granted tenement holdings
- Reserve has been calculated from detailed solute transport modelling, calibrated with 2.5 years of abstraction data, providing confidence in predictions of brine volume produced and potassium grade at each abstraction point

1. For details of Mineral Resource and Ore Reserve estimates, refer to Appendix 1.

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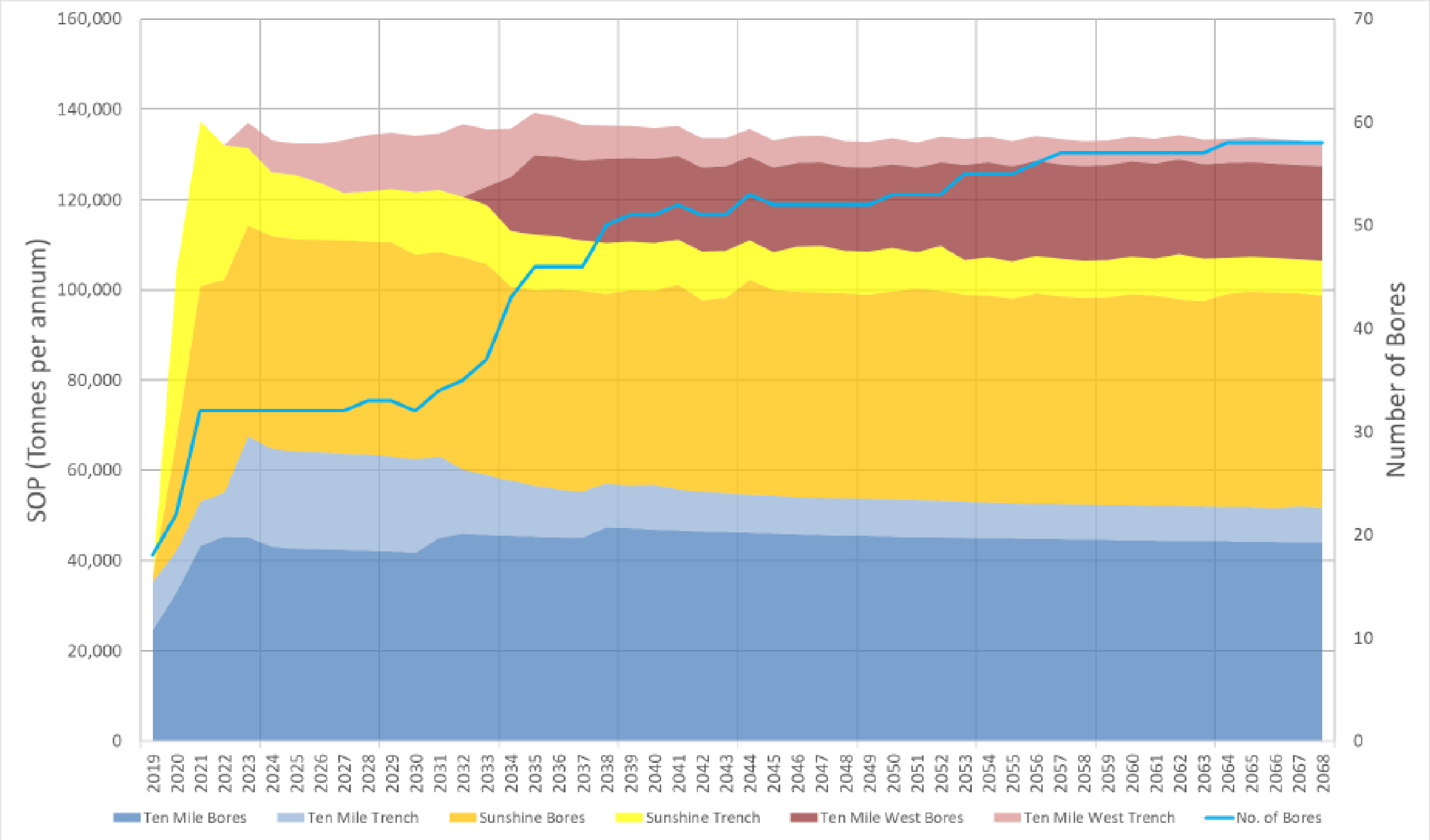
1 Mineral Resource & Ore Reserves

Beyondie 50 year SOP Mine Plan[1]

- 90ktpa, expanding to 120ktpa[1] production rate
- Brine grade and volume reduce over time as the resource is depleted, notably within the trenches in response to pumping
- Brine flows and grade sustained through additional trenches and bores



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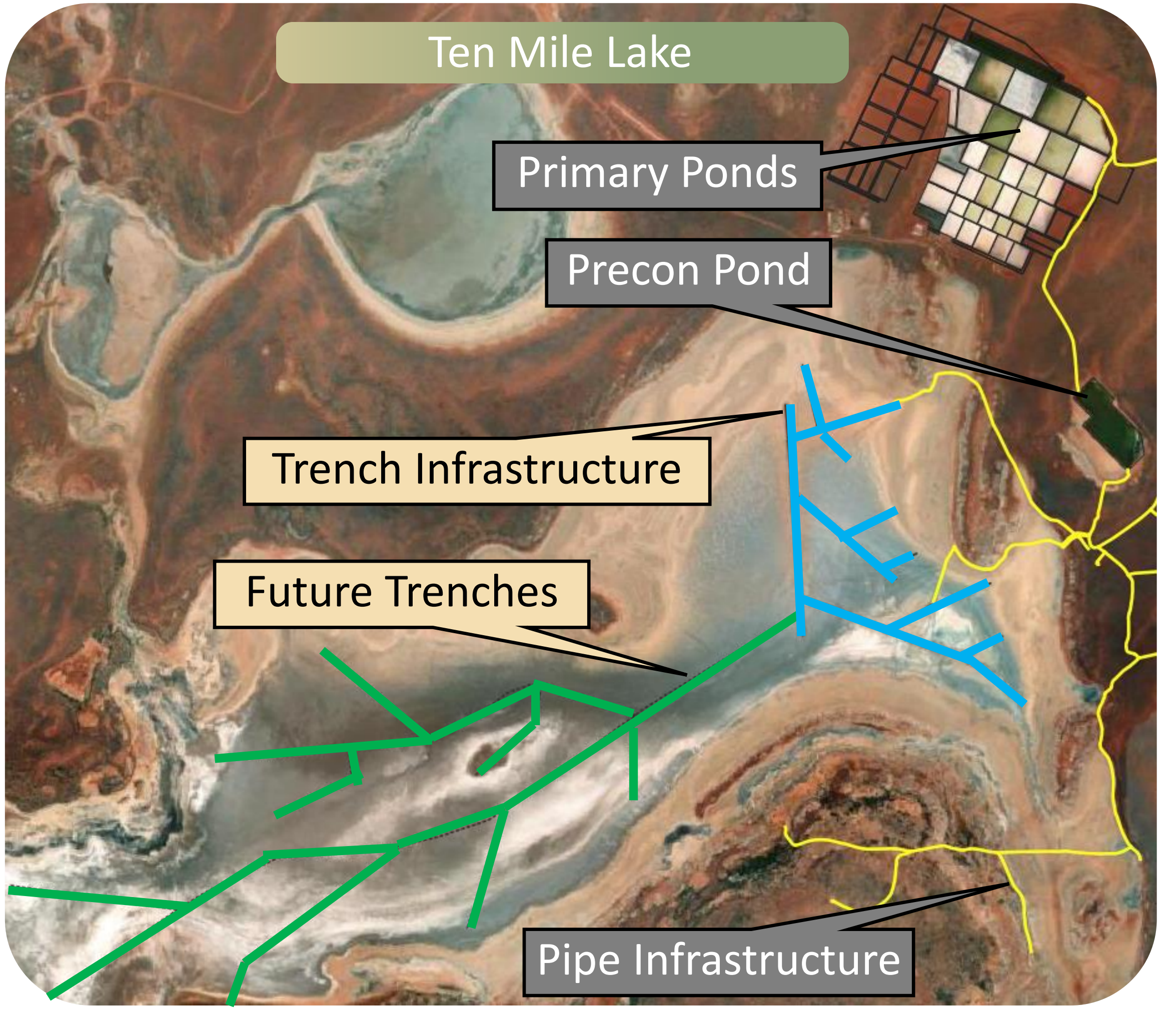
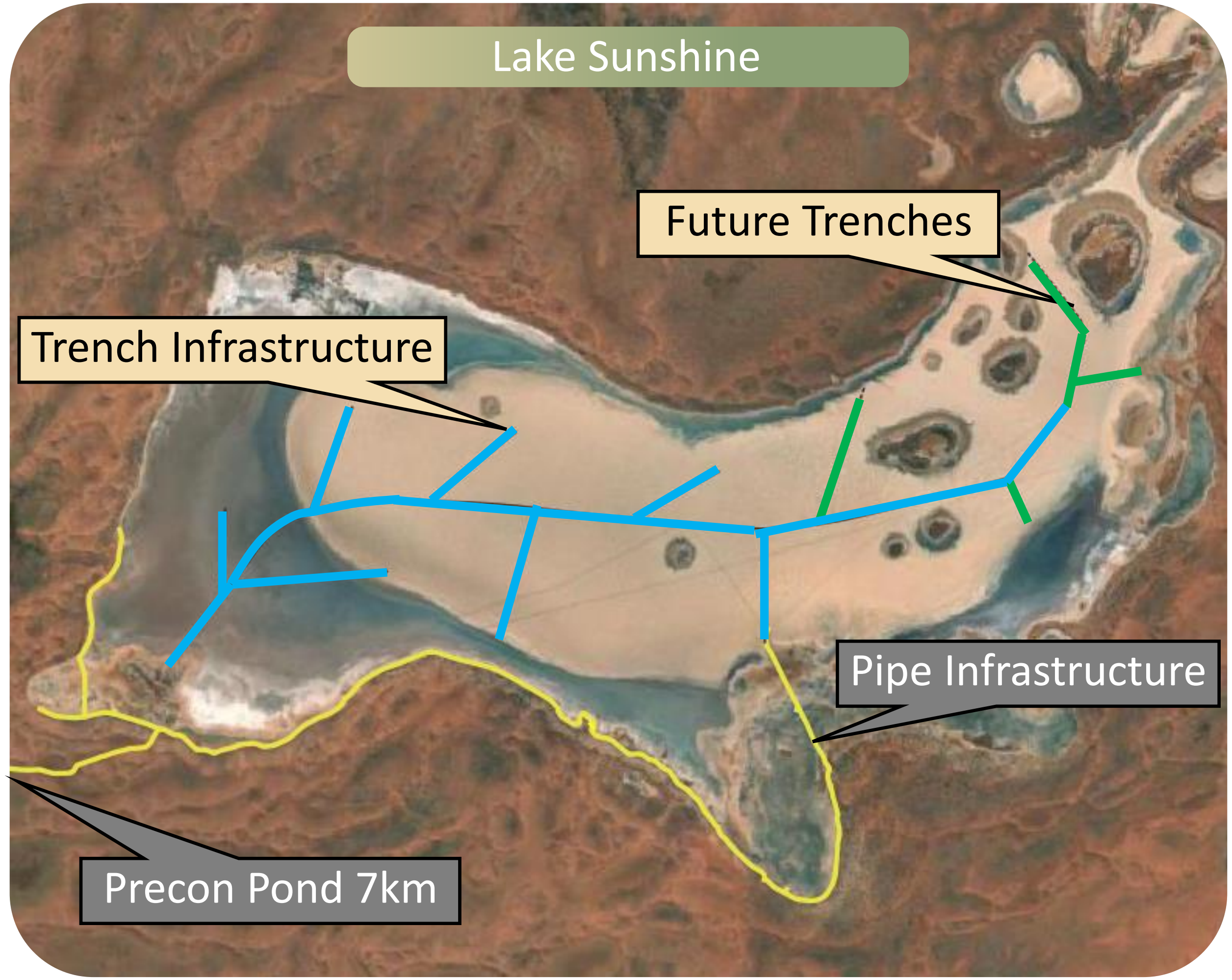
2 Brine extraction infrastructure

Two primary sources – Ten Mile Lake and Lake Sunshine





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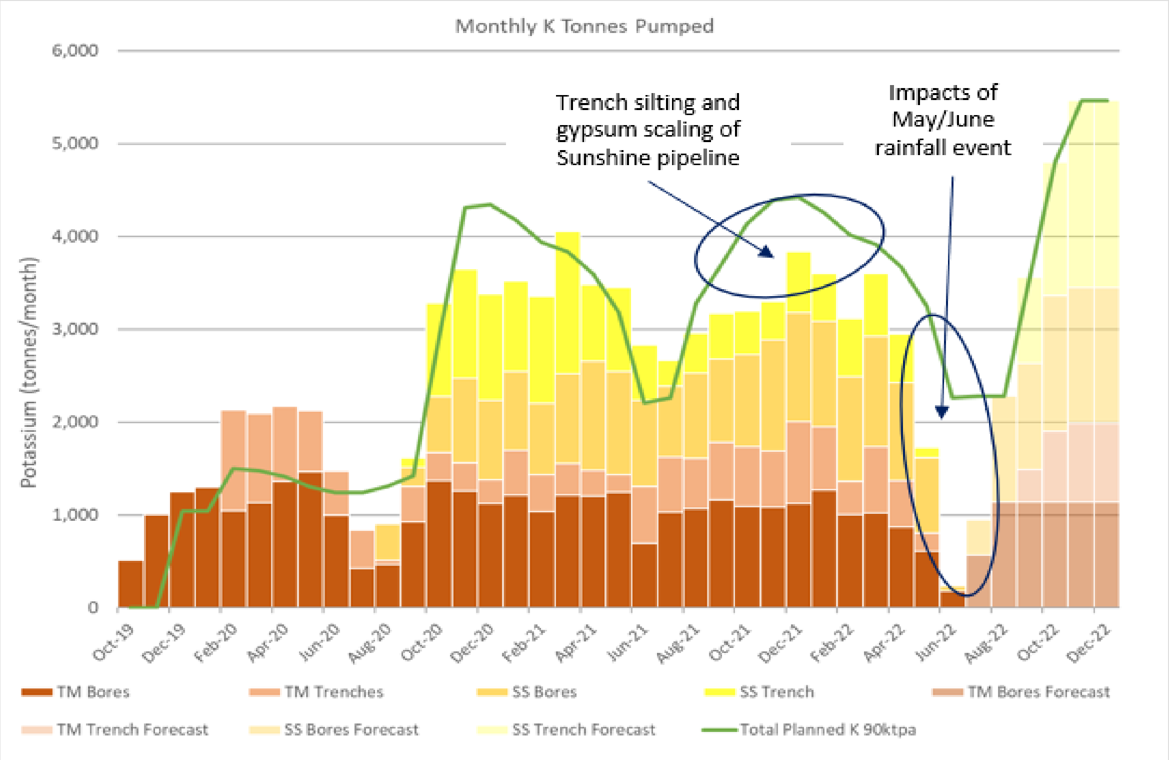
Extraction infrastructure across Ten Mile Lake and Lake Sunshine:

- 21 operating production bores, initially expanding to 46 (including contingency) for 120ktpa production target
- ~24km of extraction trenches, expanding up to 58km for 120ktpa production target

2 Brine extraction & pre-concentration

Additional infrastructure providing growth in capacity

- 8.9GL of brine pumped over 34 months providing high level of confidence in operating assumptions
- Brine produced at high potassium concentrations (9,000mg/L K) with low Na:K ratio (8.1)
- Blockages of gypsum saturation in first Sunshine transfer pipeline cleared, flow rates back to 83% of design
- Keeping trenches desilted, managing gypsum and rapid replacement of bore pumps when failures occur are key aspects of successful brine supply
- Brine supply in summer 2022/23 planned to increase through additional bores added and Sunshine transfer upgrades (2nd pipeline, transfer pumps increased from 2 to 4)



Brine abstraction from bores & trenches - Targets

	Target for 90ktpa	Target for 120ktpa
Target dates for achieving required rates	Capacity Installed	Oct 2023
Brine abstraction flow rate (L/s) - annual average / summer peak	162 / 233	240 / 288
Brine abstraction grade (K mg/L) – annual average	8,700	9,000

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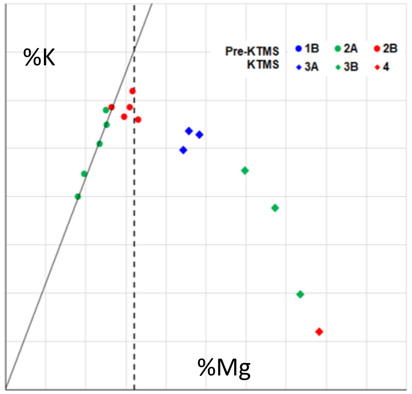
3 KTMS feed salt production

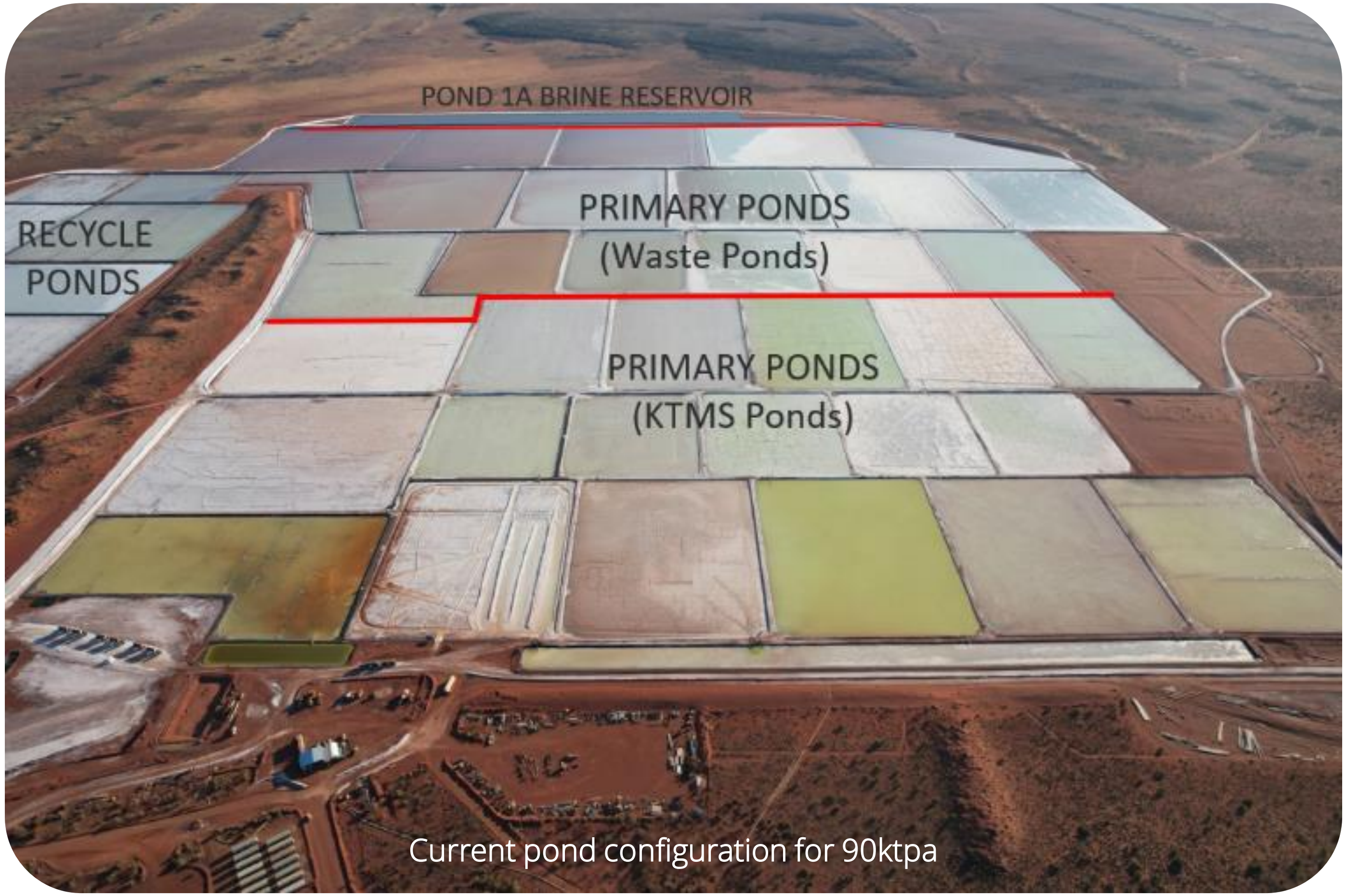
Grade control systems improved

- KTMS grade control determined by brine chemistry control



Control Chart

- Target chemistry maintained through brine flow control
- Assaying conducted to delineate KTMS into grade zones
- Selected harvesting of grade zones and stockpiling of KTMS



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3 KTMS feed salt production

KTMS production and ROM stockpile

- All five primary evaporation trains operating as planned.
- Unseasonable rain through May/June 2022 impacted pond operations causing delays to salt precipitation
- Increased brine supply capacity, improved pond controls and expanded harvesting activities (including 2nd harvester & scheduling night harvesting) expected to provide sufficient KTMS during ramp up
- Harvesting results 1 July – 13 August 2022:
  - KTMS harvested: 16.1kt, including recently completed pond 5-3B harvest at design grades of 8.7% (average)
  - Waste salt harvested: 34.2kt

KTMS harvest output & plant feed stockpile – Actuals

KTMS output and plant feed	Q1 CY22	Q2 CY22
KTMS harvested (t)	30,800	22,800
KTMS fed into SOP plant (t)	-	35,800
KTMS stockpiles	**Q1 CY22**	**Q2 CY22**
KTMS – design (or above) grade (t)	31,000	12,800
KTMS – lower grades for blending (t)	34,000	39,200
Total KTMS stockpile	65,000	52,000
Waste salt ponds harvested	**Q1 CY22**	**Q2 CY22**
Waste salt harvested (t)	36,000	83,000

KTMS Harvest - Targets

Annualised harvest targets & dates	Target for 80ktpa SOP	Target for 120ktpa SOP
KTMS harvest target (annualised tonnes)	900 ktpa	1,230 ktpa
KTMS harvest target date	Q1 CY23	Q3 CY24

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4 SOP purification plant

Significant commissioning progress

- KTMS feed quality and quantity - has been a limiting factor in plant operation
  - Pond grade control systems improved
- Water use in the schoenite[1] circuit – overuse of water in 2021 was leading to K losses
  - Procedures to control & measure water use
- Key process equipment - rectification works in H1 CY22
  - August 2022 plant shutdown planned for further rectification and optimisation works.
  - Flotation circuit a current focus
- Building expertise through plant operation under guidance of SOP plant management & operational experience from USA

Plant design and infrastructure:

- Process design, key process equipment and commissioning oversight provided by leading international salt technical experts K-UTEC and EBNER (together EBTEC)
- 100%-owned gas inlet facility, 78km pipeline and on-site delivery station

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1. Schoenite is a salt type containing largely potassium, magnesium and sulphates

4 SOP purification plant

SOP plant output performance

- Cumulative production of over 1,700 tonnes of SOP achieved to 7 August 2022
- First commercial sales of standard grade SOP made during July 2022; over 500 tonnes delivered to 11 August 2022
- Plant restart (after August 2022 shutdown) scheduled for September 2022 with progressive ramp-up to nameplate performance tests

Production targets:

- Targeting nameplate performance tests at end of CY2022
- 80ktpa run rate by Q1 CY2023
- 120ktpa run rate by Q3 CY2024

SOP plant operating statistics

SOP plant operations	Q1 CY22	Q2 CY22
KTMS fed into plant (t)	-	35,800
SOP produced (t)	-	972 [1]

1. Cumulative SOP produced to 30 June 2022 was revised down from the 1,000 tonnes (as announced to the ASX on 1 July 2022) to 972 tonnes following completion of end of month survey calculations as at 30 June 2022.

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5 Compaction and logistics

Drying and compaction, storage and logistics

- Commissioning of compaction plant commenced with initial samples successfully produced. Completion is expected to follow successful SOP purification plant commissioning
- Haulage agreements in place
- Depot & export solutions in progress
- Take or pay offtake agreement with K+S, the largest SOP producer in the world outside of China
- K+S planning to distribute Beyondie SOP into existing, significant SOP market share in Australia, New Zealand and Asia

KALIUM LAKES

Financial

Forecast steady state AISC at 120ktpa of A$492/tonne[1]

Cost increases over prior year's estimate due to:

- Increased costs due to inflationary pressures and supply chain bottlenecks, including labour, energy (diesel & gas), freight & shipping, insurance
- Increased site workforce headcount to bolster operational resources and capability
- Ponds operations harvesting and haulage activities - expect higher equipment usage requirements including for improved grade control
- Sustaining capital cost increases for brine supply infrastructure to sustain brine flows and grade

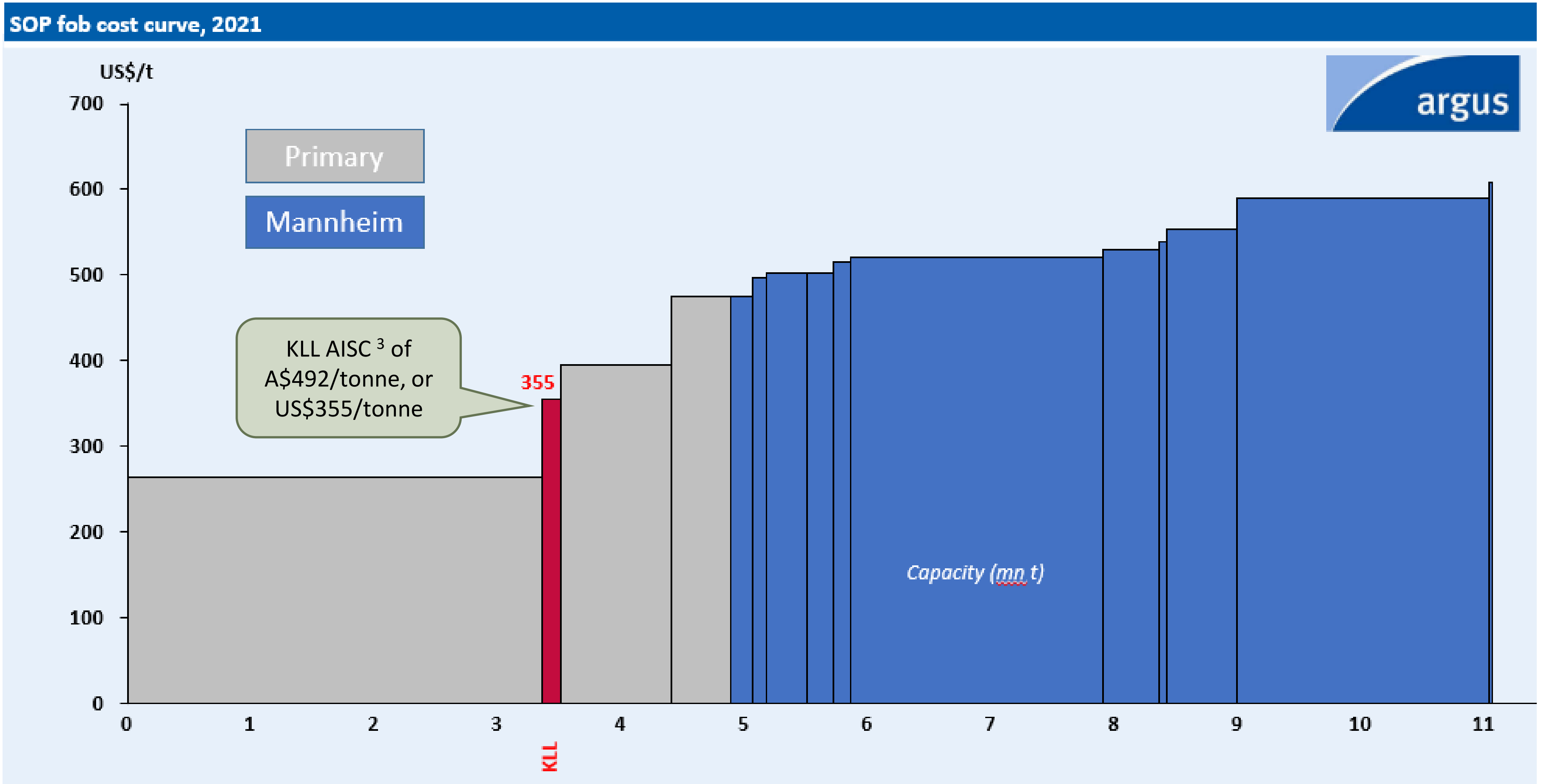
Item	Revised forecast [2] A$ per tonne	Prior (2021) estimate A$ per tonne
Brine production & supply	38	23
Harvesting & plant feed	69	41
SOP Plant	101	66
Site services, admin & other	93	65
Product haulage & port	113	110
Corporate	61	60
Sustaining capex	17	10
Total All In Sustaining Cost [1]	**492**	**375**

1. All in Sustaining Cost ("AISC") above includes all mining, processing, site administration, product haulage to port, port costs, head office corporate costs, sustaining capex costs, but excludes royalties, selling costs and taxes. Refer Appendix 2 for the material assumptions applicable to AISC.
2. Revised AISC per tonne forecast is measured at steady state production target of 120ktpa over an average of CY2025-29 due to expected variability in sustaining capex costs per year. Given Kalium Lakes has commenced SOP production (and considering the increase in AISC), the financial forecasts previously disclosed by Kalium Lakes (including the NPV and EBITDA figures in its ASX announcement dated 18 August 2021) are no longer relevant.

Financial

Kalium Lakes remains a low cost producer of SOP

- Despite inflationary cost environment, KLL places favourably in the 2nd quartile and well below Mannheim producers who have been impacted by significant increases in MOP [1] prices.
- High cost of MOP, energy and sulphuric acid has seen 60-70% of Chinese Mannheim production currently being idled. [2]



1. MOP = muriate of potash (potassium chloride), which, along with sulphuric acid are the key inputs to producing SOP via the Mannheim process.
2. Source: Argus Media market reports June and July 2022.
3. KLL's revised All In Sustaining Cost (excluding royalties, selling costs and taxes) of A$492/tonne converts to US$355/tonne on the basis of long term AUD:USD exchange rate assumption of 0.72.

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Significant growth upside potential

Detailed studies planned to evaluate future value drivers

Future potential scalability

- 80% of total Mineral Resource sits outside of Life of Mine schedule
- Detailed evaluation planned to seek to maximise resource potential [1]

By-product processing potential for enhanced revenue upside

- Existing 13.93Mt Mg total Mineral Resource
- Potential for the production of magnesium products [2]

1. Planned future financial evaluation of potential higher production rates for Stage 1 comprising Ten Mile, Ten Mile West and Lake Sunshine deposits.
2. Additional feasibility studies required to determine viability

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CORPORATE SNAPSHOT

Strategic corporate partnerships

Supportive industry relationships

K+S

Production offtake partner

KFW

German commercial funding partner

EBTEC

K-UTEC SALT TECHNOLOGIES

ebner engineering | manufacturing | establishing

Purification plant design and commissioning partner

GREENSTONE RESOURCES

Cornerstone equity investment partner

NAIF

Northern Australia Infrastructure Facility

Australian infrastructure funding partner

Corey Milne Consulting

Solar potash & salt production consulting

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Board of Directors

Stephen Dennis
Non-Executive Chairman

- Company director with more than 30 years of Australian and international resources experience
- Currently Non-Executive Chairman of Rox Resources Ltd, EHR Resources Ltd and Graphex Mining Ltd
- Previously Managing Director and CEO of CBH Resources Ltd

Brent Smoothy
Non-Executive Director

- Successful owner-operator of multiple companies involved in various pastoral, aviation, logistics, aggregate production and construction activities throughout Australia
- Co-founder of Kalium Lakes Ltd

Mark Sawyer
Non-Executive Director

- Co-founder of Greenstone Resources, a private equity fund specialising in the metals and mining sector
- Previously General Manager and Co-Head Group Business Development at Xstrata PLC and founder and partner of boutique corporate advisory firm Cutfield Freeman and Co

Sam Lancuba
Non-Executive Director

- Chemical engineer with more than 40 years experience in the global fertiliser industry
- Previously held senior roles at Incitec Pivot with responsibilities including; research and development, process engineering and manufacturing and management

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Executive management

The team to deliver commercial operations

Len Jubber
Chief Executive Officer

- Mining engineer with broad operational and corporate leadership experience and demonstrated track record of developing and operating assets and businesses
- Currently NED of South Harz Potash Ltd
- Previously Managing Director and CEO of ASX-listed companies Bannerman Energy Ltd and Perilya Ltd

Jason Shaw
Chief Financial Officer

- Chartered Accountant with more than 25 experience in senior financial roles
- Experience with asset acquisition, development, management and financing
- Previously Joint Group Chief Financial Officer and Chief Financial Officer – America, at the Chelsfield Group

Rudolph van Niekerk
Project Director

- Mechanical engineer with over 16 years' experience in project and business management
- Experienced in project development from first principles and concept study stages, complete to execution, commissioning and production ramp up
- Previous management responsibilities included project bankability, commercial negotiations of material contracts, project debt / equity funding and project development / execution
- Co-founder of Kalium Lakes Ltd

Netra Goel
Acting GM Operations

- Mechanical engineer with over 20 years' experience in design & development of new projects, debottlenecking, due diligence, solving complex technical issues in bulk material handling & process plants, and developing teams and systems
- Previously Engineering Manager at Alcoa and Talison lithium project, Group Leader (Director) of the WA Resource Power and Industrial Division at AECOM

Ian Hind
Manager Marketing & Logistics

- 25 years of international marketing, shipping and logistics experience for bulk mineral commodities including base metals, mineral sands and other high value mineral commodities for Australian mining companies
- Previous roles have included Vice President – Marketing EMEAI for Iluka Resources Limited and Marketing Manager for Western Metals Ltd

Jason Bagley
Process Manager

- Chemical Engineer and Operations leader over 20 years
- 10 years experience at Compass Minerals SOP operating facility in Utah, USA with same process as Kalium Lakes' process.

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APPENDIX

Appendix 1 Mineral Resource Estimate

Beyondie SOP Mine: JORC Measured Mineral Resources (inclusive of the ore reserves) - as at 30 June 2021[1]

Aquifer Type	Volume (10^6 m^3)	Total Porosity (-)	Brine Volume (10^6 m^3)	Specific Yield (-)	Drainable Brine Volume (10^6 m^3)	K (mg/L)	K Mass (Mt)	SO_4 (mg/L)	SO_4 Mass (Mt)	Mg (mg/L)	Mg Mass (Mt)	SOP Grade (kg/m^3) [2]	K_2SO_4 Mass (Mt)
Lake Surface Sediments	278	0.47	131	0.17	46	7,463	0.35	19,097	0.89	6,624	0.31	16.64	0.77
Alluvium	122	0.31	38	0.12	15	2,432	0.04	10,556	0.15	4,379	0.06	5.42	0.08
Palaeovalley Clay	935	0.36	333	0.06	58	4,628	0.27	14,495	0.84	4,130	0.24	10.32	0.60
Sand and Silcrete	270	0.33	88	0.21	56	5,665	0.32	17,394	0.97	5,090	0.28	12.63	0.71
Fractured and Weathered Sandstone	1,371	0.16	219	0.08	110	6,241	0.68	18,909	2.07	6,553	0.72	13.92	1.53
Fractured / Weathered Bedrock	773	0.24	186	0.10	76	5,404	0.41	15,138	1.15	5,814	0.44	12.05	0.92
Total Resources	3,749		995		361	5,718	2.06	16,853	6.08	5,701	2.06	12.75	4.60

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1. For full details of Mineral Resource and Ore Reserve estimates, refer to KLL ASX release dated 18 August 2021. Kalium Lakes confirms that it is not aware of any new information or data that materially affects the Mineral Resource and Ore Reserve estimates included in that release and confirms that the revised operating cost input (detailed in this document and in Appendix 2) do not materially affect the the Mineral Resource and Ore Reserve estimates included in that release. All material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates, other than the revised operating cost input, continue to apply and have not materially changed.
2. SOP grade calculated by multiplying Potassium (K) by a conversion factor of 2.23. Errors are due to rounding.

Appendix 1

Mineral Resource Estimate

Beyondie SOP Mine: JORC Indicated Mineral Resources (inclusive of the ore reserves) - as at 30 June 2021[1]

Aquifer Type	Volume (10^6 m^3)	Total Porosity (-)	Brine Volume (10^6 m^3)	Specific Yield (-)	Drainable Brine Volume (10^6 m^3)	K (mg/L)	K Mass (Mt)	SO_4 (mg/L)	SO_4 Mass (Mt)	Mg (mg/L)	Mg Mass (Mt)	K_2SO_4 Grade (kg/m^3) [2]	K_2SO_4 Mass (Mt)
Lake Surface Sediments	651	0.46	297	0.12	77	7,379	0.57	20,972	1.62	6,521	0.51	16.46	1.27
Lake Surface Leaching	N/a	N/a	N/a	N/a	80	5,373	0.43	16,986	1.36	3,632	0.29	11.98	0.96
Alluvium	1,240	0.35	438	0.13	155	4,852	0.75	13,618	2.12	4,088	0.64	10.82	1.68
Palaeovalley Clay	1,396	0.34	478	0.07	100	6,043	0.61	16,540	1.66	5,395	0.54	13.48	1.35
Sand and Silcrete	221	0.32	70	0.21	45	4,210	0.19	14,103	0.64	4,390	0.20	9.39	0.43
Fractured and Weathered Sandstone	5,081	0.16	826	0.08	406	6,135	2.49	16,998	6.91	6,109	2.48	13.68	5.56
Fractured / Weathered Bedrock	5,727	0.23	1,297	0.05	288	5,998	1.73	16,688	4.80	5,137	1.48	13.38	3.85
Total Resources	14,316		3,406		1,153	5,875	6.77	16,577	19.11	5,319	6.13	13.10	15.11

Beyondie SOP Mine: JORC Inferred Mineral Resources - as at 30 June 2021[1]

Aquifer Type	Volume (10^6 m^3)	Total Porosity (-)	Brine Volume (10^6 m^3)	Specific Yield (-)	Drainable Brine Volume (10^6 m^3)	K (mg/L)	K Mass (Mt)	SO_4 (mg/L)	SO_4 Mass (Mt)	Mg (mg/L)	Mg Mass (Mt)	K_2SO_4 Grade (kg/m^3) [2]	K_2SO_4 Mass (Mt)
Lake Surface Sediments	272	0.47	128	0.13	35	11,735	0.41	31,405	1.11	7,969	0.28	26.15	0.92
Alluvium	1,352	0.43	579	0.11	153	5,884	0.90	17,939	2.75	5,899	0.90	13.11	2.01
Palaeovalley Clay	14,508	0.35	5,086	0.03	466	5,898	2.75	17,929	8.35	6,171	2.87	13.14	6.12
Sand and Silcrete	608	0.31	190	0.21	128	5,435	0.70	16,611	2.13	5,569	0.71	12.11	1.55
Weathered / Fractured Bedrock	5,350	0.21	1,149	0.03	154	7,791	1.20	24,625	3.78	6,263	0.96	17.36	2.67
Total Resources	22,091		7,132		936	6,363	5.96	19,357	18.12	6,127	5.74	14.18	13.27

1. For full details of Mineral Resource and Ore Reserve estimates, refer to KLL ASX release dated 18 August 2021. Kalium Lakes confirms that it is not aware of any new information or data that materially affects the Mineral Resource and Ore Reserve estimates included in that release and confirms that the revised operating cost input (detailed in this document and in Appendix 2) do not materially affect the the Mineral Resource and Ore Reserve estimates included in that release. All material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates, other than the revised operating cost input, continue to apply and have not materially changed.
2. SOP grade calculated by multiplying Potassium (K) by a conversion factor of 2.23. Errors are due to rounding.

Appendix 1 Ore Reserve Estimate

Beyondie SOP Mine – Ore Reserve as at 30 June 2021[1]

Proved Ore Reserves	Drainable Brine Volume (10^6 m^3)	K (mg/L)	K Mass (Mt)	SO_4 (mg/L)	SO_4 Mass (Mt)	K_2SO_4 (SOP) Grade (kg/m^3)	K_2SO_4 (SOP) Mass (Mt)
Production Bores	115.5	6,207	0.71	17,945	2.05	13.83	1.58
Total Proved Ore Reserves	**115.5**	**6,207**	**0.71**	**17,945**	**2.05**	**13.83**	**1.58**
Probable Ore Reserves	**Drainable Brine Volume (10^6 m^3)**	**K (mg/L)**	**K Mass (Mt)**	**SO_4 (mg/L)**	**SO_4 Mass (Mt)**	**K_2SO_4 (SOP) Grade (kg/m^3)**	**K_2SO_4 (SOP) Mass (Mt)**
Lake Sediments	208.2	4,755	0.99	13,699	2.85	10.60	2.21
Production Bores	82	6,713	0.56	18,867	1.57	14.69	1.24
Total Probable Ore Reserves	**290.2**	**5,306**	**1.55**	**15,129**	**4.42**	**11.82**	**3.45**
Total Ore Reserves	**Drainable Brine Volume (10^6 m^3)**	**K (mg/L)**	**K Mass (Mt)**	**SO_4 (mg/L)**	**SO_4 Mass (Mt)**	**K_2SO_4 (SOP) Grade (kg/m^3)**	**K_2SO_4 (SOP) Mass (Mt)**
Total Ore Reserves	**405.7**	**5,565**	**2.26**	**15,930**	**6.47**	**12.40**	**5.03**

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1. For full details of Mineral Resource and Ore Reserve estimates, refer to KLL ASX release dated 18 August 2021. Kalium Lakes confirms that it is not aware of any new information or data that materially affects the Mineral Resource and Ore Reserve estimates included in that release and confirms that the revised operating cost input (detailed in this document and in Appendix 2) do not materially affect the the Mineral Resource and Ore Reserve estimates included in that release. All material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates, other than the revised operating cost input, continue to apply and have not materially changed.
2. SOP grade calculated by multiplying Potassium (K) by a conversion factor of 2.23. Errors are due to rounding.

Appendix 2 120 ktpa Production Target

Operating Costs – Material Assumptions

The operating cost estimate for the 120 ktpa production target has been developed using actual operating expenses and data where available. Variable costs for 120 ktpa have increased, with the product haulage, diesel consumption (mainly from operating bore field pumps), workforce labour and ROM & waste salt haulage costs being the cost elements that increased the most. Operating cost estimates have been based on the following:

- Overall management will be undertaken by KLL.
- A number of Haulage contractors have been engaged to provide all transport of SOP product from the site to the distribution centres in WA.
- Port and shipping operations will be contractor owned and operated.
- Accommodation village is contractor operated.
- FIFO flights for all personnel are based on a combination of commercial services between Perth and Newman and charter flights from Perth to Beyondie and will be arranged and managed by KLL.
- Flight costs are based on commercial services between Perth and Newman.
- Diesel fuel is purchased in bulk and distributed by KLL.
- Gas is supplied as Natural Gas (NG) via the existing lateral tie-in to the Goldfields Gas Pipeline (GGP) near Kumarina roadhouse on the Great Northern Highway (GNH) under an existing gas supply contract until December 2022, and which is under discussion for extension until December 2024.
- Power is provided via a owner-operated gas-fuelled power station.
- Gas pipeline, gas delivery and the power station are maintained by third party contractors.
- All bores and pumps are operated by diesel powered generators.
- Allowances for maintenance down time have been considered by operating unit.
- The estimate base date is Q2 CY2022.
- Escalation of the estimate past the base date has been excluded.
- All costs are in Australian dollars ("AUD" or "$A").
- The forward curve of the AUD:USD exchange rates (source: Reuters mid-May 2022) has been assumed for the period from July 2022 to December 2024 in which the exchange rate is assumed to be in a range of 0.68 to 0.69. From January 2025 onwards an exchange rate of 0.72 has been assumed.
- GST has been excluded.
- All tonnages are on a dry basis unless otherwise indicated.
- WA State Royalty Rate - 5% of "royalty value", with a 50% rebate on a quarterly basis for the first two years of commercial production subject to the average realised SOP price being less than A$1,000 per tonne for the quarter, per recent advice from the WA Government.
- Native Title Royalty – 0.75% of gross revenue less shipping costs, selling agent's fees, marketing charges payable under offtake agreement and land based haulage & port costs
- Founders' Private Royalty - 1.9% of gross proceeds received by KLL for the sale of potash, less any refunds, claims or discounts.

Appendix 3 Key Risks

Future operations of the Beyondie SOP Mine ("BSOPM")

As at the date of this document, the Company has produced a cumulative total of 1,700 tonnes of commercially saleable sulphate of potash (SOP). The BSOPM is expected to be operating at an approximate 80 ktpa production run rate by Q1 CY2023. The Company is targeting a 120 ktpa production run rate by Q3 CY2024 and intends to utilise proceeds raised from the Offer to fund additional working capital during production ramp-up of the BSOPM to 80 ktpa run rate (which additional working capital is required due to the delayed production profile – refer to ASX announcement dated 1 March 2022 for further details) and assist in the expansion of the BSOPM to 120 ktpa run rate. No assurances can be given that the Company will be able to achieve a production increase to 120 ktpa or that the expansion to 120 ktpa will be achieved by Q3 CY2024. Failure to achieve a production increase to 120 ktpa or significant delays to the Company's expansion plans will have a material adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Any unforeseen delays, shutdowns or difficulties encountered in maintaining continued operations at the BSOPM will also materially and adversely impact on the Company's financial condition and cash flow. Further, the Company has prepared operating cash cost estimates, future production targets and revenue profiles for its future operations at the BSOPM. However, these production targets and operating cost estimates may be adversely affected by a variety of factors, including the delineation of economically recoverable mineralisation, unfavourable geological and aquifer conditions, seasonal and unseasonal weather patterns, unplanned technical and operational difficulties encountered in extraction, brine pumping, salt harvesting and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of skilled and unskilled labour, consumables, spare parts and plant and equipment, cost overruns and contracting risk from third parties providing essential services. In addition, there may be other risks that can impact production targets and operating cost estimates, including increases in energy costs, general inflationary pressures, interest rates, currency exchange rates and/or other unforeseen circumstances such as adverse health and safety outcomes.

In addition to this, any unforeseen increases in capital or operating costs of the BSOPM could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition. No assurance can be given that the Company's estimates will be achieved or that the Company will have access to sufficient capital to fund the BSOPM expansion to 120 ktpa if there were an increase in capital and operating cost estimates.

Financing arrangements and funding risk

The Company has received approvals from, and entered into revised financing arrangements with, its senior lenders, KfW IPEX-Bank (KfW) and the Northern Australia Infrastructure Facility (NAIF) (together, the Senior Lenders) to (amongst other matters) defer principal repayments (by one year until March 2025) in respect to the existing syndicated term loan facilities provided by the Senior Lenders, extend the maturity date for these existing syndicated term loan facilities to March 2040 and to extend the maturity date for the existing A$20 million liquidity with the Senior Lenders to January 2026.

It is a requirement under the revised financing arrangements that the Company raises at least A$20 million (net of costs) in equity capital by 7 October 2022 and, under the terms of the Offer, the Company is proposing to raise A$22 million of equity via a two tranche placement to satisfy this condition, with the Conditional Placement to raise up to A$14.9 million being subject to shareholder approval. Such funding will also provide the Company with the requisite funds to ramp-up production as per the revised production profile and to progress the expansion of the BSOPM to 120 ktpa. If the Company fails to obtain the requisite shareholder approval for the Conditional Placement and/or does not complete the Offer (for whatever reason), there will be a funding deficit which will result in the Company not satisfying the requirements under the revised financing arrangements with the Senior Lenders. This will trigger an event of default across all of the Company's senior debt facilities and allow the Senior Lenders to demand immediate repayment of their loans and enforce their security over the Company's assets. Furthermore, the Company will not have sufficient funds to expand the BSOPM to 120 ktpa. If this occurs, the Company will need to seek alternative sources of capital to fund the expansion of the BSOPM to 120 ktpa and re-engage with the Senior Lenders to (amongst other things) seek to renegotiate the terms of its debt facilities, including (but not limited to) procuring a waiver and/or extension to the equity raising condition. There can be no assurance that the Company will be able to:

- obtain additional financing (whether via equity, debt or a combination of both) on terms that are acceptable and favourable to the Company; or
- successfully renegotiate revised terms with the Senior Lenders (or achieve revised terms on similar or favourable terms to the Company).

If the Company is unable to obtain additional funding to fund the expansion of the BSOPM to 120 ktpa by Q3 CY2024 and/or is unable to achieve revised terms with the Senior Lenders (or obtains accommodation from the Senior Lenders on less robust and attractive terms), this will have a material adverse impact on the ongoing and future economic feasibility of the BSOPM and, by extension, will materially adversely affect the Company's financial position and viability and its ongoing operations.

Appendix 3

Key Risks

SOP purification plant facility design, operation, recovery and product specification

The Company has and continues to utilise internationally recognised consultants in the design, commissioning and ramp-up of the operating processes and in the selection of suitable equipment to achieve production targets and capacity and specification to market requirements. However, commissioning and ramp-up of the purification plant to operate at 80 ktpa run rate, followed by project development associated with the expansion to 120 ktpa remains inherently risky due to the number of variables that need to be managed. In addition, there are risks association with gas fuel delivery and power station performance, mechanical plant equipment performance, plant feed grades and rates, flotation performance, flotation agent availability, pumping of product through the plant, temperature control, overall mass balances and compaction plant performance. This could lead to SOP production not performing as required or expected, resulting in difficulty maintaining product specification, not achieving name plate design capacity, not achieving expected potassium recoveries, increased maintenance and overall operating costs. If this occurs, it may have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Some of the above risks also apply to non-process plant equipment and facilities, recognising that the BSOPM by its nature is operating with corrosive fluids and subject to environmental impacts of salinity which may result in premature or otherwise unexpected failure of critical equipment such as bore pumps.

Operational risks

The Company’s operational activities are subject to numerous operational risks, many of which are beyond the Company’s control. The Company’s operations may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions and evaporation rates, mechanical difficulties, shortages in, or increases in the costs of, skilled and unskilled labour, consumables, spare parts and plant and equipment, external services failure (including energy and water supply), industrial disputes and action, difficulties in commissioning, ramping up and operating plant and equipment, IT system failures and mechanical failure or plant breakdown. Hazards incidental to the exploration, mining and metallurgical extraction of SOP such as unusual or unexpected geological and aquifer formations, extracted brine grade variability and flow rates, reliability of bores, pumps and trenches, gypsum scaling of brine delivery pipelines, salt corrosion of critical pumping and production equipment, wear and tear on unsealed access roads, difficulties and/or delays associated with fresh groundwater may be encountered by the Company. Industrial and environmental accidents could lead to substantial claims against the Company for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, clean up responsibilities, penalties and the suspension of operations.

The production ramp-up process, including the Company's expansion to 120 ktpa, may result in the identification of failures or deficiencies in the processes, systems and plant and equipment required for the BSOPM, and addressing such failures or deficiencies may result in the Company incurring unexpected costs and production ramp-up delays. Any of these outcomes could have a material adverse impact on the Company's results of operation and financial performance, including (but not limited to) the Company’s ability to operate on a cashflow positive basis.

Any inability to resolve any problems relating to these operational risks or adjust costs profiles on commercial terms could adversely impact continuing operations, production targets, Mineral Resources and/or Ore Reserves estimates and the assessment of recoverable amount of the Company's assets. Production guidance and targets are subject to assumptions and contingencies which may change as operations performance and market conditions change or other unexpected events arise.

Inability to abstract brine volume

The Company has utilised a number of specialist consultants in determining its ability to abstract brine consistently from the deposits but there is a risk that the Company will be unable to abstract the brine in volumes required to meet project timetables and production. This can occur due to low permeability of aquifer material, variability in the deposit and continuity of the various aquifer layers. As a result, pumping rates may be lower than expected, or require additional bores and/or trenches. Each bore and trench is likely to have a specific life expectancy and will eventually run dry as brine is extracted. This life expectancy may be variable and shorter than expected. Any issues that result in the Company being unable to abstract brine in the volumes required to meet project timetables and production may adversely impact on the revised production profiles and the Company's ability to produce the required potassium plant feed salts to feed the SOP purification plant and to progress the expansion of the BSOPM to 120 ktpa.

Variability in brine

The brine deposit may vary due to the geological layering of the host rock, the location within the palaeochannel, inflows of other waters carrying other impurities or fresh water all of which will affect the brine chemistry across the deposit. There is also the potential for dilution after rainfall which may influence changes in the chemistry of brine recovery. The variability may cause different evaporation rates, alternative salt evaporites being formed in the evaporation ponds, and/or require additional pumping volumes due to lower grades. Any variability in brine may adversely impact on the revised production profiles and the Company's ability to produce the required potassium plant feed salts to feed the SOP purification plant and to progress the expansion of the BSOPM to 120 ktpa.

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Appendix 3 Key Risks

<u>Evaporation pond design</u>

The Company has undertaken a large scale pilot evaporation pond program to enhance its understanding of the construction methodology, evaporation rates, leakage rates and other potential performance parameters of the brine and the ponds' ability to produce potassium plant feed salts at the appropriate design grades and in the required quantities to feed the SOP purification plant . Whilst the operations of the evaporation ponds to date have been verified against the design, the BSOPM is yet to see a prolonged period of producing SOP product (SOP Product) and there remains a scale up risk that, in the construction and operation of the evaporation ponds, these performance parameters could vary to the current pond and pump testing findings and therefore may impact the basis of design and operation, and potentially the expansion capital and operating costs of the BSOPM. There is also a risk of structural failures or leakage. Any adverse implications on the operations of the evaporation ponds may adversely impact on the Company's operations and the expansion to 120 ktpa.

<u>Offtake</u>

The Company has entered into an offtake agreement with German fertiliser producer and distributor K+S. Risks associated with the offtake agreement include, but are not limited to, rising contract prices and marketing fees (as pricing and fees under the offtake agreement are linked to the sales price realised by K+S), disputes regarding variations of tonnages and SOP Product grade and extensions of time and costs, all of which may give rise to delays and/or increased costs. If any of these risks materialise, this could have a material adverse impact on the Company's profitability, financial performance and position.

Further, if K+S, being the Company's only offtake party, reneged on its contractual obligations or otherwise failed to pay for the SOP Product delivered, or decline to receive further SOP Product, this would have a consequential effect on the Company's financial position. If this occurs, there is a risk that future offtake contracts may not be negotiated on similar or more favourable terms.

<u>Sales and logistics</u>

There are risks associated with transport and delivery of SOP Product, including reliance on third party haulage and shipping, availability of haulage trucks, fuel levies, availability and size of on-site and off-site storage for unsold inventory, access to ports, customs and export risks and shipping delays which may have a material adverse impact on the Company's profitability and financial performance.

<u>Commodity price volatility</u>

The revenue of the Company will be derived through the sale of SOP Product which exposes the Company to commodity price and exchange rate risk. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. Such factors include the supply and demand for commodities such as SOP Product, forward selling activities, technological advancements and other macro-economic factors.

If the Company successfully expands the BSOPM to 120 ktpa, its financial performance will be highly dependent on the prevailing commodity prices and exchange rates. These factors may affect the value of the Company's assets and the supply and demand of SOP Product, and may have an adverse effect on the viability of the Company's production activities, its ability to fund those activities and the value of its assets.

<u>Currency and interest rate volatility</u>

The prices of various internationally traded commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken in account in Australian dollars, consequently exposing the Company to the fluctuations and volatility of the exchange rate between the United States dollar and the Australian dollar as determined in international markets. The Company's term loan facilities with KfW are in United States dollars and are USD LIBOR based, consequently exposing the Company to movements in interest rates in the United States. Movements in interest rates may result from changes in economic conditions, monetary and fiscal policies, international and regional political events or other factors beyond the control of the Company which may adversely affect the financial condition of the Company.

<u>Staff recruitment and retention</u>

The Company's ability to execute its strategy is dependent on the performance and expertise of key personnel. The Company relies on experienced and qualified staff in respect to the operation of the BSOPM and there is a risk that the Company may not be able to attract and retain key staff, or be able to find effective replacements in a timely manner. The loss of staff, or any delay in their replacement, and the inability of the Company to hire additional staff could impact the Company's production ramp-up and ongoing operation of the BSOPM.

There is also a risk that the Company will be unable to retain existing staff, or recruit new staff, on terms of retention that are as attractive to the Company as past agreements. The loss of key personnel could cause a significant disruption to the business and could adversely affect the Company's operations.

There is a risk that the Company may not be able to recruit suitably qualified and talented staff in a time frame that meets the growth objectives of the Company. This may result in delays to the expansion of the BSOPM to 120 ktpa, which may adversely impact on the Company's future cash flows, profitability, results of operations and financial condition.

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Appendix 3 Key Risks

<u>Dependence on key contractors</u>

The Company has outsourced certain activities of the operations of the BSOPM to third party contractors. Such contractors may not be available to perform services for the Company, when required, or may only be willing to do so on terms that are not acceptable to the Company. Further, performance may be constrained or hampered by capacity constraints, mobilisation issues, plant, equipment and staff shortages, labour disputes, managerial failure and default or insolvency. Contractors may not comply with provisions in respect of quality, safety, environmental compliance and timeliness, which may be difficult to control. In the event that a contractor underperforms or its services are terminated, the Company may not be able to find a suitable replacement on satisfactory terms within the required timeframe or at all. These circumstances could have a material adverse effect on the Company's operations.

<u>Future capital requirements</u>

Whilst the funds raised pursuant to the Offer are expected to provide the requisite funding to progress the expansion of the BSOPM to 120 ktpa, the Company may require further financing to continue to operate in the future if, for example, there is a material departure from the Company's production or cost guidance. Further, if any of the matters detailed above occur or eventuate, including, but not limited to, the inability to extract brine volume, variability in brine and issues with the evaporation ponds, this may result in delays to the revised production profile and expansion of the BSOPM to 120 ktpa, which may necessitate the requirement for additional funding.

Any additional equity financing that the Company may undertake in the future may dilute existing shareholdings. Debt financing, if available, may involve restrictions on financing and operational activities.

There can be no assurance that the Company will be able to obtain additional financing when required, or that the terms and the time in which any such financing can be obtained will be acceptable to the Company. This may have an adverse effect on the Company's financial position and prospects.

<u>COVID-19</u>

The COVID-19 pandemic has had a significant impact on the Australian economy, including the ability of individuals, businesses, and the State and Federal governments in Australia to operate. There continues to be uncertainty as to the duration and further impact of COVID-19, including government, regulatory or health authority actions, supply restrictions and unemployment rates in Australia. The negative impact of some or all of these factors on the Australian economy may have an adverse impact on the Company's operations as well as adverse implications on the Company's future cash flows, profitability and financial condition.

There is a risk that any infections on site at the BSOPM could result in the Company's operations being suspended for an unknown period of time, or curtailed due to the Company's labour and contract workforce being in isolation either on-site or off-site with COVID-19. Additionally, the COVID-19 pandemic has placed pressure on supply chains, availability of goods and services and shipping and freight, in terms of timing delays and increased costs. These risks all may have an adverse impact on the Company's operations as well as adverse implications on the Company's future cash flows, profitability and financial condition.

There is also a risk that other pandemics could occur, which may have effects on global economies and populations that are similar to, or worse than, COVID-19.

<u>Resource and Reserve estimates and classification</u>

The Mineral Resource and Ore Reserve estimates for the BSOPM are estimates only and are expressions of judgement based on knowledge, experience and industry practice. In addition, by their very nature, Mineral Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. No assurances can be given that any particular level of recovery of SOP Product will in fact be realised.

<u>Environmental and other statutory approvals</u>

The BSOPM, including its expansion to a production rate of 120 ktpa, is subject to Australian and Western Australian laws, regulations and specific conditions regarding approvals to explore, construct and operate. There is a risk that such laws, regulations and specific conditions, or any changes thereto, may impact the profitability of the BSOPM and the ability for the BSOPM to be satisfactorily permitted. Key and on-going approvals required may take longer to be obtained or may not be obtainable at all.

The Company has not yet received the relevant approvals to operate at a production rate of 120 ktpa, including Ministerial approval / receipt of an operating licence for 120 ktpa and to undertake expansion works and production from brine in the Ten Mile West tenement area. The failure to receive any of these approvals could have an adverse impact on the Company's operations and activities. Although the Company has no reason to believe that the relevant approvals will not be granted, there is no assurance that such approvals will be granted as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

Appendix 3 Key Risks

<u>Contractual disputes</u>

As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally.

<u>New commodity and lack of specific operational experience</u>

The Company recognises that as the leader and sole producer in the Australian SOP industry there may initially be a lack of suitably trained operators for the BSOPM to draw from when recruiting externally. Furthermore, this risk could arise during the production ramp-up for the same reasons detailed above which could lead to increased costs and delays in achieving operational ramp-up targets.

<u>Inclement weather and natural disasters</u>

The Company's operational activities are subject to a variety of risks and hazards which are beyond its control, including hazardous weather conditions such as excessive rain, flooding and fires.

Severe storms and high rainfall leading to flooding and associated damage may result in disruption to the evaporation, salt crystallisation and harvesting process in the ponds and scouring damage to trenches, roadways and pond walls. Flood waters within the pond areas will increase the total evaporation, salt crystallisation and harvesting time and impact the production schedule.

Additionally, as some of the brine production is from surface trenches, these trenches may become flooded during severe weather, or subject to silting or collapsing. This may impact the quality and consistency of the brine and the ability to continue surface extraction by trenches within the lakes' areas, until the flood waters subside.

Any of the above occurrences will impact profitability.

<u>Climate change risk</u>

There are a number of climate-related factors that may affect the operations and financial position of the Company. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes and earthquakes) may have an adverse effect of the Company's operations, the Company's ability to transport or sell its Product and/or the Company's future financial performance.

Changes in policy, technological innovation and/or consumer/investor preferences may also adversely impact the operations and financial position of the Company or may result in less favourable pricing for its product, particular in the event of a transition to a lower carbon economy.

<u>Title risk</u>

The Company's activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities including compliance with the Company's work program requirements, which in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Although the Company has no reason to think that the tenements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

<u>Exploitation, exploration and mining licences</u>

The Company has been granted three Mining Leases and various other miscellaneous licences and exploration licences. The Company's activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licenses and leases, which may be withdrawn or made subject to limitations. The maintaining of licences and leases, obtaining renewals, or getting licences and leases granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences and tenements, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

Appendix 3 Key Risks

<u>Change in regulations</u>

Adverse changes in State or Federal government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia may change resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. Increased royalties or any other changes to the royalty regime could result in higher operating costs for the Company's operations and may have an adverse effect on the Company's business, results, financial condition and prospects.

<u>Environmental risk</u>

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most mining and exploration projects and operations, the BSOPM is expected to have an impact on the environment. It is the Company's intention to conduct its activities to the required standard of environmental obligation, including compliance with all environmental laws.

<u>Insurance</u>

The Company insures its operations in accordance with industry practice. However, in certain circumstances, the Company’s insurance may not be available or of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

<u>Health and safety risk</u>

Mining and exploration activities have inherent hazards and risks. The Company is committed to providing a safe and healthy workplace and environment for its personnel, contractors and visitors. The Company provides appropriate instructions, equipment, preventative measures, first aid information, medical facilities and training to all stakeholders through its health and safety management system. A serious site health and safety incident may result in delays in operations. A health and safety incident that results in serious injury, illness or death may also expose the Company to significant penalties and the Company may be liable for compensation. These liabilities may not be covered by the Company's insurance policies or, if they are covered, may exceed the Company's policy limits or be subject to significant deductibles. Also, any claim under the Company's insurance policies could increase the Company's future costs of insurance. Accordingly, any liabilities for workplace accidents could have a material adverse impact on the Company's liquidity and financial results. In addition, it is not possible to anticipate the effect on the Company's business of any changes to workplace health and safety legislation or directions necessitated by concern for the health of the workforce. Such changes may have an adverse impact on the financial performance and/or financial position of the Company.

<u>Force majeure</u>

The BSOPM may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, pandemics, explosions or other catastrophes, epidemics or quarantine restrictions which may negatively affect the operating and financial performance of the BSOPM.

<u>Third party risk</u>

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and customers.

Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

<u>Competition</u>

Although there is currently no Australian production of SOP Product, there are other mining exploration companies in Australia that are currently seeking to explore, develop and produce SOP Product. The Company will have no influence or control over the activities or actions of its competitors and other industry participants, whose activities or actions may positively or negatively affect the operating and financial performance of the BSOPM.

<u>Litigation</u>

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

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Appendix 4

Foreign Selling Restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission.

Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations.

Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada.

Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Guernsey

The New Shares may only be offered or sold in or from within the Bailiwick of Guernsey either (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "POI Law"); or (ii) to persons licensed under the POI Law, the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc., (Bailiwick of Guernsey) Law, 2000.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Appendix 4 Foreign Selling Restrictions

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold in the United States to:

- “institutional accredited investors” within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act; and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

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