

# BEYONDIE SOP PROJECT

Working to Become Australia's First Sulphate of Potash Producer

## Investor Presentation

Macquarie Ag Forum

March 2018

KALIUM  
LAKES  
*Making it Grow*



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The information in this document is extracted from the report titled "TECHNICAL REPORT FOR THE BEYONDIE POTASH PROJECT, AUSTRALIA, JORC (2012) and NI 43-101 Technical Report" and dated 29 September 2017 (Report), that relates to Exploration Targets, Exploration Results, Mineral Resources and Mineral Reserves and is based on information compiled by Thomas Schicht, a Competent Person who is a Member of a 'Recognised Professional Organisation' (RPO), the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1077) and Anke Penndorf, a Competent Person who is a Member of a RPO, the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1152). Kalium Lakes confirms that it is not aware of any new information or data that materially affects the information included in the original announcement regarding the Report and, in the case of estimates of Mineral Resources, which all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. Kalium Lakes confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original announcement regarding the Report.

Thomas Schicht and Anke Penndorf are full-term employees of K-UTEC AG Salt Technologies (K-UTEC). K-UTEC, Thomas Schicht and Anke Penndorf are not associates or affiliates of Kalium Lakes or any of its affiliates. K-UTEC will receive a fee for the preparation of the Report in accordance with normal professional consulting practices. This fee is not contingent on the conclusions of the Report and K-UTEC, Thomas Schicht and Anke Penndorf will receive no other benefit for the preparation of the Report. Thomas Schicht and Anke Penndorf do not have any pecuniary or other interests that could reasonably be regarded as capable of affecting their ability to provide an unbiased opinion in relation to the Beyondie Potash Project.

K-UTEC does not have, at the date of the Report, and has not had within the previous years, any shareholding in or other relationship with Kalium Lakes or the Beyondie Potash Project and consequently considers itself to be independent of Kalium Lakes.

Thomas Schicht and Anke Penndorf have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Thomas Schicht and Anke Penndorf consent to the inclusion in the Report of the matters based on their information in the form and context in which it appears.

## Why Kalium Lakes?

Premium SOP Agri Resource

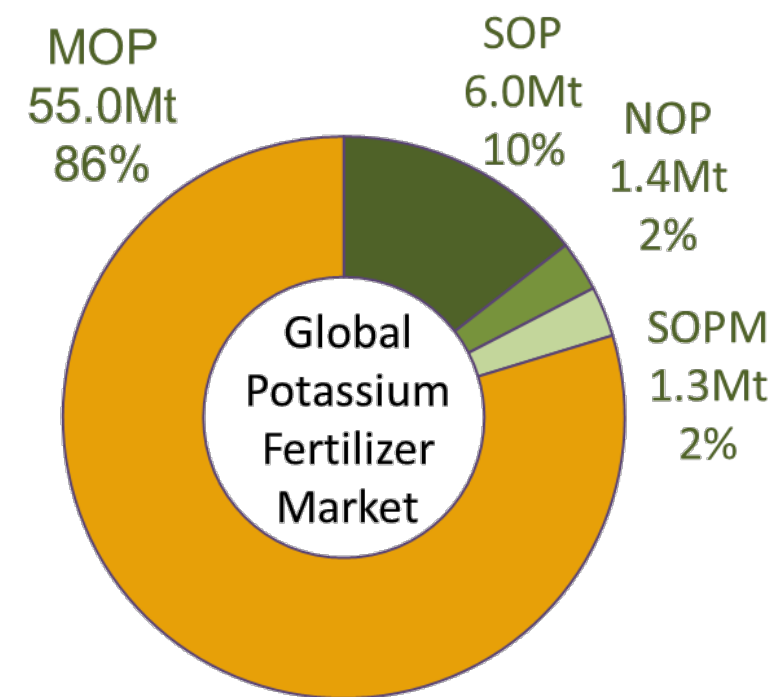
PFS and Reserve Complete

Fully funded to BFS and FID

Low Cost, Long Life, High Margin Project

Potential Upside – Magnesium, Salt, Carnegie JV

- ✓ Potassium Sulphate (SOP) is a Premium Fertiliser
- ✓ Supply Does Not Meet Demand
- ✓ **No Current Production in Australia**
- ✓ Leveraged to 'Feeding the World' Thematic
- ✓ Potassium is One of Three Essential Plant Nutrients
- ✓ Global SOP Market is ~6Mtpa, Worth ~US\$3-4Bpa
- ✓ Current SOP Retail Price in Australia is +A\$950/t
- ✓ Existing Brine Producers' Cost of Production ~US\$225/t

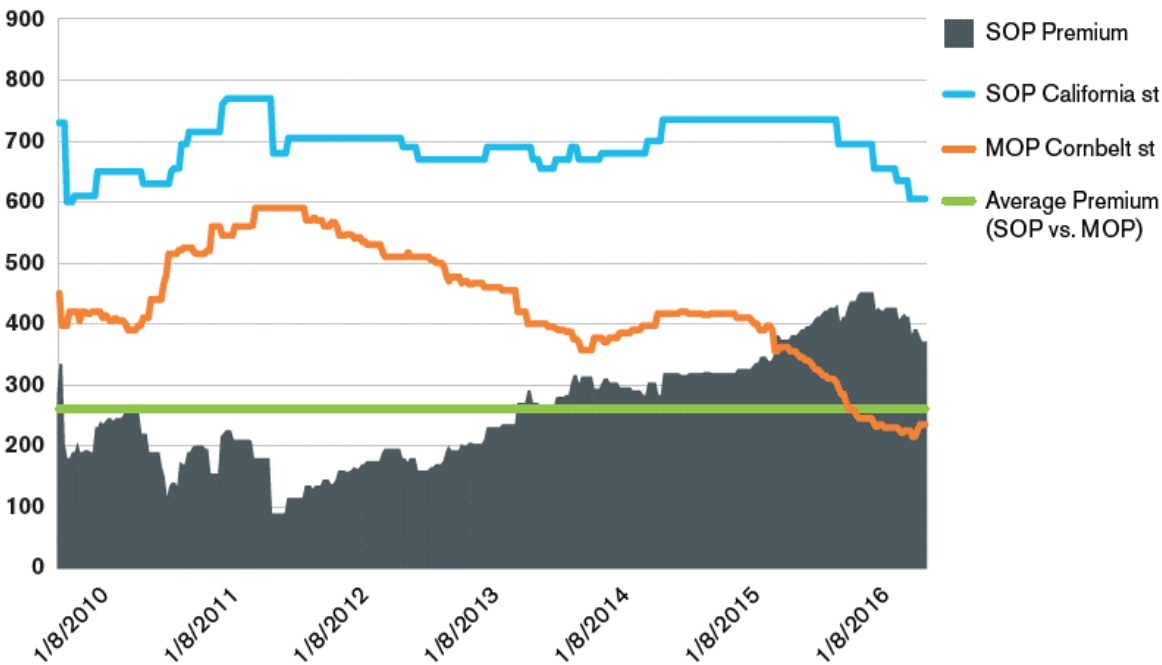


MOP – Muriate of Potash or KCl  
SOP – Sulphate of Potash or  $K_2SO_4$   
NOP – Potassium Nitrate  
SOPM – Sulphate of Potash Magnesia

# SOP - The Farmers' Choice but ..... Subject to Price

- Sulphate of Potash is used principally for specialty crops: fruits, nuts, vegetables, berries, beans, bananas, tobacco, pineapple and cocoa
- MOP is high in chloride leading to seedling toxicity and overall accumulation of salts
- SOP contains minimal chloride, improving plant and soil health
- SOP contains sulphur, a secondary nutrient for healthy plant growth
- SOP commands a significant price premium over the MOP market
- Australian potassic fertiliser demand totalled 300-400ktpa during past 5 years

Figure 1: MOP & SOP Prices, Premium and Trends 2010-2016



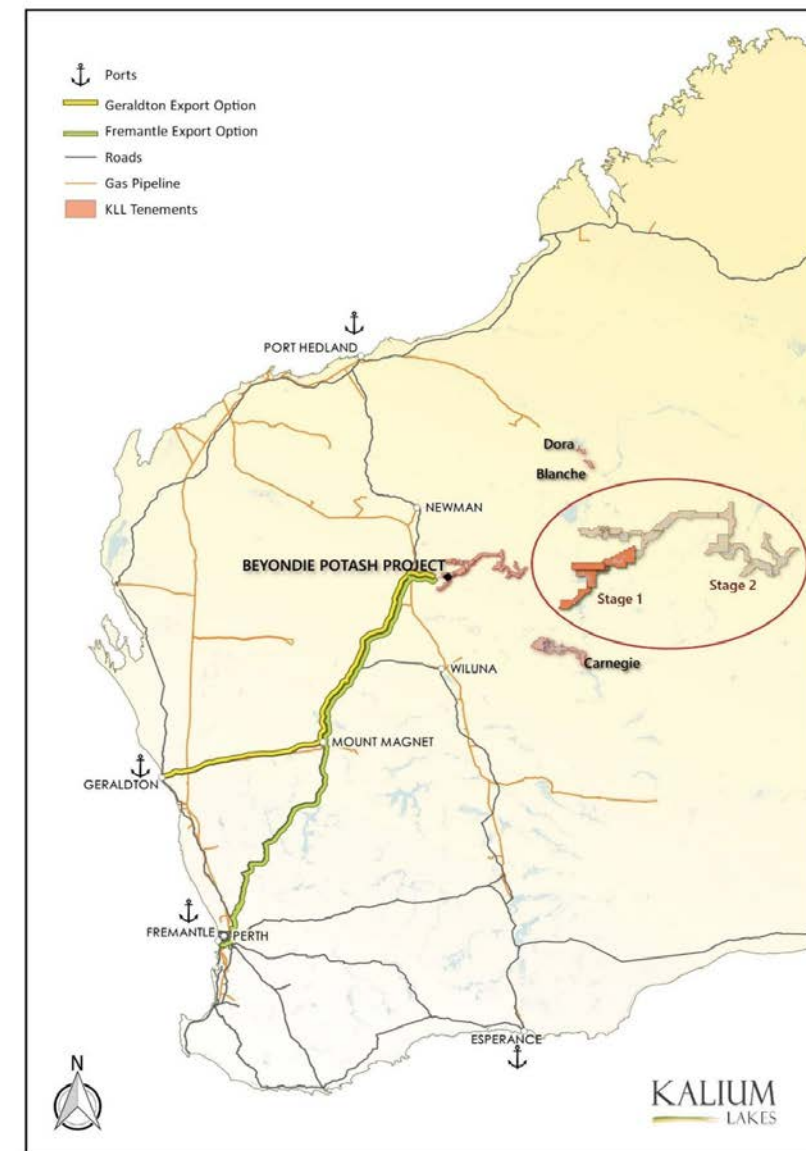
Source: This content was extracted from the Green Markets report, Global Sulfate of Potash Market 2016-2026. This content is republished here with the express written permission of Kennedy Information, LLC. Copyright ©2016. Further use of, electronic distribution or reproduction of this material, requires the permission of Kennedy Information, LLC.

KLL Target Markets	Australia	China	India	Indonesia	Japan	Malaysia	New Zealand	South Africa	Thailand	USA	Vietnam
Annual Demand ktpa SOP	70	4,100	100	25	100	15	30	45	15	475	15



# Beyondie SOP Project Highlights

- ✓ Australia's Highest Grade Brine Deposit
- ✓ Lowest Impurity Levels = Low Waste Salt Production
- ✓ 2.66Mt SOP Reserve
- ✓ 18Mt SOP Drainable Resource  
(196Mt SOP Total Brine Volume Estimate)
- ✓ Close to Port, Road and Gas Pipeline Infrastructure
- ✓ Largest Pilot Scale Evaporation Ponds in Australia
- ✓ Native Title Mining Agreements Complete
- ✓ Mining and Environmental Approvals due in Q3 2018
- ✓ Non-Binding Offtake MOUs Signed
- ✓ Project Financing Discussions Underway



# Beyondie PFS Financial Highlights

- ✓ 150ktpa SOP Base Case, with the option to phase the project by ramping up from 75 to 150ktpa SOP
- ✓ Pre-production Capital Cost of A\$124M or A\$220M
- ✓ >20year Life of Mine (LOM)
- ✓ Low LOM Operating Cost A\$244-253/t FOB
- ✓ Base case pre-tax NPV<sub>10</sub> of A\$388M, IRR of 28.7%
- ✓ High EBITDA Margin of 62%, EBITDA of A\$83Mpa
- ✓ More than +\$1B Life of Mine (LOM) free cash flow
- ✓ Significant potential upside – extended mine life, increased production, magnesium by-products



# Simple SOP Production Process



**Brine Pumping from Bores and Trenches**  
>160 Million litres successfully pumped to date



**Brine Solar Evaporation**  
Located in high evaporation region



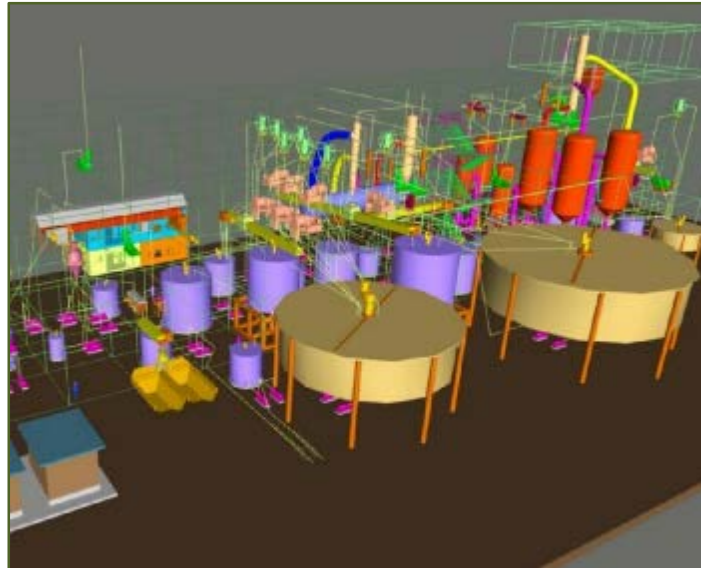
**Salt Harvesting**  
Low cost well proven process in Western Australia



**Agriculture Production**  
Australian and Asian Markets



**Premium SOP Fertiliser**  
High demand, preferred source of potassium for agricultural industry

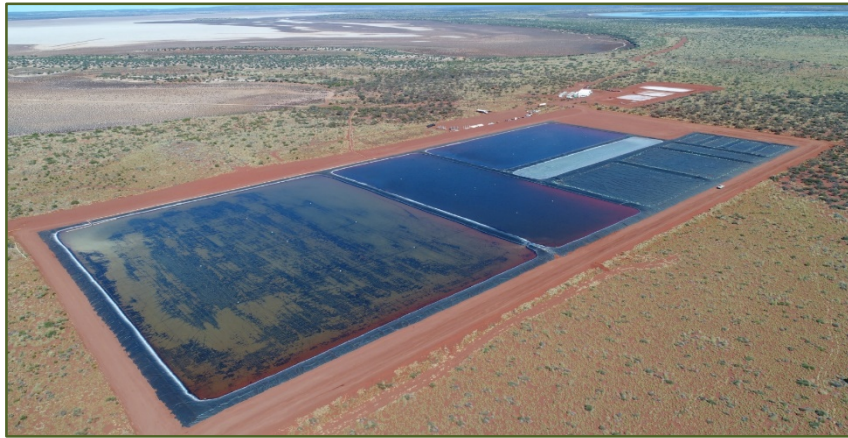


**Purification Processing**  
Using established German SOP technology



# Largest Scale Pilot Ponds in Australia

[\(Harvest Trials Video Clip - Link\)](#)





# Project Timeline

Action Plans / Next Steps	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20
Bulk sampling / Purification Plant Testing										
Pilot scale evaporation pond program										
BFS Drillings and Pump Testings / Bores										
Update Mine Plan and Reserves / Resources										
Engineering and design activities – tendering										
Receipt of Environmental Approvals										
Receipt of Mining Approvals										
BFS Documentation										
Securing binding offtake agreements										
<b>Project Financing &amp; Due Diligence</b>										
<b>Formal Credit Approvals</b>										
<b>FID / Funding Financial Close</b>										
Construction – Early works / Long lead										
Ponds Construction and Brine Concentration										
Purification Plant Construction										
Commissioning										
<b>First Production / Ramp-up</b>										

## Why Kalium Lakes BSOPP?

75ktpa Start-up, Expanding to 150ktpa SOP

Pre-production Capital Cost of A\$124M

Low LOM Operating Cost ~A\$250/t FOB

High EBITDA Margin of ~60%

>20year Life of Mine with +A\$1B LOM free cash flow

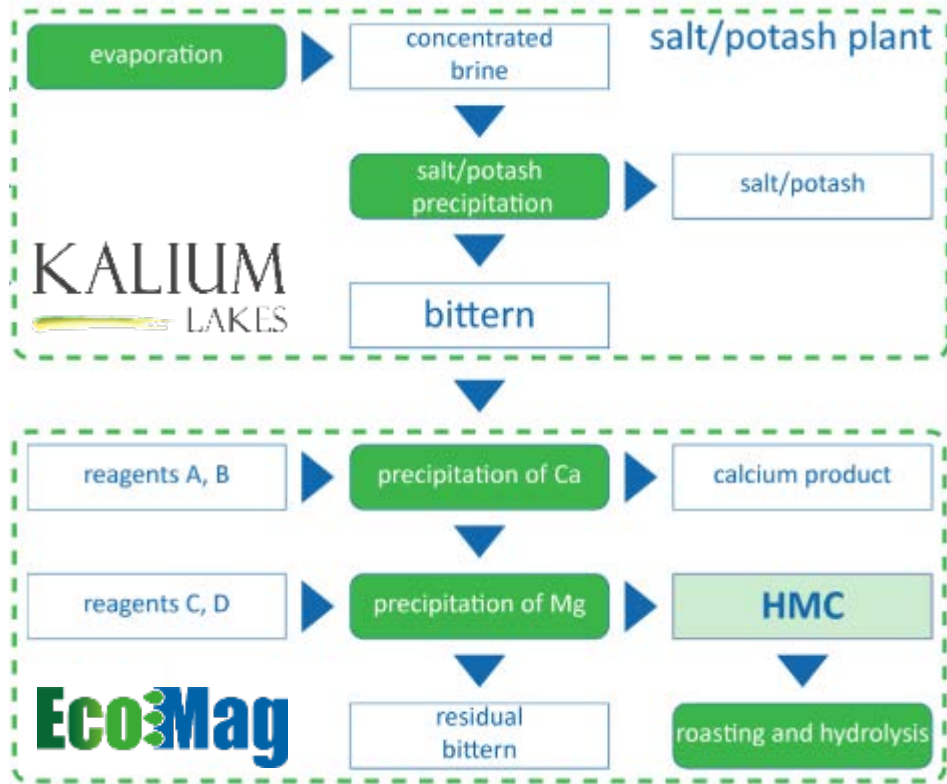
Fully Funded to BFS and FID

# Potential Upside





# EcoMag - Potential HMC Product



**EcoMag and Kalium Lakes have signed a Letter of Intent (LOI) to trial the recovery of high value (~\$1,000/t) Hydrated Magnesium Carbonate (HMC):**

- Laboratory trials of the Beyondie Brine have achieved 95% recovery of Magnesium
- Pilot plant trials successfully completed
- PFS to be completed during Q2 2018
- LOI is exclusive to Kalium Lakes among WA potash project developers
- Potential additional revenue for the Beyondie Project
- Patented process developed by Korea's Chonnam National University (CNU).
- EcoMag has been granted an exclusive licence to the technology for recovering HMC from brines.
- Korea Chemical Corp (KCC), CNU and EcoMag have recently established a World Class 300 Project (US\$10 million) to demonstrate the technology.



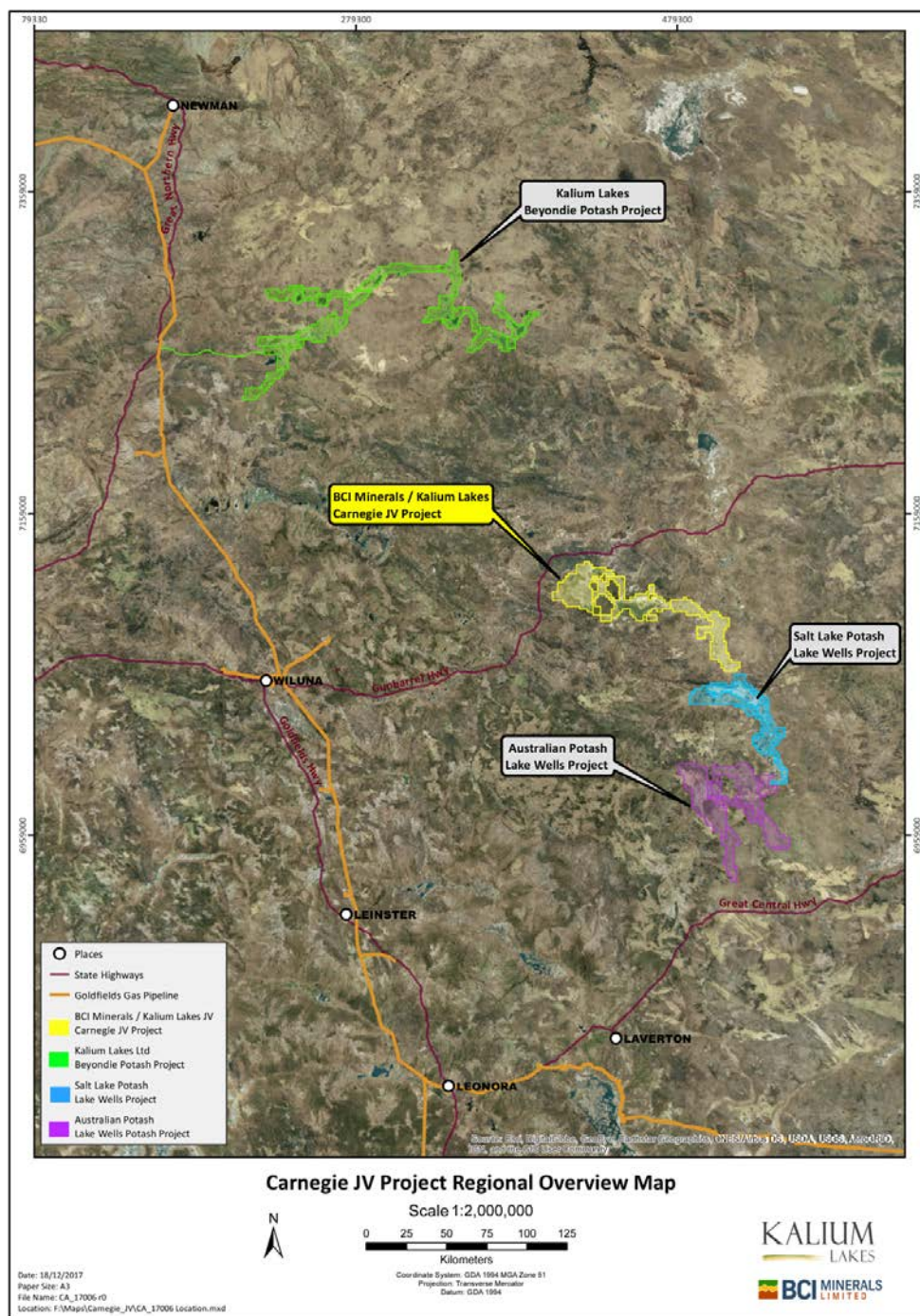


**WA SALT  
GROUP**

**WA Salt Koolyanobbing and Kalium Lakes have signed a Letter of Intent to evaluate and assess the recovery of Sodium Chloride (NaCl) salt products from the Beyondie SOP Project.**

- The WA Salt Group produces high quality salt products for domestic and international customers
- Both companies will work to determine which types of NaCl products can be recovered and may be suitable for local and international markets
- KLL is currently conducting trials at its Large Scale Pilot Evaporation Ponds which have produced more than 7,000 tonnes of NaCl salts
- Initial tests were positive for potential saleable NaCl
- Further testing of larger bulk samples to be undertaken
- Potential profit from salt that would otherwise be waste





## BC Iron and Kalium Lakes have entered into a JV on the Carnegie Potash Project (CJV):

- BCI can earn up to a 50% interest in the CJV by sole-funding \$10.5M of expenditure
- Scoping Study works due for completion Q2 2018
- Initial 64 auger hole program completed
- Potassium results up to 4,790 mg/L, equivalent to a SOP grade of 10,674 mg/L
- 120km of geophysical traverses completed, identifying a potential paleochannel
- CJV's extensive lake surface area confirms the project's scale, with its comparative lake surface footprint being significantly greater than other SOP exploration and development projects in the area
- CJV will leverage Beyondie Intellectual Property to expedite work and look to duplicate design to minimise costs and rework



## Additional Detail







## **Malcolm Randall, Non-Executive Chairman (B.Chem, FAICD)**

An experienced company director and chairman with extensive experience in corporate management and marketing in the resources sector. Mal's experience extends over a broad range of commodities both in Australia and internationally.



## **Brett Hazelden, Managing Director (B.Sc, MBA, GAICD)**

A Metallurgist who brings more than 20 years of experience, in project management, engineering design and operations serving the Australasian resources industry. Brett has been involved in a broad range of commodities including numerous mergers, acquisitions and due diligence reviews. As well as other roles, he has held senior positions at Rio Tinto, Fluor, Newcrest Mining and Iron Ore Holdings.



## **Rudolph van Niekerk, Chief Development Officer / Executive Director (B.Eng, GAICD)**

A Mechanical Engineer with more than 12 years experience in project management, operations, construction, commissioning, production ramp-up and project hand-over. Rudolph has a broad range of commodities experience both in Australia and internationally. Previous positions include senior engineering roles for Ausenco, AngloGold Ashanti and BC Iron.



## **Brendan O'Hara, Non-Executive Director (B.Juris, LLB, SF Fin)**

A former legal practitioner of the Supreme Court of WA and member of the Business Law Section of the Law Council of Australia. Brendan's previous roles include eight years as Executive Chairman of ASX-listed Summit Resources Limited, and State Executive Director of the ASX.

Capital Structure	\$/Shares
Cash Balance (as at 31 Jan 2018)	A\$15.3M
Shares on Issue	169.8M
Share Price (as at 23 Mar 2018)	A\$0.40
Market Capitalisation (as at 23 Mar 2018)	A\$67.9M
Performance Rights	20.0M
Management Options	11.5M
Advisor Options	2.7M

Major Shareholders	
Agricultural Investors	49.1%
Directors & Management	10.4%
Institutional Investors	10.4%
Other Investors	30.1%

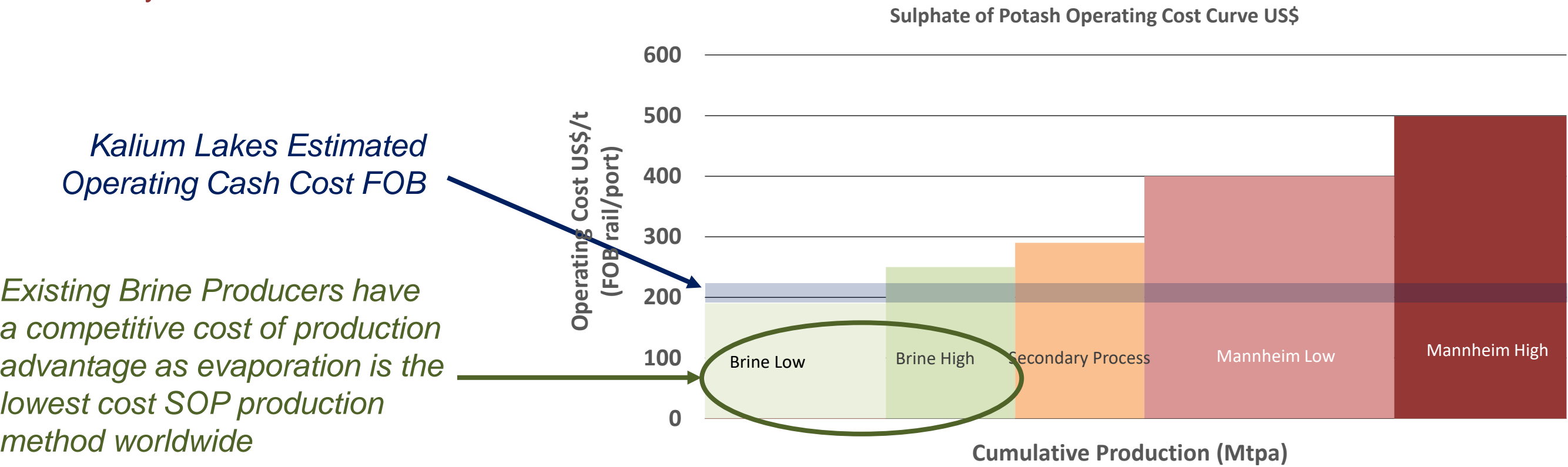
Research Coverage	Valuation
Macquarie	A\$0.60/sh
BurnVoir	A\$0.92/sh
Independent Investment Research	A\$1.00/sh

## Historical Share Price and Volume since IPO



SOP is produced in three main ways:

- Salt lake brine processing via evaporation and purification
- Secondary Process - reaction of MOP with sulphate salts
- Mannheim Process - reacting MOP with sulphuric acid to produce SOP and hydrochloric acid



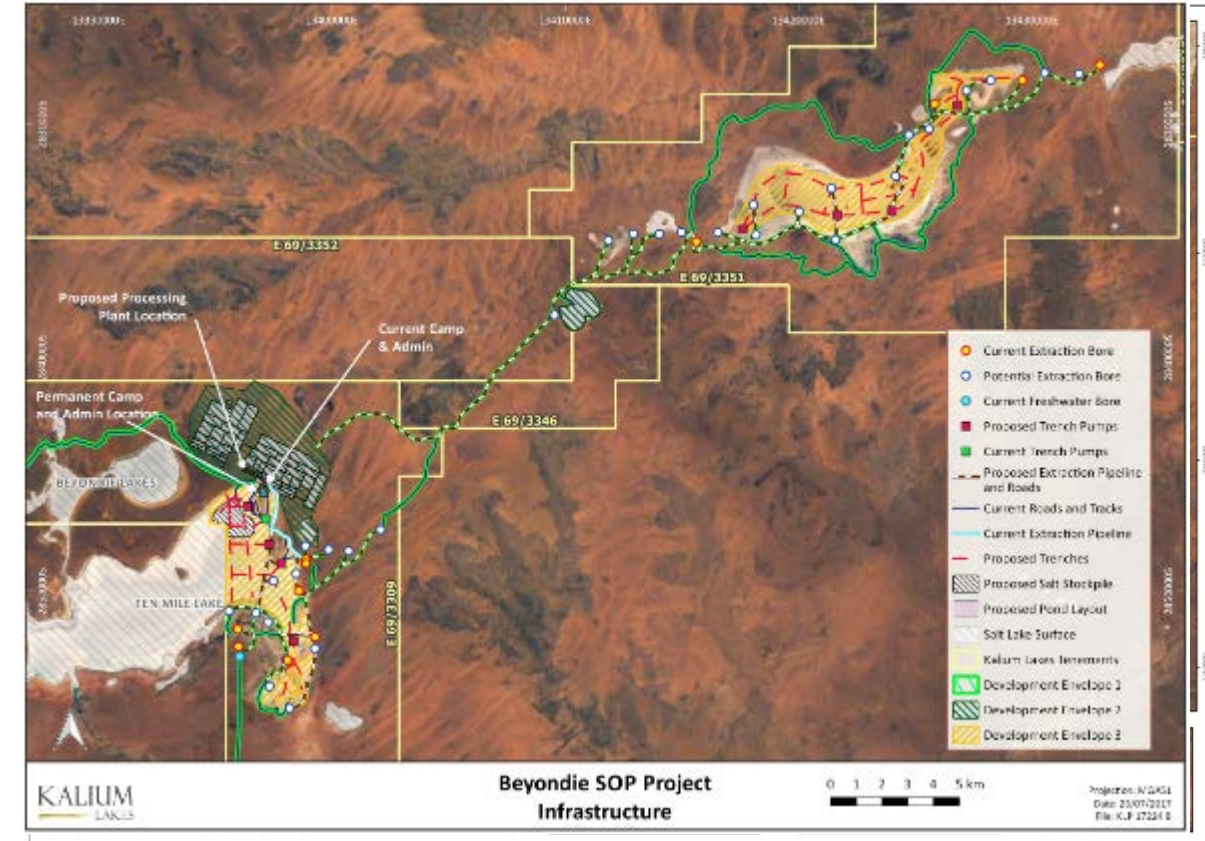
Source: Company Reports, Company Research, Websites, CRU, Integer, Green Markets



# Beyondie Potash Project

## The Project Comprises:

- A combination of shallow trenches and production bores
- Staged evaporation ponds
- Purification plant
- Product and excess salt storage areas
- Administration, utilities and facilities
- Accommodation facility
- 78 km access road to sealed Great Northern Highway
- 78 km to Goldfields Gas Pipeline
- Export via Geraldton and Fremantle Ports

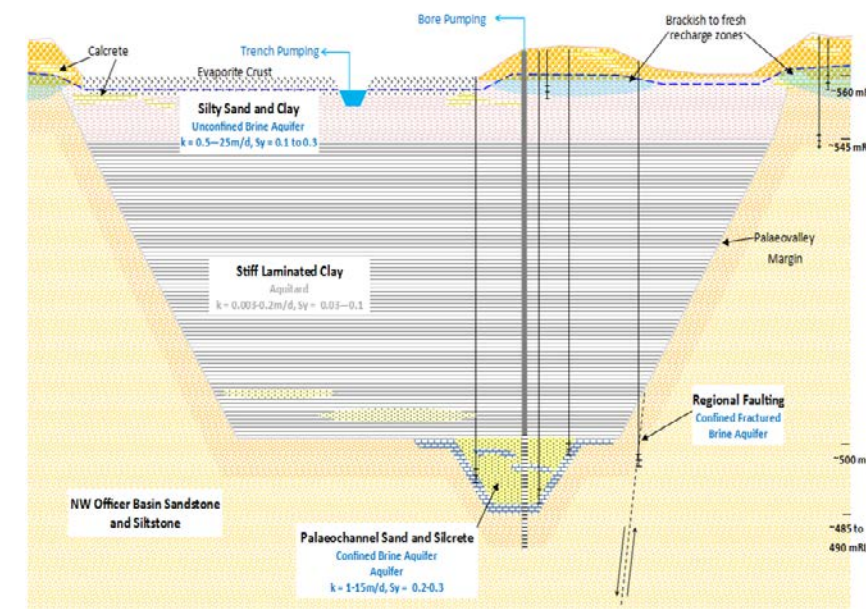




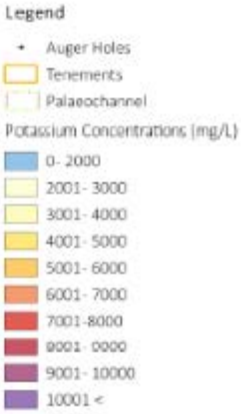
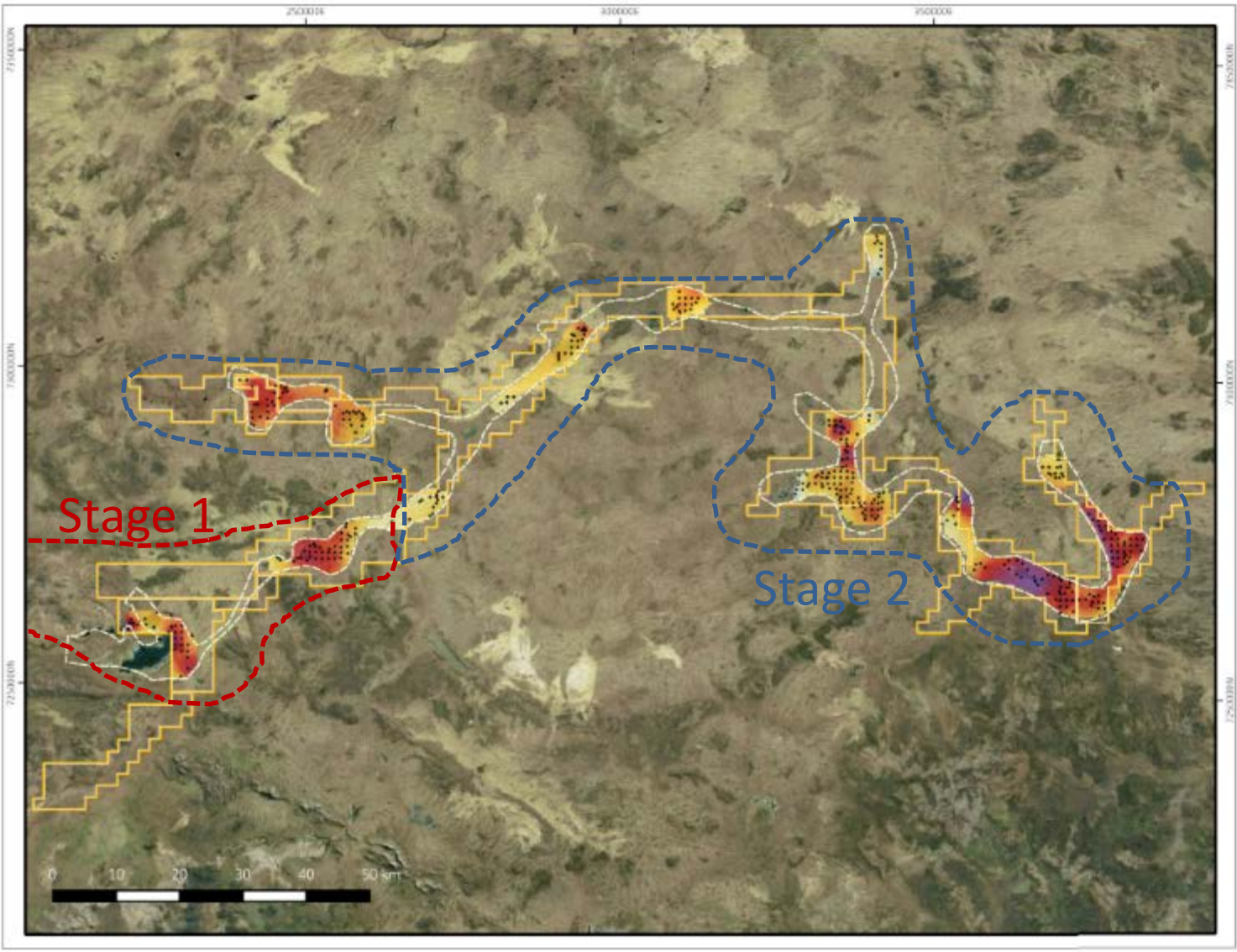
# Extensive Hydrogeological Data Collection

**An extensive hydrogeological data collection program has been undertaken, comprising:**

- 400 auger hole locations across all of the lakes;
- 1,130km of geophysical traverses;
- 173 diamond/air core drill holes to collect geological and brine samples;
- 61 drill holes converted to monitoring bores;
- 11 large 200-250mm diameter cased test bores;
- 13 mini aquifer tests;
- 10 constant rate pumping and recovery tests of test bores;
- 10 weeks of bore test pumping;
- ~1,000m trenches installed, up to 5m in depth;
- 6 test trench pumping trials completed;
- 60 days of trench test pumping; and
- > 160 million litres of brine pumped from the aquifers.



# Extensive High Grade Potassium Zones



Lake	K Grade (mg/l)	SOP Grade (mg/l)	Stage 1
Beyondie	4,897	10,913	
10 Mile	7,068	15,751	
Sunshine	6,851	15,267	Stage 2
Yanneri	6,466	14,409	
Terminal	5,987	13,342	
West Central	5,145	11,466	
East Central	6,462	14,400	
White Lake	7,617	16,974	Stage 2
Aerodrome	7,675	17,104	



# Beyondie Potash Project Mineral Resource

JORC / CIM Resource	Drainable Brine Volume (M m <sup>3</sup> )	K Grade (mg/l)	K (Mt)	SO <sub>4</sub> (Mt)	Drainable Brine SOP (Mt)	Total Brine Volume SOP (Mt)
<b>Indicated Resource</b>	311	<b>6,278</b>	1.96	5.56	<b>4.37</b>	35.15
<b>Inferred Resource</b>	1,075	<b>5,735</b>	6.16	18.37	<b>13.74</b>	161.32
<b>Total Mineral Resource</b>	<b>1,386</b>	<b>5,865</b>	<b>8.12</b>	<b>23.93</b>	<b>18.11</b>	<b>196.5</b>
<b>Exploration Target</b>	934 – 1,894	1,803 – 4,277	1.68 – 8.09	5.10 – 22.26	3.74 – 18.05	44.13 - 314.75

*Cut off grade of 3,500 mg/l K (7,800 mg/l SOP)*

*Drainable Brine Mineral Resource complies with the Canadian (CIM, 43-101) standards and guidelines for brine deposits, as well as JORC Code (2012). German consultants K-UTEC have signed off as the Competent Persons.*

*KLL is also part of the Association of Mining and Exploration Companies (AMEC) Potash Working Group which has developed guidelines to define a brine Mineral Resource and Ore Reserve, in order to increase the certainty, clarity and transparency in reporting of these resources*

*Total Brine Volume (Porosity) Estimates are provided for comparative purposes with other Australian Listed Companies who do not report Resources on a Drainable Brine basis.*

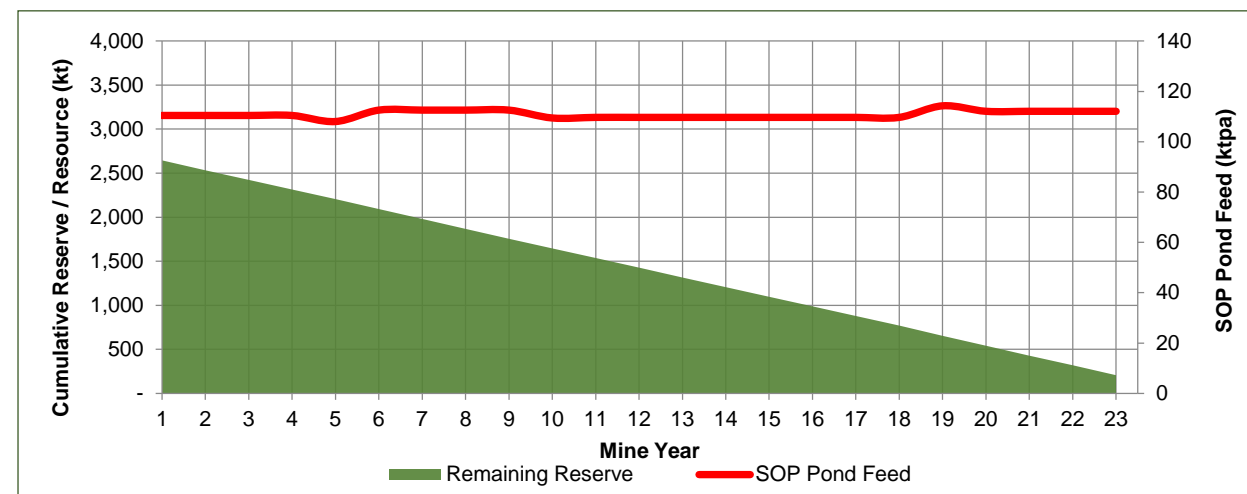
**Refer to Disclaimer & Compliance Statement. The Kalium Lakes Beyondie Potash Project Exploration Target is based on a number of assumptions and limitations and is conceptual in nature. It is not an indication of a Mineral Resource Estimate in accordance with the JORC Code (2012) and it is uncertain if future exploration will result in the determination of a Mineral Resource. Refer to Pre-Feasibility Study with Maiden Ore Reserve announcement dated 3 October 2017 for further details.**

# Beyondie – Ore Reserve @ 75ktpa SOP Start-up

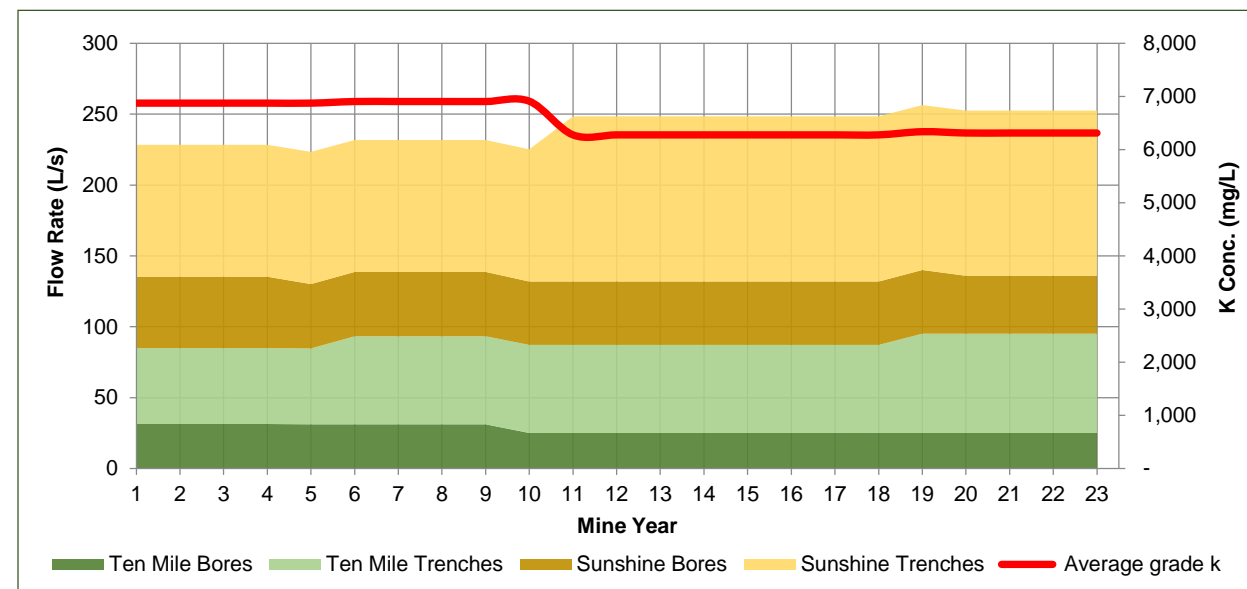
Probable Ore Reserve		
Drainable Brine Volume	Mm <sup>3</sup>	187
K Grade	mg/l	6,373
K	Mt	1.19
SO <sub>4</sub>	Mt	3.34
<b>SOP</b>	<b>Mt</b>	<b>2.66</b>

- Based on numerical groundwater model abstraction from trenches and bores
- Western Stage 1 Area developed initially, Ten Mile and Sunshine trenches and bores comprise the Reserves
- Additional Western and Eastern lakes added progressively to extend LOM
- Base Case mine plan only considers the 2.66Mt Reserves, which gives 100% reserve production for 23 years
- The Reserves combined with Indicated and Inferred Resources at Beyondie would support LOM of more than 70 years and/or expansion to 150ktpa SOP

Remaining SOP Brine Reserves and Pond Feed (75ktpa SOP, over 23 years)



Production Aquifers Flowrates (75ktpa SOP, over 23 years)



\* K grade falls after Year 10 as water from more dilute areas fills the emptied bores and trenches as SOP brine is extracted



# Laboratory and Pilot Evaporation Tests

- Laboratory testwork by K-UTEC in Germany has verified initial evaporation pond and purification process design requirements for the production of SOP
- Kalium Lakes has undertaken 3 stages of infield pilot pond trials and verification activities
- Pond design reviewed by DSB International and DRA Global
- Outcomes have clearly identified pond leakage as a major SOP recovery driver and in turn capital & operating costs, pumping volumes, evaporation pond area and mine life
- Lined ponds may achieve a SOP recovery of up to 87% (excluding purification plant recovery losses)
- Unlined ponds may achieve a SOP recovery of up to 69% (@0.5mm/day leakage, excluding PPRL)



Laboratory Tests



Small Lined Pilot Trials



Verification Pond Trials  
Lined and Unlined



Large Scale Pilot Pond Trials



Mixed Salts

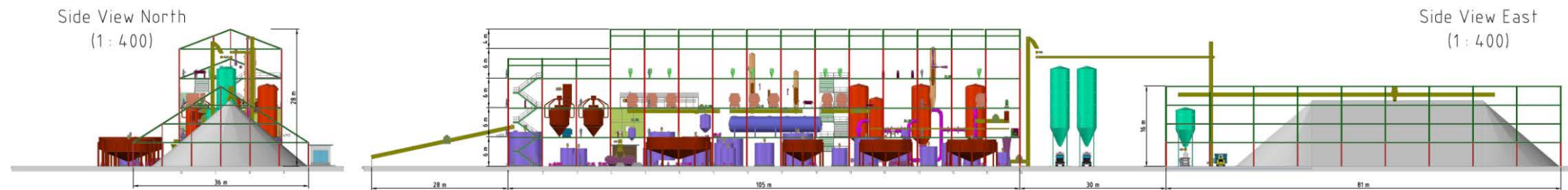
# Pilot Scale Works Key to Successful BFS and Funding

- K-UTEC has commenced processing of brine samples from the large scale trial ponds; SOP produced will be distributed to potential offtakers to verify product specifications
- Additional flowsheet analysis and development work by the Saskatchewan Research Council (SRC) and K-UTEC has identified potential improved process plant recoveries from 80% to 90-98% through the use of an alternate flotation reagent, vendor equipment feedback and process design optimisation
- SOP product quality has been enhanced to a premium 51-52%  $K_2O$  product with minimal chloride (<0.5%) and insoluble material



Pilot Scale Purification Facilities at K-UTEC in Germany

Final Products



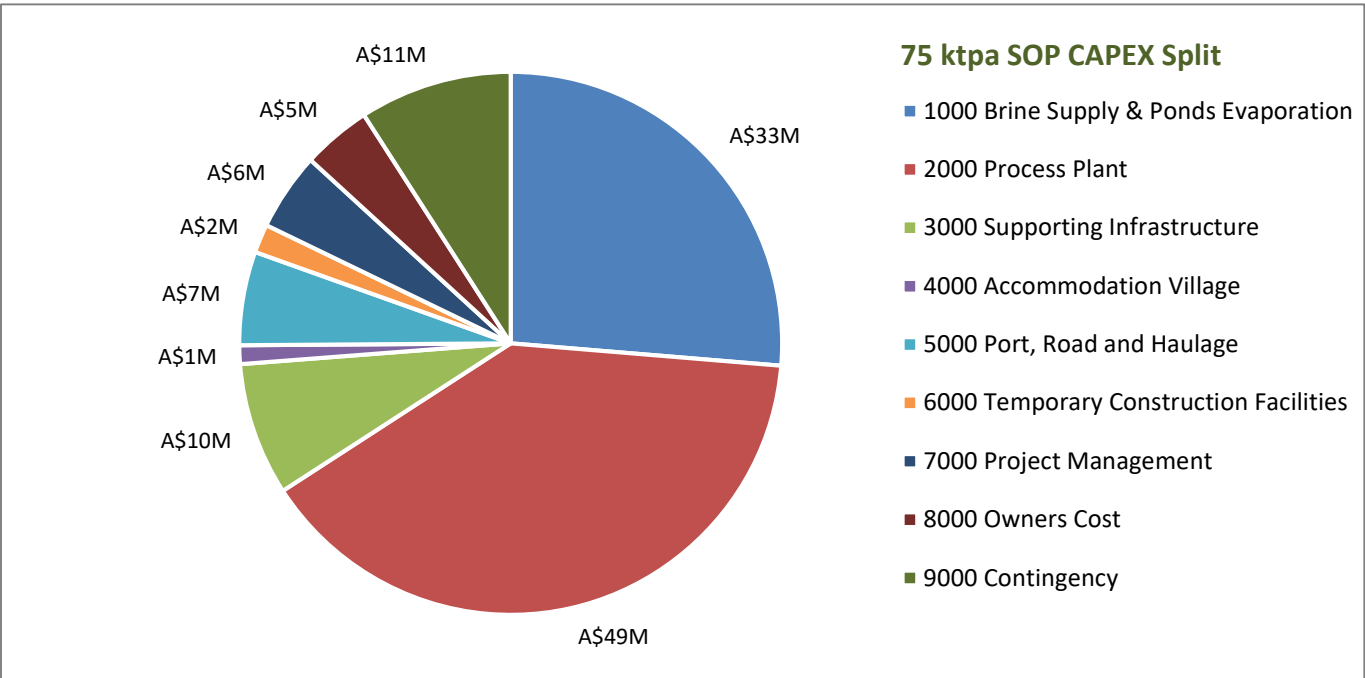
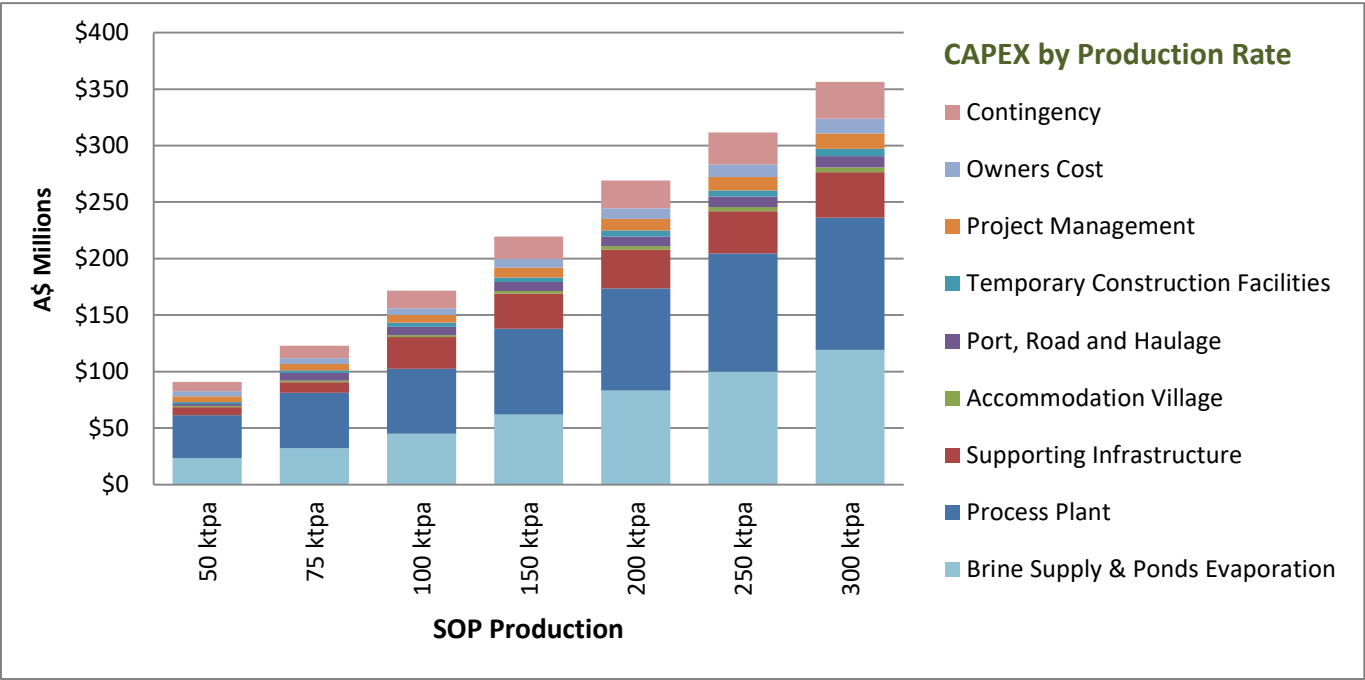
Proposed Full Scale Facility



# Capital Cost Class 4 (PFS) AACE Estimates

DESCRIPTION	KALIUM LAKES	
	75 ktpa SOP A\$M	150 ktpa SOP A\$M
Brine Supply, Ponds & Harvesting	33	62
Purification Plant	49	76
Supporting Infrastructure & Accommodation	11 <sup>(1)</sup>	33 <sup>(2)</sup>
Port, Road and Haulage	7	8
Temporary Construction Facilities	2	4
Project Management	6	9
Owners Costs	5	8
Contingency	11	20
TOTAL CAPITAL COST	124	220
Capital Intensity (\$/annual installed tonne)	1,855	1,464

Refer to Pre-Feasibility Study and Maiden Ore Reserve announcement dated 3 October 2017 for further details  
(1) – Assumes no gas pipeline, use of diesel only  
(2) – KLL Gas Pipeline Capex included





# Operating Cost Estimates and Build-up

DESCRIPTION	<div>KALIUM LAKES</div>	
	75 ktpa A\$/t SOP	150 ktpa A\$/t SOP
Ex Works	216 <sup>(1)</sup>	176 <sup>(2)</sup>
Haulage & Port	67	67
CASH COSTS	284	244
Corporate Costs	39	31
CASH + CORPORATE COSTS	323	275
Sustaining Capex	20	15
ALL IN SUSTAINING COSTS	342	290
AISC US\$/t (@75c USD:AUD)	US\$ 257 /t	US\$ 217 /t

Refer to Pre-Feasibility Study and Maiden Ore Reserve announcement dated 3 October 2017 for further details

(1) – KLL assumes no gas pipeline, use of diesel only

(2) – KLL Gas Pipeline Capitalised no additional OPEX required

AISC – All in Sustaining Cost (Excluding royalties and corporate taxes)

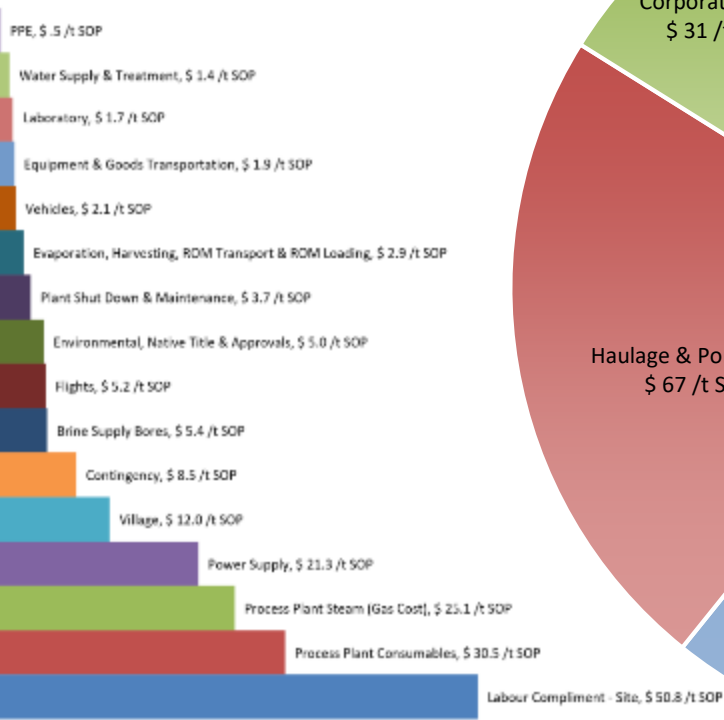
## Corporate Costs



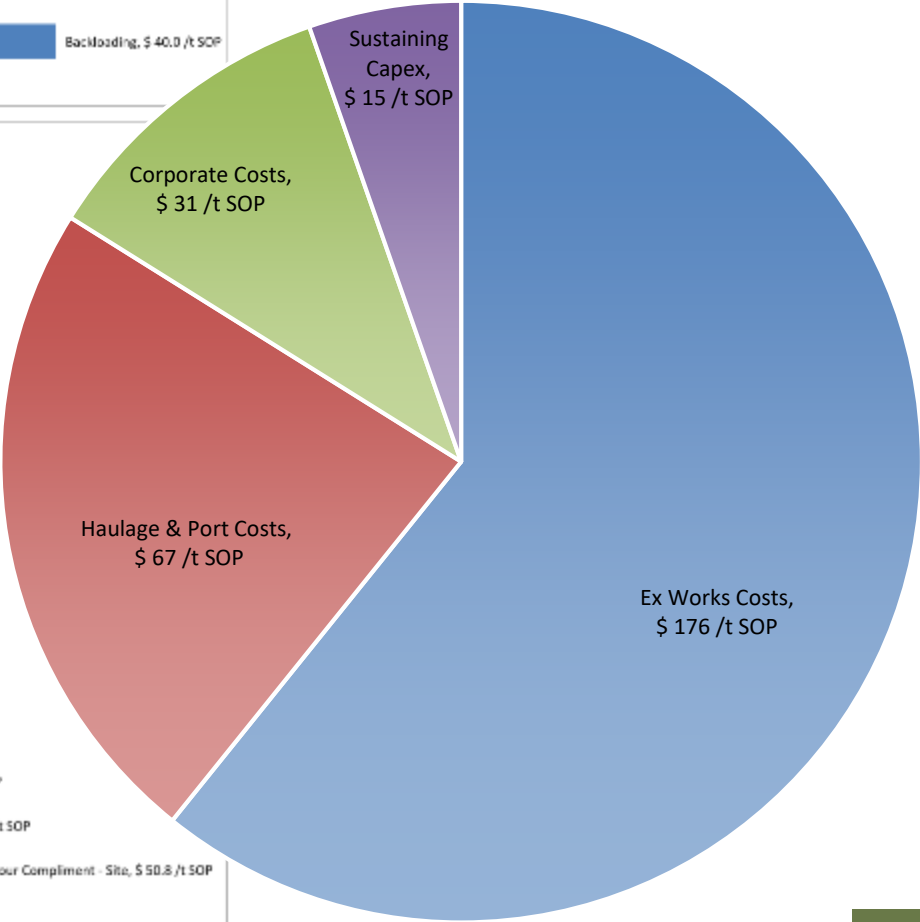
## Haulage & Port Costs



## Ex Works Costs



## Overall Cost Summary 150ktpa SOP (A\$/t SOP)



# Factors Utilised to Select Production Target

Commencement Case (ktpa)	25	50	75	100	150	200	250	300	350	400
Expansion Case (ktpa)			150	200						
<b>Project Economics</b>	<b>Sub-economic</b>		<b>Robust</b>			<b>Highly attractive at most pricing scenarios given margins</b>				
NPV	Modest		Solid valuations on conservative pricing			Large valuations on conservative pricing				
IRR	Below 20%		Above 20%, particularly for expansion cases			Very attractive				
Payback period	> 7.0 years		4.0 - 7.0 years			< 5 years, supported by larger production volumes and margins				
EBITDA	<\$30 M pa		\$80 -100 M pa			> \$100M pa				
<b>Financing Ability</b>	<b>Equity</b>		<b>Manageable equity funding, typical gearing levels</b>			<b>Equity task become a challenge, offtake critical for debt</b>				
Capex vs Avg Mkt. Cap.		1.9x	2.5x	3.4x	4.4x	5.4x	6.2x	7.1x		
Debt Finance	Too small to justify		Flat/staged scenarios support target gearing levels. Expansion funded from cashflow			Higher gearing capacity but debt market will need visibility on equity plug				
Offtake Likelihood	High		Likely, depends on speed to market			Larger volumes harder to place, speed to market critical				
Mine Life	>50 years		20 – 40 years			7 – 15 years				
<b>Technical Risk</b>	<b>Low</b>		<b>Practical to execute and manage</b>			<b>Potential challenges to maintain production levels</b>				
Sustainable Pump Flow Rates	Standard		Consistent with typical irrigation projects			Very large requirements; more challenging to sustain				
Pond Area	Small		Moderate			Large				
Leakage & Remedy	Lined ponds		Can be minimised with lined ponds			Expensive to line, high risk of leakage & difficult to remedy				
<b>Market Impact</b>	<b>Domestic</b>		<b>Weighting across domestic &amp; export markets</b>			<b>Domestic, and largely export markets / local MOP substitution</b>				
% of Domestic Market			100%		200%	300%	400%			500%
Impact on Dom. Price	Nil to low		Low to medium negative impact							
% of Global Market		1%		2%		3%	4%	5%	6%	
Magnesium Sales Potential	Marketable Sales Volume			Partial sales volume only		Unable to sell this amount of product				

# Financial Evaluation

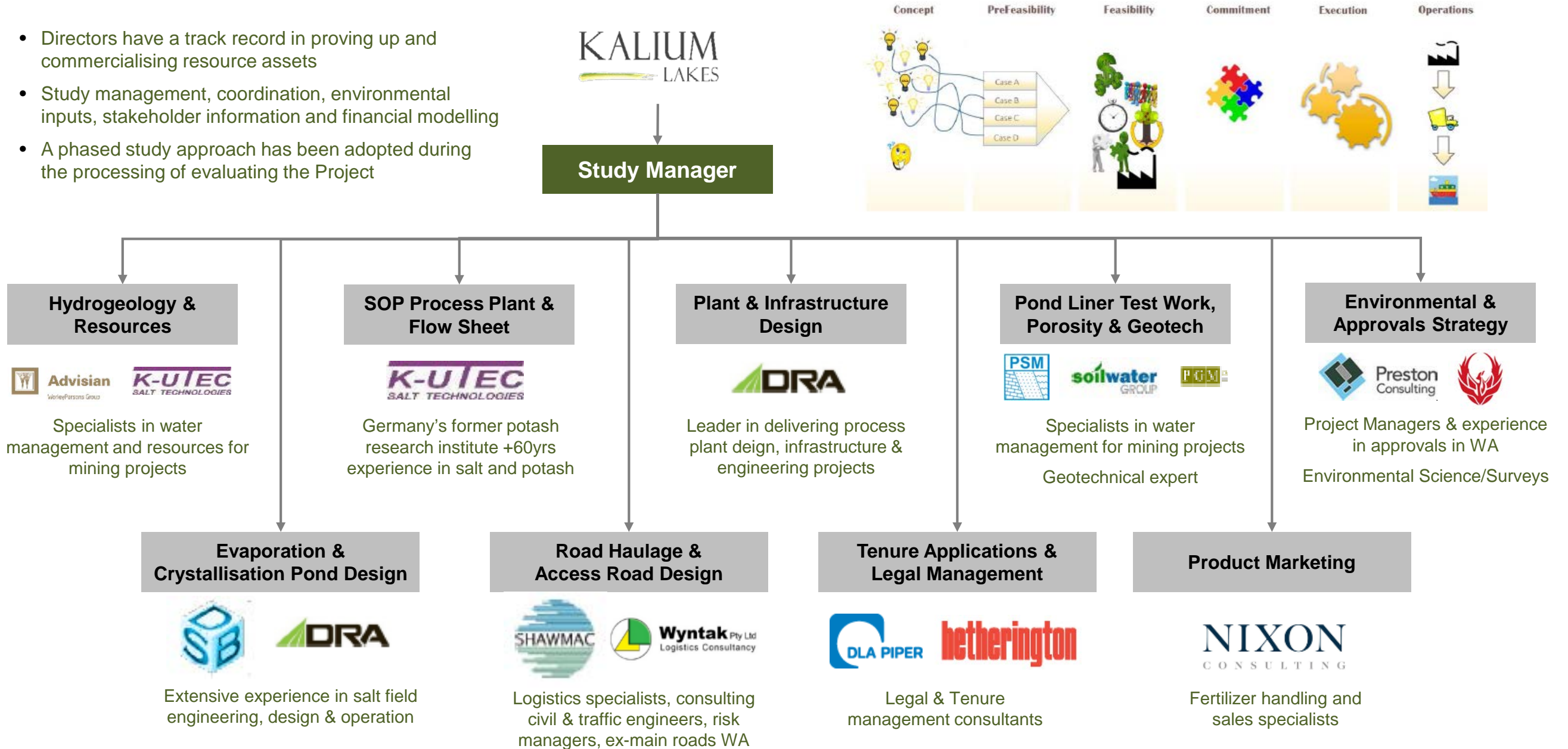
Production Scenario		Base Case	Phased Ramp Up	Constant Rate
Description	Unit	150 ktpa SOP	75 - 150 ktpa SOP	75 ktpa SOP
Sales Price	US\$/t SOP	500	500	500
Exchange Rate	A\$:US\$	0.75	0.75	0.75
Assumed Life of Mine	years	21.0	23.0	40.0
Project NPV <sub>10</sub> (Pre-tax, nom)	A\$M	388	319	205
Project NPV <sub>10</sub> (Post-tax, nom)	A\$M	248	205	126
IRR (Pre-tax)	%	28.7%	25.8%	23.5%
IRR (Post-tax)	%	22.5%	20.9%	18.6%
LOM Revenue	A\$M	2,776	2,892	3,322
LOM OPEX Cash Cost FOB	A\$M/t SOP	244	253	285
LOM OPEX	A\$M	969	1,024	1,349
Initial CAPEX	A\$M	220	124	124
LOM CAPEX (incl. Sustaining)	A\$M	328	341	278
LOM Royalties	A\$M	75	78	89
LOM Corporate Tax	A\$M	382	389	431
LOM Free Cash Flow (pre-tax)	A\$M	1,404	1,450	1,606
Free Cash Flow (pre-tax)	A\$M p.a.	80	78	45
LOM Free Cash Flow (post tax)	A\$M	1,022	1,061	1,174
Free Cash Flow (post tax)	A\$M p.a.	62	60	34
LOM EBITDA	A\$M	1,721	1,779	1,876
EBITDA (average)	A\$M p.a.	83	83	47
EBITDA Margin	%	62.0%	61.5%	56.5%
CAPEX / EBITDA (average p.a.)	x	0.19	0.19	0.14
Payback Period (pre-tax)	Years	3.7	4.8	4.8
Payback Period (post-tax)	Years	4.8	6.0	6.0
Expansion Payback (pre-tax)	Years	N/A	2.5	N/A
Expansion Payback (post-tax)	Years	N/A	3.3	N/A

- Lowest Assumed Forward looking SOP price among current project developers
- Pre-production Capital Cost of A\$124M or A\$220M
- Low LOM Operating Cost
- Exceeds Hurdle Rates – NPV & IRR
- High EBITDA Margin of 62%, EBITDA of A\$83Mpa
- More than +\$1B Life of Mine (LOM) free cash flow
- LOM is ~5 times payback period
- Financial Model only considers part of potential mine inventory
- Significant potential upside from extended mine life, increased production and magnesium by products



# BFS Study Team – Phased Study Approach

- Directors have a track record in proving up and commercialising resource assets
- Study management, coordination, environmental inputs, stakeholder information and financial modelling
- A phased study approach has been adopted during the processing of evaluating the Project



# Notes

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