

Thursday 7 June 2018

Beyondie SOP Project Mining Leases Granted

Kalium Lakes Limited (KLL) is pleased to advise that the Hon. Bill Johnston MLA, Minister of Mines and Petroleum has, pursuant to the *Mining Act 1978* (WA), granted two Mining Leases for the Beyondie Sulphate Of Potash Project.

The relevant Mining Lease areas are highlighted in Figure 1 below.

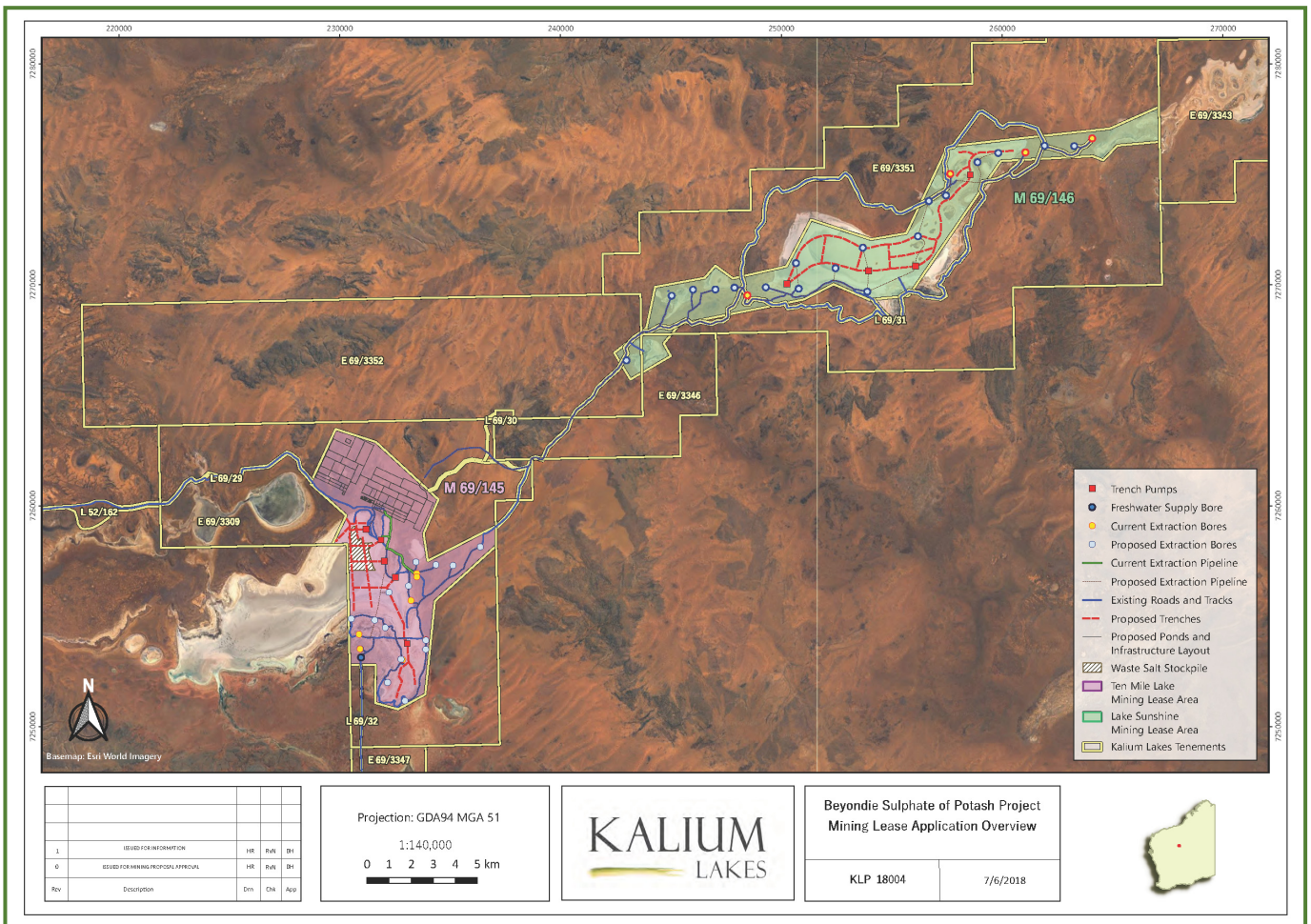


Figure 1: Beyondie Sulphate Of Potash Project, Mining Lease Areas

In addition, a number of ancillary Miscellaneous Licences, set out in Table 1 below and covering the Stage 1 area of the 100% owned Project (see Figure 2 below), continue to be progressively granted.

Managing Director, Brett Hazelden, commented: “The granting of mining tenure unlocks the next significant steps for the company, including proceeding with Mining Proposal submissions, approvals with the Department of Mines, Industry Regulation and Safety (DMIRS), as well as the Department of Water and Environmental Regulation’s (DWER) Part V Works Approval requirements.

“Granting of these Mining Leases allows KLL to maintain its development schedule with the aim of commencing construction on site in the third quarter, followed by brine extraction and evaporation in the fourth quarter of this calendar year.

“Our team has worked closely with key representatives of the relevant government agencies. We genuinely appreciate the professional support and guidance that has led to this very important outcome,” Mr Hazelden said.

Tenement	Name	Holder	State	Status	Grant Date	Interest
E69/3306	Yanneri-Terminal	KLP	WA	Granted	17-3-2015	100%
E69/3309	Beyondie - 10-Mile	KLP	WA	Granted	17-4-2015	100%
E69/3339	West Central	KLP	WA	Granted	22-6-2015	100%
E69/3340	White	KLP	WA	Granted	22-6-2015	100%
E69/3341	West Yanneri	KLP	WA	Granted	11-8-2015	100%
E69/3342	Aerodrome	KLP	WA	Granted	22-6-2015	100%
E69/3343	T Junction	KLP	WA	Granted	22-5-2015	100%
E69/3344	Northern	KLP	WA	Granted	22-5-2015	100%
E69/3345	Wilderness	KLP	WA	Granted	22-5-2015	100%
E69/3346	NE Beyondie	KLP	WA	Granted	11-8-2015	100%
E69/3347	South 10 Mile	KLP	WA	Granted	11-8-2015	100%
E69/3348	North Yanneri-Terminal	KLP	WA	Granted	11-8-2015	100%
E69/3349	East Central	KLP	WA	Granted	22-6-2015	100%
E69/3351	Sunshine	KLP	WA	Granted	31-8-2015	100%
E69/3352	Beyondie Infrastructure	KLP	WA	Granted	31-8-2015	100%
L52/162	Access Road	KLP	WA	Granted	30-3-2016	100%
L52/186	G N Hwy Access Road	KLP	WA	Granted	30-5-2018	100%
L52/187	Comms Tower 2	KLP	WA	Granted	30-5-2018	100%
L52/190	Kumarina FW 1	KLP	WA	Application	TBA	100%
L52/193	Kumarina FW 2	KLP	WA	Application	TBA	100%
L69/28	Access Road Diversion	KLP	WA	Application	TBA	100%
L69/29	Access Road Village	KLP	WA	Application	TBA	100%
L69/30	Comms Tower 1	KLP	WA	Granted	30-5-2018	100%
L69/31	Sunshine Access Road	KLP	WA	Application	TBA	100%
L69/32	10MS FW A	KLP	WA	Application	TBA	100%
L69/34	10MS FW B	KLP	WA	Application	TBA	100%
M69/145	10 Mile	KLP	WA	Granted	6-6-2018	100%
M69/146	Sunshine	KLP	WA	Granted	6-6-2018	100%

Table 1 - Current Tenements and Licences - Beyondie Sulphate Of Potash Project

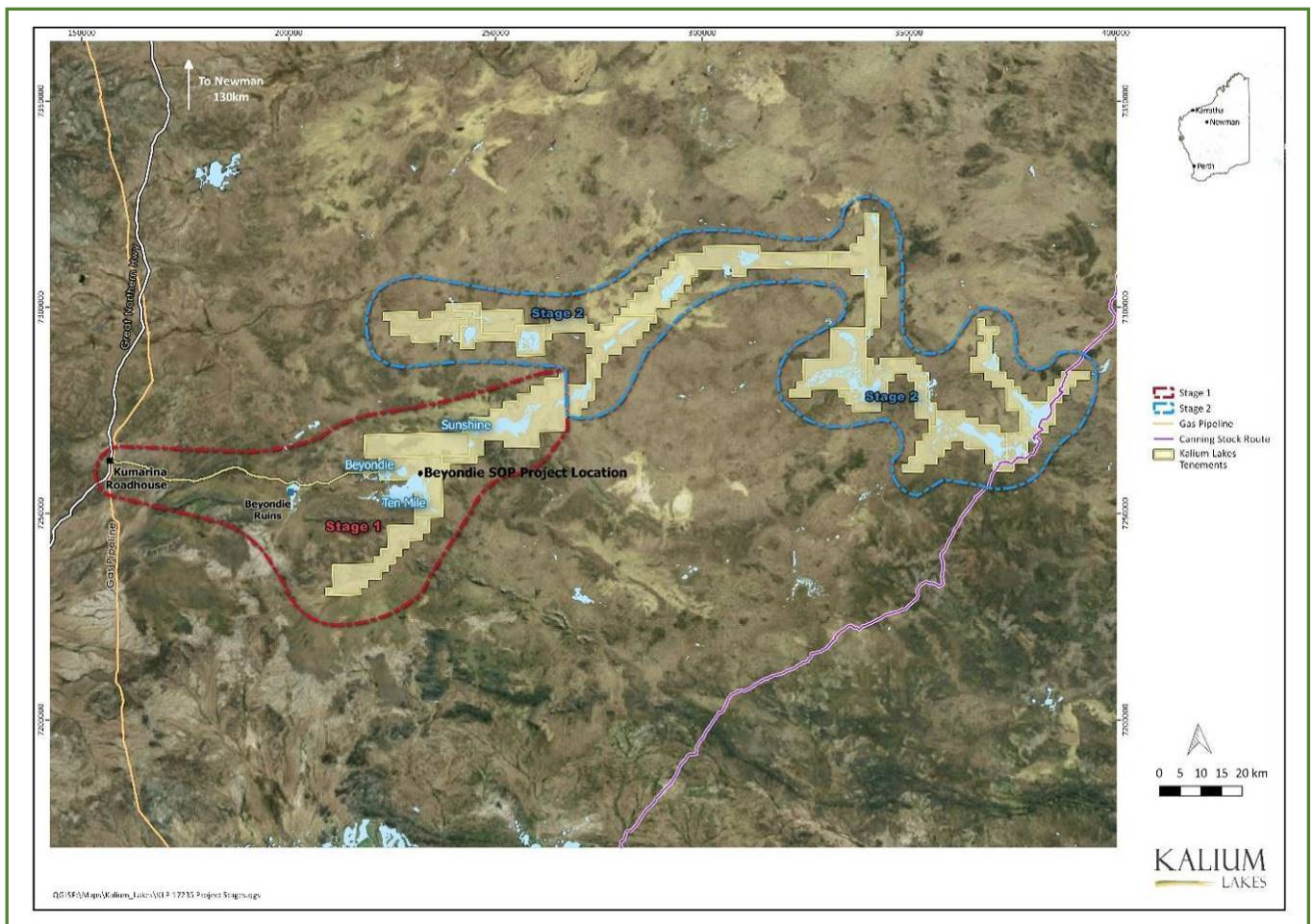


Figure 2: Stage 1 - Represents ~21% of the total lake surface area within the tenement packages

Compliance Statement

The information in this document that relates to Exploration Targets, Exploration Results, Mineral Resources, Ore Reserves and Production Targets have been extracted from the report(s) listed below.

- 3 October 2017: Pre-Feasibility Study with Maiden Ore Reserve Confirms Low Cost, Long Life and High Margin Beyondie SOP Project. (Including the attachment, JORC (2012) and NI 43-101 Technical Report, compiled by German Potash Experts and Competent Persons, K-UTEC AG Salt Technologies (K-UTEC)).
- 3 May 2018: BFS Exploration Drill Program Complete.

The report(s) are available to be viewed on the website at: www.kaliumlakes.com.au

Kalium Lakes confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Ore Reserve Estimates, Exploration Targets or Production Targets, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Cautionary Statement Regarding Forward-Looking Information

Statements regarding plans with respect to the Company's mineral properties may contain forward looking statements. Statements in relation to future matters can only be made where the Company has a reasonable basis for making those statements. This announcement has been prepared in compliance with the current JORC Code 2012 Edition and the current ASX Listing Rules. The Company believes it has a reasonable basis for making the forward-looking statements on 3 October 2017, including any production targets, based on the information contained in the announcement and in particular the JORC 2012 and NI 43-101 Technical Report.

All statements, trend analysis and other information contained in this document relative to markets for Kalium Lakes, trends in resources, recoveries, production and anticipated expense levels, as well as other statements about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Kalium Lakes does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. Investors should not place undue reliance on forward-looking statements.

Corporate Profile (as at 6 June 2018)

Kalium Lakes Limited is an exploration and development company, focused on developing the Beyondie Sulphate Of Potash Project in Western Australia with the aim of producing Sulphate of Potash (SOP) for the domestic and international markets. The Beyondie SOP Project comprises 15 granted exploration licences and a miscellaneous licence covering an area of approximately 2,400 square kilometres. This sub-surface brine deposit will supply an evaporation and processing operation located 160 kilometres south east of Newman. The results of the Pre-Feasibility Study (PFS), announced on 3 October 2017, confirmed that the Project, is technically and financially robust. The key outcomes of the PFS are:

- Indicated Resource of 4.37 Mt @ 14,000 mg/l SOP at a cut-off grade of 3,500mg/l K and an Inferred Resource of 13.74 Mt @ 12,788 mg/l SOP at a cut-off grade of 3,500mg/l K.
- Maiden Probable Reserve of 2.66 Mt @ 14,210 mg/l SOP at a cut-off grade of 3,500mg/l K based solely within the Stage 1 Approval Footprint, which represents ~21% of total lake surface area within the tenement package.
- Development base case of 150 ktpa SOP, with the option to incrementally phase the project, through a ramp up from 75 ktpa to 150 ktpa SOP, to minimise operational and financial risks.
- Development base case pre-tax NPV10 of A\$388M, IRR of 28.7%, average EBITDA of A\$83 Mpa, EBITDA margin of 62%, a payback period of 3.7 years and Life of Mine (LOM) free cash flows of more than +A\$1B, based on an initial 21 year LOM and a USA\$500/t SOP sales price @ A\$/A\$US exchange rate of 0.75.
- Estimated LOM Operating Cash Cost of A\$244-253/t SOP FOB Geraldton or Fremantle Port. This places the BSOPP in the lowest quartile cost of global SOP production.
- Pre-production Capital Cost of A\$220 million including a 78 kilometre gas pipeline for the base case or A\$124 million for the phased ramp-up scenario.
- Potential additional revenue associated with recovery of magnesium by-products which have not been included in the current financial outcomes.

Kalium Lakes Limited

ABN: 98 613 656 643

ASX: KLL

Ordinary Shares on Issue: 169,793,465

Board of Directors:

Mal Randall	Non-Executive Chairman
Brett Hazelden	Managing Director
Rudolph van Niekerk	Executive Director
Brendan O'Hara	Non-Executive Director

Chief Financial Officer: Christopher Achurch

Company Secretary: Gareth Widger

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