

## Toll Awarded Key Haulage and Port Contract

### Highlights

- **Key Operating Contract awarded to Toll Mining Services for:**
  - **Product collection and haulage from Beyondie mine site to Perth depot**
  - **Product depot for product receipt, storage and inventory management services in Perth**
  - **Container loading and delivery for shipping at Fremantle or Kwinana Ports**
- **Contract term of five years, with an option to renew for a further five years**
- **Pricing within budget outlined in Bankable Feasibility Study**

Kalium Lakes Limited (Kalium Lakes) (ASX:KLL) is pleased to announce that it has awarded the SOP product haulage and port contract for its Beyondie Sulphate of Potash Project (BSOPP). The contract includes the full logistics chain of product transport from mine site to shipping, including:

- Collection of various SOP products at the BSOPP site;
- Product haulage via existing road trains returning from Newman to Perth;
- Receipt, storage & inventory control of SOP products at a Toll provided depot in Perth; and
- Loading in containers, despatch, delivery and shipping documentation for SOP products from the depot to Fremantle or Kwinana Ports, ready for shipping on a Free Carrier (FCA) basis.

The contract is subject to a Final Investment Decision (FID) and subsequent notice from Kalium Lakes that it is ready to commence haulage operations.

Following a competitive tender process during the Bankable Feasibility Study for the BSOPP, Toll Mining Services (MV) Pty Ltd (Toll) was confirmed as the most competitive and suitable provider of these services. Kalium Lakes and Toll have subsequently worked together and negotiated a contract that meets the requirements for debt and equity finance purposes.

Kalium Lakes' Chief Development Officer, Rudolph van Niekerk, commented: "We have worked closely with Toll to develop a strategic, fit for purpose and mutually economic product delivery logistics solution.

"Utilising Toll's existing fleet to backload our product from Beyondie to Perth, without adding more trucks on the road, not only provides for an economical solution, but also demonstrates Kalium Lakes' strategic location which has provided cost saving synergies for both companies.

"The costing to undertake these tasks are within the budget outlined in the Bankable Feasibility Study released late last year. We are very pleased to have concluded the contract with Toll and are looking forward to establishing a close working relationship, with first product scheduled to be transported in 2020," Mr van Niekerk said.



**Toll Mining Services** is based in Kewdale, Western Australia and provides stand-alone and integrated services to the mining and resources sector across inbound, onsite services and outbound segments of the mining logistics chain. For more information click this link: <https://www.tollgroup.com/industries/mining>





***Toll Mining Services - Triple Road Train***



***Toll Mining Services - Fremantle Port Containerised Shipping Facilities***

\*\*\* ENDS \*\*\*



# Beyondie Sulphate Of Potash Project

## Developing Australia's First SOP Operation

**KALIUM**  
LAKES



**Final Investment Decision Mid 2019**

**Production 2020**

**First Mover Advantage**

- Kalium Lakes Limited (KLL.ASX)
- An ASX listed Sulphate Of Potash (SOP) developer
- 100% owned Beyondie Sulphate Of Potash Project (BSOPP)
- Located 160km south east of Newman, in Western Australia
- BSOPP Bankable Feasibility Study (BFS) completed September 2018
- Front End Engineering and Design (FEED) completed March 2019
- Early Works commenced – roads, communications, village
- Final Investment Decision (FID) anticipated in Mid 2019
- Binding Offtake Agreement with K+S, ~\$650M revenue over first 10 years
- KLL currently targeting initial production during 2020
- The BSOPP is on track to be the first SOP project developed in Australia
- Macquarie Capital (Australia), Morgans Financial Limited and BurnVoor Corporate Finance assisting with future capital requirements



**Strategic Location Close to Gas Pipeline, Sealed Roads and Ports**



**30 to 50 Year Initial Mine Life**

- **5.1Mt Ore Reserve**
- Initial Mine Life in excess of 30 years (up to 50 years)
- 19.6Mt Drainable Mineral Resource
- Compliant with both JORC 2012 and CIM standards
- **Australia's highest grade long life brine SOP deposit: 12.4 kg/m3 SOP**
- Lowest Impurity Levels: Na:K ratio of 8.8:1



**Approvals in Place**

- All Native Title Mining Agreements are in place
- Federal Environmental Approval Received
- State Environmental Protection Authority (EPA) Approval Received
- Mining Tenure Granted
- Gas Pipeline Licence Granted
- EPA and DMIRS early works approvals in place
- Other State Approvals in place to commence construction



**Pilot Scale Trials Complete with More Than 10,000 Tonnes of Salts Produced**



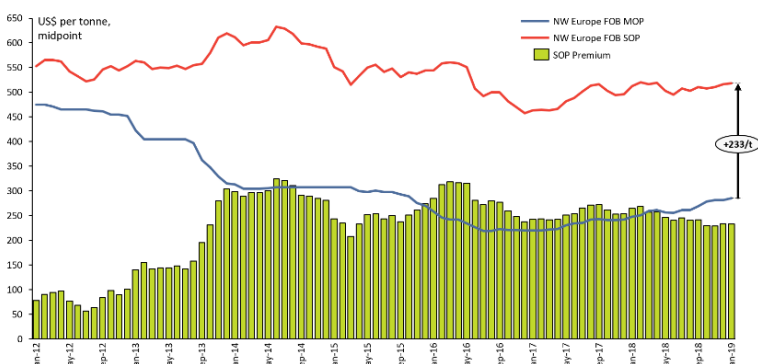
**High Margins**

- No Current SOP Production in Australia – fully imported
- Phase 1 Start-up = 90ktpa SOP; Phase 2 = 180ktpa SOP
- Pre-production CAPEX of A\$216M (includes \$29M Contingency)
- Low All In Sustaining Operating Cost (AISC) ~US\$178-207 /t FOB
- Pre-Tax NPV<sub>s</sub> \$606M, IRR of 20.3% and +A\$3B LOM free cashflow
- Current SOP Sales prices ~US\$530/t
- **Low Cost, High Margin, Long Life Project**
- Premium Product Suite: >51% K<sub>2</sub>O, low Cl SOP products in granular, standard and soluble form
- Potential Upside – Magnesium, Salt, Carnegie SOPP JV
- **Low Cost Financing Identified** – NAIIF (\$74M), KfW (\$102M) and Euler Hermes German Government Guarantee

**No Production in Australia**



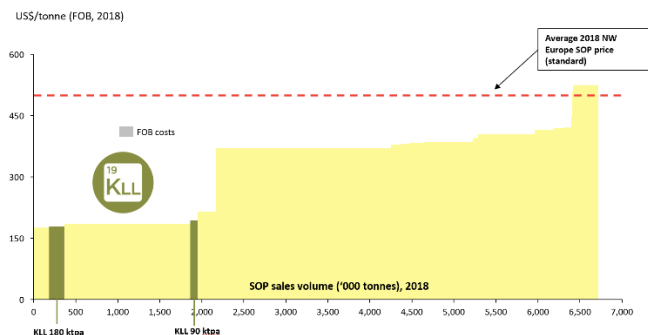
**SOP Achieves a Premium Price of >US\$500/t due to the Low Chloride and High Sulphur Content**



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**Kalium Lakes BSOPP will be One of the World's Lowest Cost Producers**



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Source: Integer, Argus Media

Note: Costs refer to cash-operating items and excludes sustaining capital, and royalties

## Compliance Statement

The information in this document that relates Production Targets has been extracted from the ASX announcement(s) listed below.

- 17 September 2018: Bankable Feasibility Study Completed With Exceptional Financial Outcomes
- 4 March 2019: Lower Operating Cost and Increased Production For BSOPP (Front-End Engineering and Design (FEED) works)

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

## Competent Persons Statement

The information in this ASX announcement and the accompanying Report that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves 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).

Thomas Schicht and Anke Penndorf are full-term employees of K-UTECH AG Salt Technologies (K-UTECH).

K-UTECH, Thomas Schicht and Anke Penndorf are not associates or affiliates of Kalium Lakes or any of its affiliates. K-UTECH 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-UTECH, 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-UTECH 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.

## 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, including any production targets, based on the information contained in the announcement and in particular the JORC 2012 and NI 43-101 Technical Report - Bankable Feasibility Study.

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 statement

## Kalium Lakes Limited



ABN: 98 613 656 643  
ASX: KLL  
Ordinary Shares on Issue: 238,966,103



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### Board of Directors:

Mal Randall	Non-Executive Chairman
Brett Hazelden	Managing Director
Rudolph van Niekerk	Executive Director
Stephen Dennis	Non-Executive Director

### Chief Financial Officer and Joint Company Secretary:

Christopher Achurch

### Joint Company Secretary:

Gareth Widger



### Share Registry

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