

BEYONDIE SOP PROJECT

Developing Australia's First Sulphate of Potash Operation

INVESTOR PRESENTATION
EQUITY RAISING
24 JULY 2019

KALIUM
 LAKES

Not for release to US wire services or distribution in the United States

Kalium Lakes Developing Australia's First Sulphate of Potash Operation

- ✓ BFS & FEED Complete
- ✓ Ore Reserve
- ✓ Binding Offtake Agreement with K+S
- ✓ A\$176m Low Cost Financing Credit Approved¹
- ✓ Approvals and Native Title
- ✓ All Mining Tenure Granted
- ✓ Early Works Construction Underway
- ✓ Low Cost, High Margin, Long Life
- ✓ Net proceeds from the Offer to be used to fund the equity component of the construction of the Beyondie Sulphate of Potash Project and to provide anticipated working capital until first production

1. Subject to execution of final binding documentation



**No current
production
in Australia**

Offer Structure and Size	<ul style="list-style-type: none"> • Offer to raise up to approximately A\$72 million (“Offer”), comprising: <ul style="list-style-type: none"> — A placement of up to 35.0 million¹ new shares to raise up to approximately A\$17.5 million (“Placement”) — A 1 for 2.19 pro rata accelerated non-renounceable entitlement offer of up to 109.1 million new shares to raise up to approximately A\$54.6 million (“Entitlement Offer”) by way of: <ul style="list-style-type: none"> — an institutional entitlement offer to eligible institutional shareholders (“Institutional Entitlement Offer”); and — a retail entitlement offer to eligible retail shareholders (“Retail Entitlement Offer”) • The new shares issued under the Placement will not be entitled to participate in the Entitlement Offer • New shares will rank equally with existing fully paid ordinary shares in Kalium Lakes • The Entitlement Offer is non-renounceable and entitlements are not tradeable or otherwise transferable
Offer Price	<ul style="list-style-type: none"> • Offer price of A\$0.50 per new share, which, at the last closing price at 23 July 2019 represents a: <ul style="list-style-type: none"> — 26.5% discount to last closing price of A\$0.68 — 18.3% discount to TERP of A\$0.612²
Use of Proceeds	<ul style="list-style-type: none"> • Net proceeds from the Offer to be used to fund the equity component of construction of the Beyondie Sulphate of Potash Project and to provide anticipated working capital until first production • Refer to page 6 for detailed Sources and Uses of Proceeds
Significant Shareholder Participation	<ul style="list-style-type: none"> • Greenstone Resources (“Greenstone”), a significant shareholder of Kalium Lakes’ holding approximately 19.8% of the Company’s issued shares has committed to take-up all of its entitlements under the Entitlement Offer and participate in the Placement to achieve a relevant interest of 19.9%, an investment of approximately \$14.5 million, in addition to sub-underwriting \$5 million of any shortfall in the Retail Entitlement Offer • Two other significant shareholders have committed to take up approximately \$8 million of the Placement and Entitlement Offer, demonstrating their continued support for the Company

1. Mr Stephen Dennis, a director of the Company, has also committed for A\$250,000 of shares at the Offer Price, demonstrating his support for the Company. The issue of New Shares to Mr Dennis will be subject to the Company obtaining shareholder approval at a general meeting to be convened following completion of the Entitlement Offer and Placement, and is in addition to the amount raised under the Offer. In addition, in conjunction with the Offer, Kalium Lakes will issue 200,000 shares to employees at the Offer Price for nil consideration as part of an incentive scheme.

2. The Theoretical Ex-Rights Price (TERP) is the theoretical price at which Kalium Lakes shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. The TERP calculation includes shares issued under the Placement.



EQUITY RAISING STRUCTURE

Institutional Entitlement Offer

- The Placement and the Institutional Entitlement Offer will be conducted on Wednesday 24 July 2019 and Thursday 25 July 2019 (Sydney time)
- Eligible institutional shareholders are invited to subscribe for one new share for every 2.19 existing shares held as at the record date, being 7:00pm (Sydney time) on Friday 26 July 2019 (“Record Date”)
- New shares equivalent to the number of new shares not taken up will be offered to new and existing institutional investors concurrently with the Institutional Entitlement Offer

Retail Entitlement Offer

- Retail Entitlement Offer open to eligible retail shareholders in Australia and New Zealand on the Record Date from Wednesday 31 July 2019 to 5:00pm on Wednesday 14 August 2019 (Sydney time)
- Eligible Retail Shareholders applying for new shares under the Retail Entitlement Offer may apply for additional new shares not taken up by other eligible shareholders in excess of their entitlement
- Subject to the successful completion of the bookbuild of the Placement and the Institutional Entitlement Offer, the Retail Entitlement Offer will be conditionally underwritten by Macquarie Capital (Australia) Limited¹ and sub-underwritten by various sub-underwriters (including Greenstone)

Syndicate

- Macquarie Capital (Australia) Limited is sole lead manager and bookrunner to the Offer
- Morgans is co-lead manager to the Offer

1. The conditional underwriting is subject to certain termination rights, including the right of the underwriter to terminate in the event Greenstone does not perform its obligations under the pre-commitment or sub-underwriting agreements.



PLACEMENT & ENTITLEMENT OFFER TIMETABLE

Key Event	Date (Sydney time)
Trading halt and announcement of Offer Institutional Entitlement Offer and Placement opens	Wednesday 24 July 2019
Institutional Entitlement Offer and Placement closes	Thursday 25 July 2019
Trading halt lifted and trading resumes on an “ex-entitlement” basis	Friday 26 July 2019
Record Date for determining Eligible Shareholders under the Entitlement Offer	7:00 pm Friday 26 July 2019
Retail Entitlement Offer opens and Retail Offer Booklet dispatched	Wednesday 31 July 2019
Settlement of new shares issued under the Institutional Entitlement Offer and the Placement (excl. Greenstone)	Thursday 1 August 2019
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer and the Placement	Friday 2 August 2019
Retail Entitlement Offer closes	5:00 pm Wednesday 14 August 2019
Settlement of Retail Entitlement Offer Settlement of Placement and Institutional Entitlement Offer to Greenstone	Wednesday 21 August 2019
Allotment of New Shares issued under the Retail Entitlement Offer and to Greenstone	Thursday 22 August 2019
Settlement of any New Shares under the Retail Entitlement Offer allocated to Greenstone pursuant to its sub-underwriting commitment (if any)	Friday 6 September 2019

The above timetable is indicative only and subject to change. All Entitlement Offer dates are the responsibility of KLL and KLL reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws.

Greenstone settlement timing pursuant to Subscription and Co-operation Agreement entered into by Kalium and Greenstone and announced to the ASX on 3 April 2019

Successful completion of this Equity raising in conjunction with finalisation of the debt facilities to fund the construction of the Beyondie Sulphate of Potash Project and to provide anticipated working capital until first production¹

Sources of Funds	A\$M	Uses of Funds	A\$M
Cash on hand ²	15.4	Capital expenditure ⁶	183.2
Balance equity to be raised ³	72.0	Capitalised Opex during construction	9.6
KfW facilities (including Euler Hermes covered facilities) ⁴	102.0	Capital expenditure contingency	29.2
NAIF facilities ⁵	74.0	Interest during construction and debt/equity costs	20.7
Services provided in return for Kalium Lakes shares	0.3	Cost overrun facility	10.0
		DSRA balance and cash requirements	11.0
Total Sources	263.7	Total Uses	263.7

To minimise the chance of cost over runs and ramp up delays, as recently and historically observed in Australia, the debt financiers have required a debt service reserve accounts (DSRA) and minimum cash balance of \$11M plus a cost overrun facility of a further \$10M over and above the \$29M contingency allowance.

1. Subject to the risk factors identified in pages 35 to 37

2. Unaudited 30 June 2019

3. The sources above exclude the issue of New Shares equivalent to \$250,000 to Mr Dennis, which will be subject to the Company obtaining shareholder approval at a general meeting to be convened following completion of the Entitlement Offer and Placement and is in addition to the amount raised under the Offer

4. The KfW facility (including Euler Hermes) remains subject to the execution of formal documentation. Refer to KfW IPEX-Bank Credit Approval Major Milestone ASX announcement dated 2 July 2019; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_07_02_KLL_1562024340.pdf and German Government Positive Decision for Export Credit Cover ASX announcement dated 19 July 2019; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_07_19_KLL_1563489060.pdf

5. The NAIF facility remains subject to the execution of formal documentation. Refer to A\$74 Million Loan Package from NAIF dated 20 February 2019; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_02_20_KLL_1550622900.pdf

6. Total capital costs of \$216.8 million (see page 20) less contingency of \$29.2 million less capital of early works already incurred of \$4.5 million as at 30 June 2019



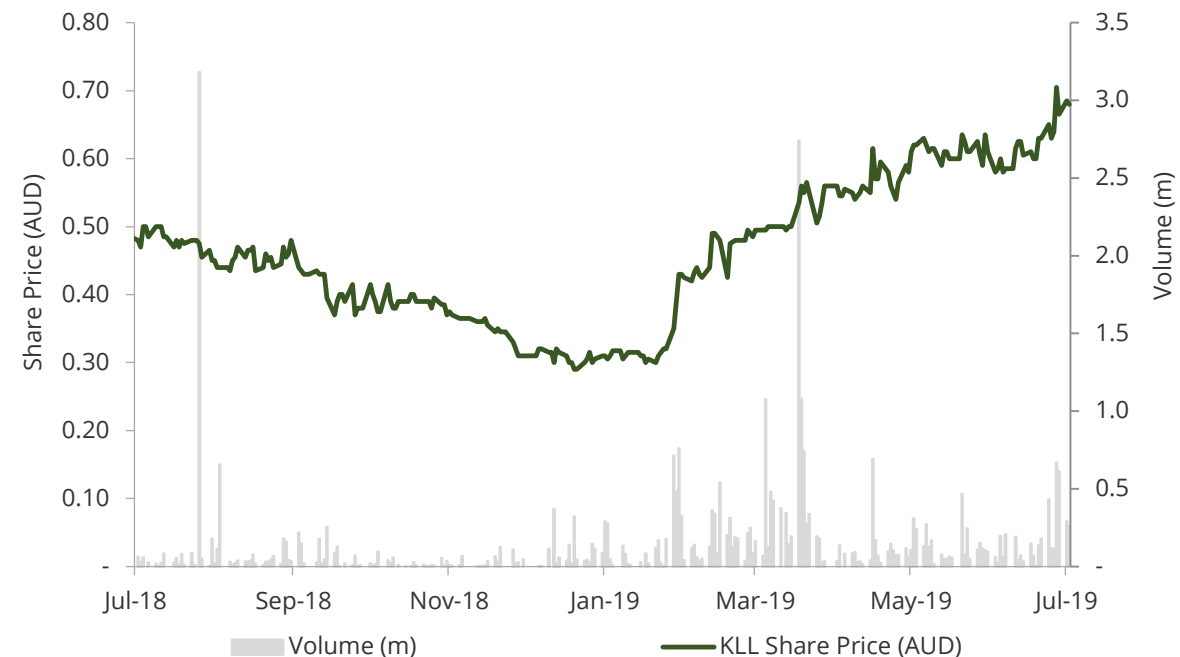
PROFORMA CAPITAL STRUCTURE AND SHARE PRICE



Capital Structure	Current	Proforma Post Offer ^{1,2,3}
Cash Balance (30 June 2019)	A\$15.4M	A\$87.4M
Shares on Issue	239M	383M
Share Price (at 23 July 2019)	A\$0.68	n/a
Market Capitalisation (at 23 July 2019)	A\$162.5M	A\$234.5M
Performance Rights	15.0M	15.0M
Options	10.7M	10.7M

Shareholders (prior to equity raising)	
Greenstone Resources	19.8%
Directors & Management	8.3%
Other Significant Shareholders	32.6%
<ul style="list-style-type: none"> Vince Smoothy Super Pty Ltd <Vince Smoothy S/Fund A/C>: 16.9% Kumarina Holdings Pty Ltd <Smoothy Investment A/C>: 8.8% Mr Thomas Ellis: 6.9% 	
Other Investors	39.3%

Research Coverage



Source: Factset as at 23 July 2019

Notes

- The Performance Rights are divided into two remaining tranches, each vesting on reaching the following milestones: 1) securing of funding for the development and construction of the commercial SOP product operation; 2) achieving first commercial production of SOP
- Options have a variety of expiry dates from issue date. 5 million options are associated with the acquisition of a portion of tenement E69/3247 (10 Mile Lake West) from AIC Resources Limited (see ASX announcement dated 29 October 2018)

- Assuming Successful completion of the Offer (pre Offer costs)
- The metrics above exclude the issue of New Shares to Mr Dennis, which will be subject to the Company obtaining shareholder approval at a general meeting to be convened following completion of the Entitlement Offer and Placement and is in addition to the amount raised under the Offer
- The proforma shares on issue above include 200,000 shares issued for nil consideration to Kalium Lakes employees as part of an incentive scheme



Details of conditional underwriting and sub-underwriting

- Subject to the successful completion of the bookbuild for the Placement and Institutional Entitlement Offer, the Retail Entitlement Offer will be conditionally underwritten by Macquarie Capital (Australia) Limited and sub-underwritten by the sub-underwriters (including Greenstone)
 - Greenstone has agreed to sub-underwrite \$5 million of any shortfall in the Retail Offer
- The conditional underwriting is subject to certain termination rights, including the right of the underwriter to terminate in the event Greenstone does not perform its obligations under the pre-commitment or sub-underwriting agreements
- Unallocated retail shortfall shares will be allocated to the sub-underwriters (including Greenstone)
- The table on the right shows the number of shares held by, and the approximate voting power of, Greenstone following completion of the Equity Raising, assuming:
 - An offer ratio of 1 share every 2.19 shares held on the Record Date
 - Greenstone takes up all of its entitlements under the Entitlement Offer and participates in the Placement to achieve a relevant interest of 19.9% prior to shortfall allocation
 - Different levels of entitlement acceptance by Eligible Shareholders;
 - No eligible shareholders apply for additional Shortfall Shares; and
 - Pro rata allocation of any shortfall between the sub-underwriters.

Resulting Greenstone ownership

	No. of shares	Voting power
At date of offer Document	47.3 million	19.8%
100% acceptance of entitlements	76.2 million	19.9%
75% acceptance of entitlement	78.7 million	20.6%
50% acceptance of entitlement	81.2 million	21.2%
25% acceptance of entitlement	83.7 million	21.9%
0% acceptance of entitlement	86.2 million	22.5%



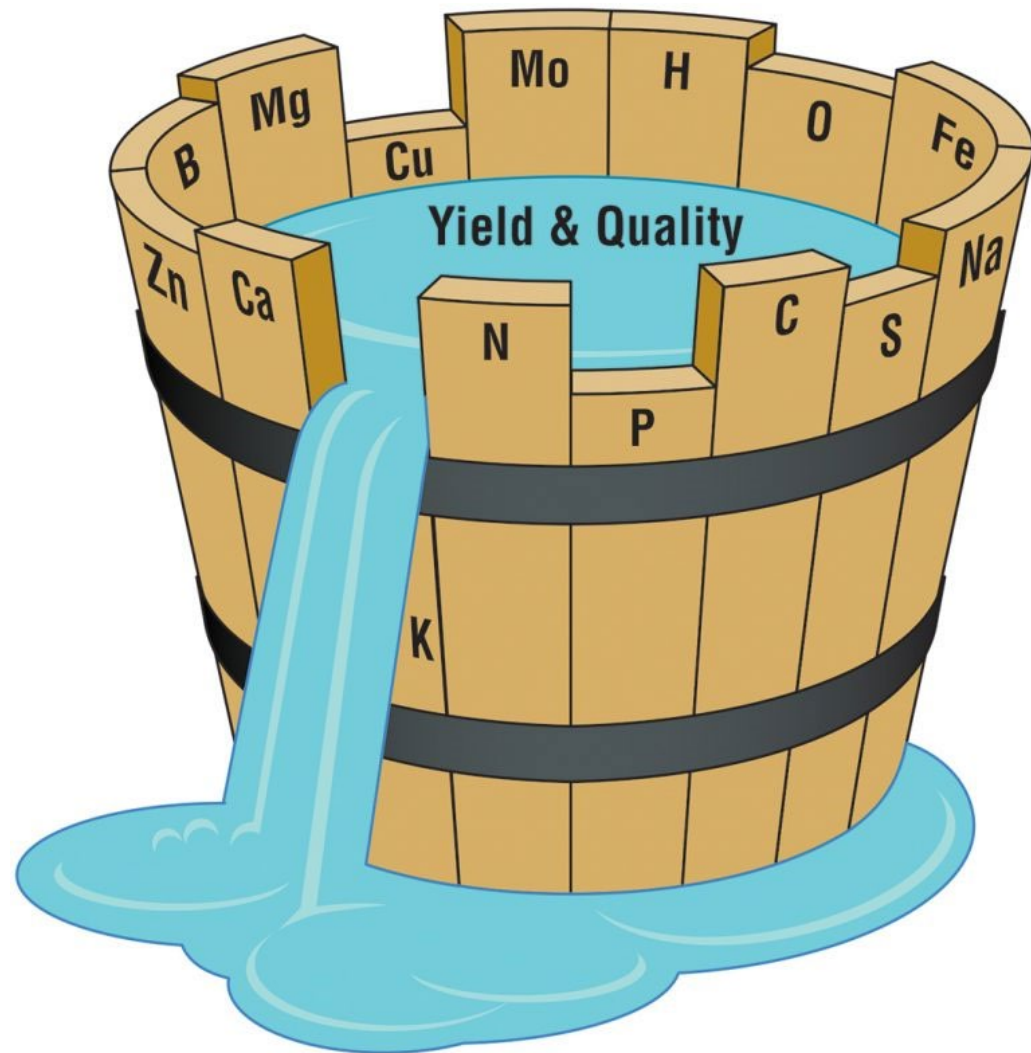
SUMMARY OF KEY RISKS

This Offer is subject to the following key risks, which are described in detail on pages 35 to 37 of this document

Development of the Beyondie Potash Project	Dependence on key personnel
Financing	New commodity and lack of operational experience
Commodity price volatility	Inclement weather and Natural Disasters
Currency volatility	Title Risk
Project delays and cost overruns	Exploitation, exploration and mining licenses
Operational risks	Change in regulations
Offtake	Environmental risk
Resource and Reserve estimates and classification	Insurance
Purification facility design, operation, recovery and product specification	Contractual disputes
Inability to abstract brine volume	Third party risk
Variability in brine	Competition
Environmental and other statutory approvals	Underwriting risk
Evaporation pond design	



LIEBIG'S LAW OF THE MINIMUM



Justus von Liebig popularised the “law of the minimum” which states that the availability of the most abundant nutrient in the soil is only as good as the availability of the least abundant nutrient in the soil.

In other words, a plant's genetic potential is limited by the nutrient in the shortest supply.

Potassium is one of three essential nutrients along with Nitrogen and Phosphorous

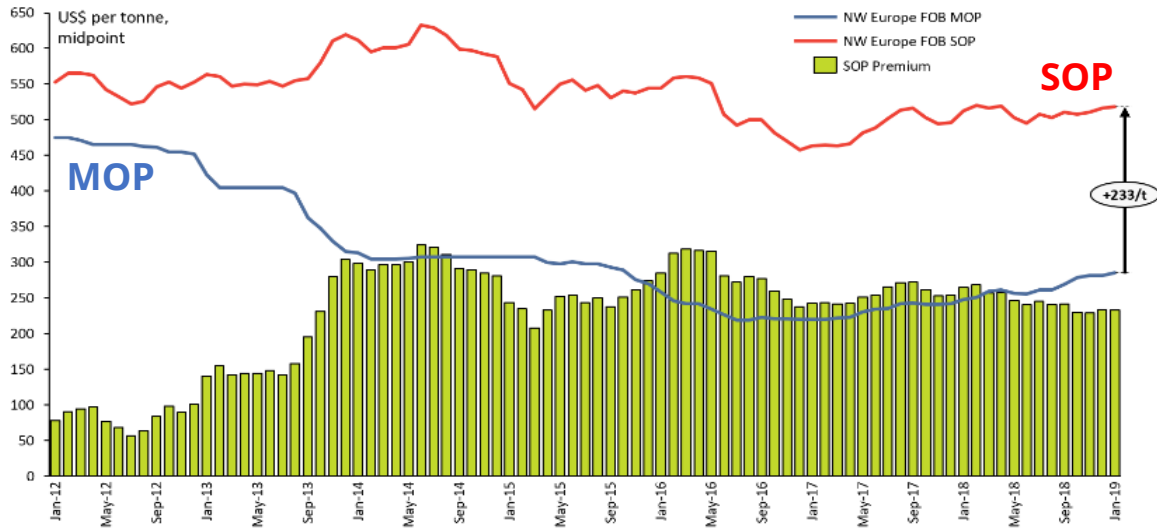
Farmers around the world need more Potassium to feed the growing population

SOP is a premium form of Potassium

Source: Sustainable Soils, LLC 2019 <https://www.sustainablesoils.com/blog/>

LOW COST AND HIGH MARGINS

- Strong Market Fundamentals with average 2018 SOP ~US\$500/t FOB Europe
- KLL OPEX Costs (AISC) ~US\$200/t FOB (US\$208/t at 90 ktpa; US\$178/t at 180 ktpa)¹
- High Margin Project ~US\$300/t

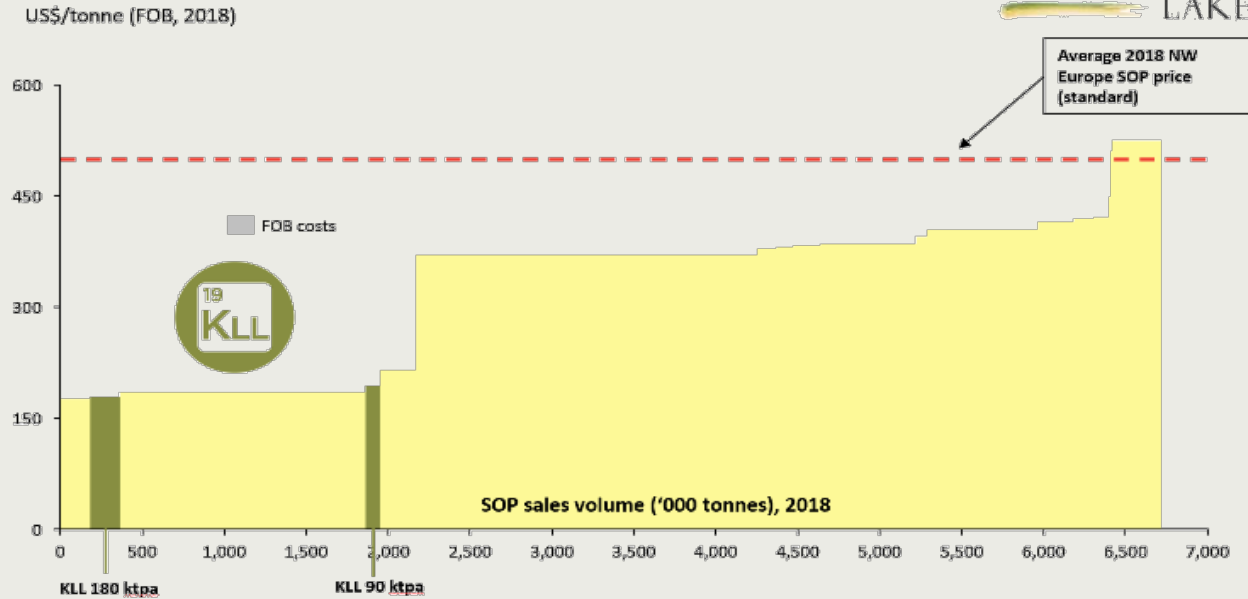


Copyright ©2019 Argus Media group. All rights reserved. Argus disclaims any and all liability related to or arising out of use of the extract above to the fullest extent permissible by law.

Source: Integer, Argus Media

1. Refer to Bankable Feasibility Study Complete ASX announcement dated 18 September 2018 ; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2018_09_18_KLL_1537276260.pdf;

Refer to Front End Engineering Design (FEED) ASX announcement dated 4 March 2019; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_03_04_KLL_1551648600.pdf



Copyright ©2019 Argus Media group. All rights reserved. Argus disclaims any and all liability related to or arising out of use of the extract above to the fullest extent permissible by law.

Source: Integer, Argus Media

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

- Global SOP market is ~US\$3-4B annually
- Demand increasing at ~100-200kt SOP pa
- KLL expected to become a low cost producer



SIMPLE SOP PRODUCTION PROCESS



Brine Pumping from Bores and Trenches
>260 Million litres successfully pumped to date



Brine Solar Evaporation
Located in high evaporation region
~3,800mm



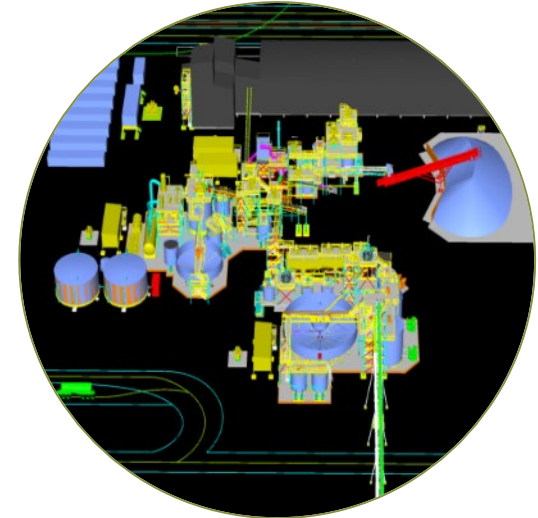
Salt Harvesting
Low cost well proven process in Western
Australia



Agriculture Production
Australian and Asian Markets



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



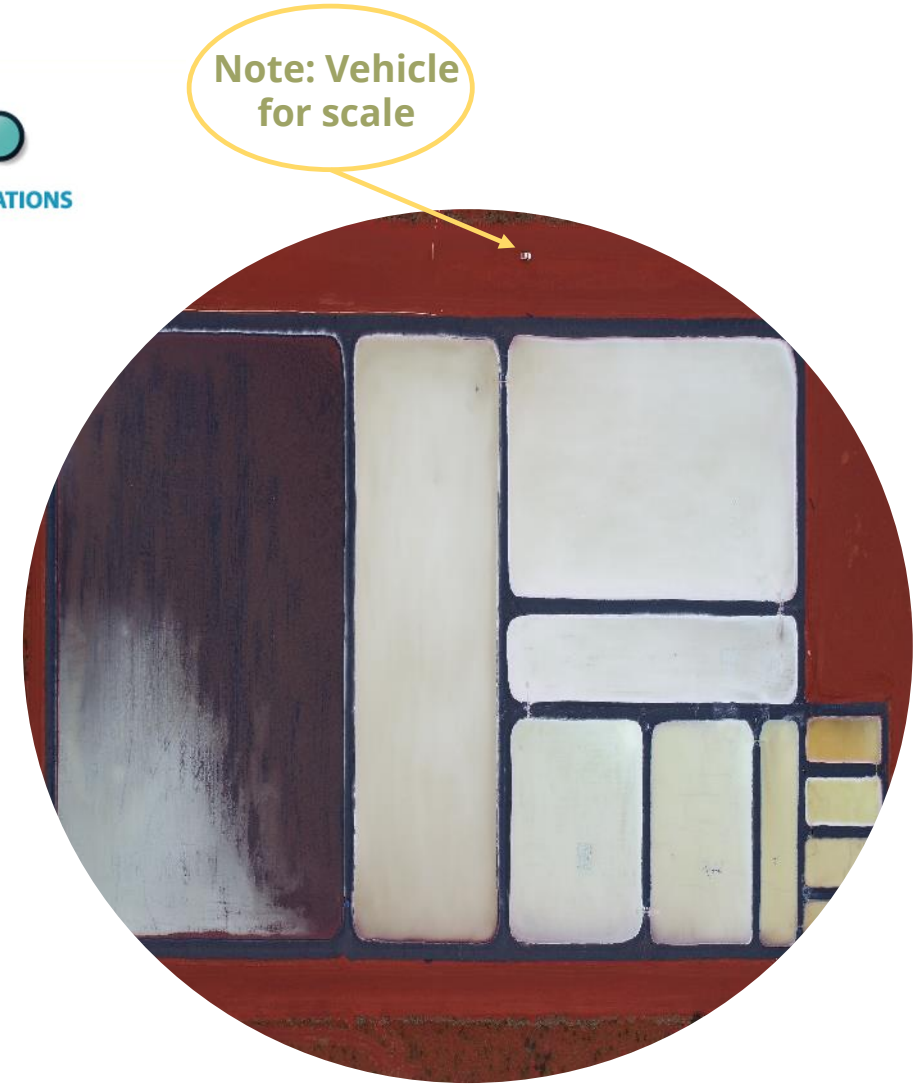
Purification Processing
Using established German SOP technology



COMPREHENSIVE STUDY & DEVELOPMENT PROCESS



- No skipped study or development steps
- Full Pilot Scale Validation
- Bank Due Diligence Investigations Completed
- The detail completed has resulted in Performance Guarantees, Liquidated Damages on Schedule and Incentives for exceeding nameplate design¹

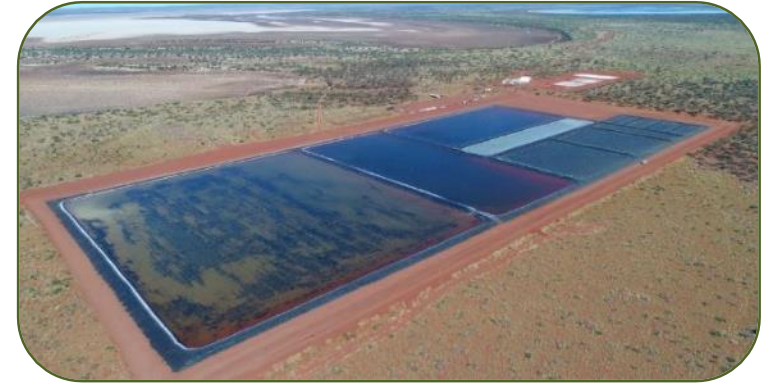


1. Refer to Key Contracts Awarded – Purification Plant ASX Announcement dated 23 May 2019; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_05_23_KLL_1558563600.pdf



AUSTRALIA'S LARGEST SCALE PILOT PROGRAM

([Harvest and Process Trials Video Link](#))



BSOPP RESERVES AND RESOURCES HIGHLIGHTS

- Ore Reserves 5.1Mt SOP Reserve
- 19.6Mt SOP Drainable Brine Resource (159.7Mt SOP Total Brine Volume)
- 90ktpa SOP commercial demonstration facility ramping up to 180ktpa SOP Full Scale Facility
- Initial Mine Life In Excess of 30 Years (up to 50 years)¹
- Australia's Lowest Impurity Level², High Grade Brine
- Compliant with both JORC and CIM Brine Guidelines
- Australia's Largest Pilot Scale Program



1. FEED Base Case is based on ore Reserves (89%), Indicated Mineral Resources (7%) and Inferred Mineral Resources (4%) over the 30 year mine life. Bank Finance Case is based on 100% Ore Reserves over the 30 year mine life and 81% Ore Reserves over the 50 year mine life;

2. NaCl to SOP ratio



INFRASTRUCTURE AND LOGISTICS COMPETITIVE ADVANTAGE

- Close proximity to existing sealed road and gas pipeline
- Toll Mining Services awarded Haulage and Port Contract
- Offtake consumer preference is for containerised supply with minor bulk ship hatch supply
- Fremantle Port – containerised shipping
- Kwinana Port – bulk ship hatch





APPROVALS AND TENURE

- All Native Title Agreements in place
- Mining Tenure granted
- Federal Environmental Approval received
- State Environmental Approval received
- Gas Pipeline Licence approved
- Early works approvals in place





OFFTAKE AND SALES

- Binding Offtake Agreement executed with German fertiliser producer and distributor K+S
- 10 year term, 100% of Start-up Volume
- Offtake includes floor prices for each product
- Positive due diligence completed during a five month period
- K+S to provide unparalleled expertise and technical support in relation to design, construction and commissioning
- K+S currently supplies over 50% of the Australian and New Zealand SOP markets





BSOPP BFS AND FEED HIGHLIGHTS

- FEED has included Capital for Gas Pipeline & Power Station to significantly reduce OPEX by +A\$65/t SOP
- FEED Pre-production Capital Cost of ~A\$216M including 15.6% (\$29M) contingency per bank requirements
- Low LOM Operating Cost ~US\$178-208/t FOB AISC
- Pre-tax NPV₈ A\$606M, IRR of 20.3% (Stage 1 and Stage 2)
- Average EBITDA of A\$126M pa¹, EBITDA margin of 61% based on BFS/FEED price assumptions and staged ramp up from 90 to 180 ktpa
- LOM pre-tax free cash flows of more than +A\$3B



Refer to Bankable Feasibility Study Complete ASX announcement dated 18 September 2018 ; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2018_09_18_KLL_1537276260.pdf

Refer to Front End Engineering Design (FEED) ASX announcement dated 4 March 2019; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_03_04_KLL_1551648600.pdf

Return and financial metrics are net of 1.9% gross revenue royalty (less trucking and marketing costs), payable to parties associated with Kalium Lakes founders (Smoothy, Hazelden, van Niekerk)

1. LOM average EBITDA in nominal terms, assuming expansion to 180ktpa



CAPITAL & OPERATING COST ESTIMATES (BFS/FEED)

Capital Cost Estimate

DESCRIPTION	Initial Phase 1 90 ktpa SOP A\$M
Brine Supply, Ponds & Harvesting	30.3
SOP Purification Plant	73.6
Infrastructure & Village	19.6
Gas Pipeline	20.4
Offsite Infrastructure	3.8
Construction Indirects	20.2
Project Management	11.8
Owners Costs	7.8
Contingency	29.3
TOTAL CAPITAL COST ⁽¹⁾	216.8

Key Contracts Awarded



- EPCM for overall project delivery



- Engineering and Procurement for purification plant plus supervision and commissioning services



- Engineering and Supply of compaction plant for production of granular SOP



- WHS implementation across BSOPP in accordance with OFSC



- HDPE pond liner supply and install

Refer to Bankable Feasibility Study Complete ASX announcement dated 18 September 2018 ; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2018_09_18_KLL_1537276260.pdf
 Refer to Front End Engineering Design (FEED) ASX announcement dated 4 March 2019; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_03_04_KLL_1551648600.pdf

Notes
 (1) Capital Cost Figures are shown as incremental costs for each Phase and exclude Financing Costs
 (2) Only Phase 1 Capital Cost is shown with Phase 2 expansion from 90 to 180 ktpa SOP estimated to cost A\$154M



CAPITAL & OPERATING COST ESTIMATES (BFS/FEED)

Operating Cost Estimate

DESCRIPTION	90 ktpa, A\$/t SOP (real, LOM average)
Ex Works	171.4
Haulage	39.9
Port (FCA Containers, FOB Bulk)	27.7
CASH COSTS	238.9
Corporate Costs	30.8
CASH + CORPORATE COSTS	269.8
Sustaining Capex	21
ALL IN SUSTAINING COSTS ⁽¹⁾	290.8
AISC US\$/t (@ 0.72 USD:AUD)	US\$ 208 /t

Key Contracts Awarded



- Supply of gas to the purification plant at Beyondie mine site



- Gas transportation services through the Goldfields Gas Pipeline and associated metering stations



- Production collection and haulage from Beyondie mine site to Perth. Inventory management, container loading and delivery for shipping in Fremantle or Kwinana Ports

Refer to Bankable Feasibility Study Complete ASX announcement dated 18 September 2018 ; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2018_09_18_KLL_1537276260.pdf
 Refer to Front End Engineering Design (FEED) ASX announcement dated 4 March 2019; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_03_04_KLL_1551648600.pdf

Notes

(1) AISC – All In Sustaining Cost Excludes Royalties and Taxes which are detailed in the Economic Analysis

(2) Only Phase 1 Operating Cost is shown with Phase 2 expansion from 90 to 180 ktpa SOP estimated to cost A\$249.8/t SOP AISC or US\$187/t SOP



FINANCING

- Low Cost Financing Credit Approval
- Long tenor (up to 15 years) at attractive rates
- Technical Due Diligence is complete
- NAIF has made an Investment Decision for A\$74M of Debt Funding¹
- KfW IPEX-Bank credit approval for A\$102M of Debt Funding²
- German Government Export Credit Agency (ECA) guarantee proposed for 50% of KfW loan – Euler Hermes³



1. The NAIF facility remains subject to the execution of formal documentation. Refer to the ASX announcement dated 20 February 2019; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_02_20_KLL_1550622900.pdf

2. The KfW facility (including Euler Hermes) remains subject to the execution of formal documentation. Refer to KfW IPEX-Bank Credit Approval Major Milestone ASX announcement dated 2 July 2019; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_07_02_KLL_1562024340.pdf

3. Refer to German Government Positive Decision for Export Credit Cover ASX announcement dated 19 July 2019; https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_07_19_KLL_1563489060.pdf



EARLY WORKS CONSTRUCTION UNDERWAY (\$4.5M SPENT TO DATE)



Access Road Upgrade Complete



Fresh Water & Brine Production Bore Drilling



Production Bore Equipment Supply Ordered



Village Earthworks Complete



Accommodation Rooms Installation Commenced



Communications Installed



Engineering Design and Procurement Advanced



Evaporation Pond Area



Liner Progressively Being Received

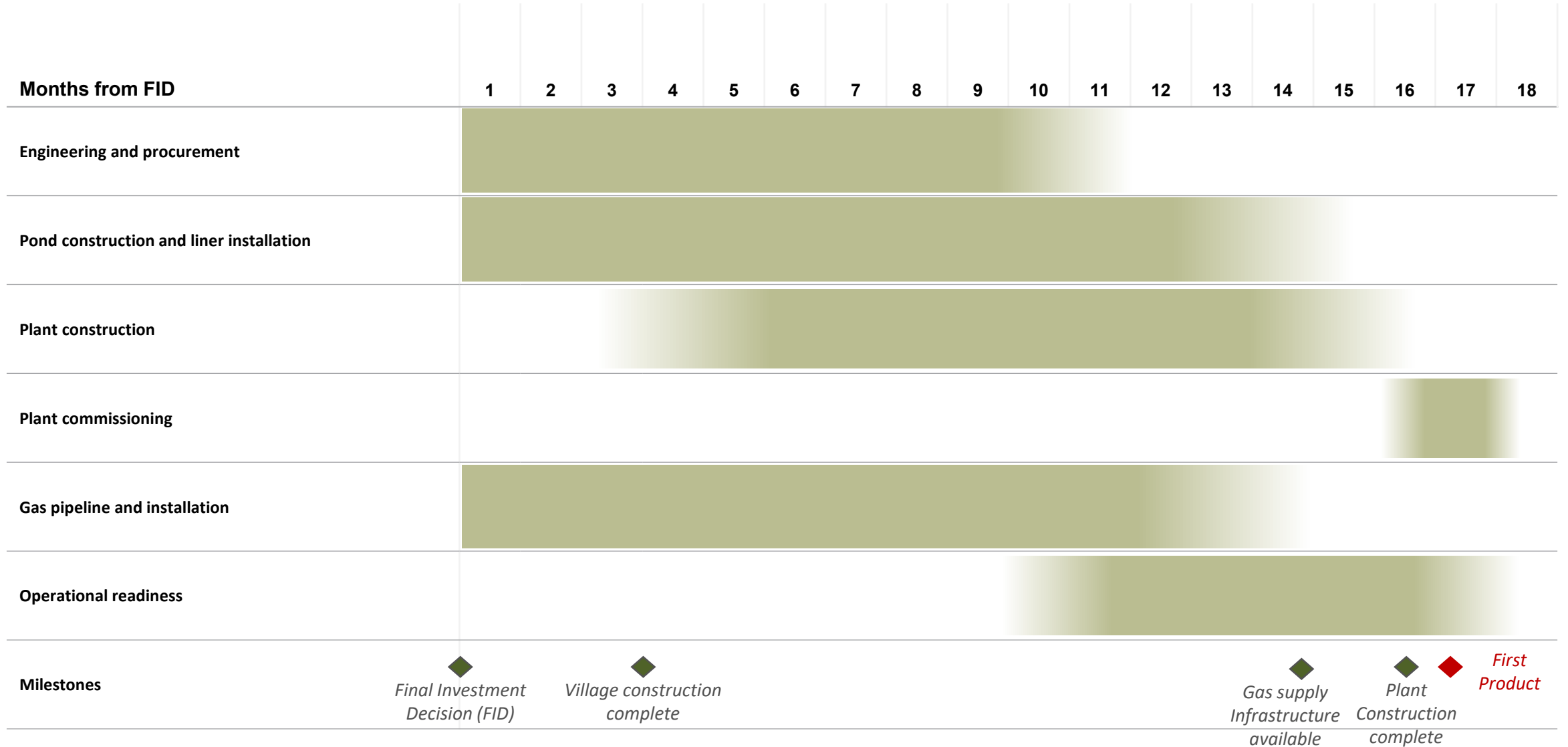


NEXT STEPS – PROJECT TIMING

- | | |
|--|---------------------|
| ✓ Commence Early Works Construction Activities | Q3 2018 |
| ✓ Complete Front-End Engineering Design (FEED) | Q1 2019 |
| ✓ Finalise Binding Offtake Agreement | Q1 2019 |
| ✓ Finance Due Diligence Complete | Q2 2019 |
| ✓ Award EPC/M and Lump Sum Contracts | Q2 2019 |
| ✓ Receive Final Approvals for Government Agencies | Q2 2019 |
| ✓ Project Credit Approvals | July 2019 |
| • Final Investment Decision (FID) | Mid 2019 |
| • Full Construction Activities | ~15 Months from FID |
| • Commissioning and Ramp Up to Name Plate Throughput | Q4 2020 |



NEXT STEPS – INDICATIVE TIMELINE TO FIRST PRODUCTION





ADDITIONAL INFORMATION





EXPERIENCED BOARD OF DIRECTORS AND SENIOR MANAGEMENT



**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.



**Stephen Dennis, Non-Executive Director
(B.Com, LLB)**

With a career spanning more than 30 years as an experienced and well regarded company director, Stephen is currently the non-executive chairman of several ASX listed resource companies, including Heron Resources Limited, Rox Resources Limited, EHR Resources Limited and Graphex Mining Limited.



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

A Metallurgist who brings more than 21 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.



**Chris Achurch, Chief Financial Officer
(B.Com, CA)**

Chris has worked with a number of major businesses across the exploration, mining and agricultural sectors. He possesses a comprehensive understanding of commercial accounting and audit functions, International Financial Reporting Standards and Australian Accounting Standards.



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

A Mechanical Engineer with more than 13 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 DRA, Ausenco, AngloGold Ashanti and BC Iron.



**Gareth Widger, Company Secretary
(BA, GIA (Cert))**

With almost four decades of experience, Gareth's career includes managing corporate administration and strategic communication activities for public and private companies across many different industry sectors.



MINERAL RESOURCES AND ORE RESERVES

JORC / CIM Resource	Drainable Brine Volume (M m ³)	K Grade (mg/l)	K (Mt)	SO ₄ (Mt)	Drainable Brine SOP (Mt)	Total Brine Volume SOP (Mt)
Measured Resource	149	5,155	0.77	2.33	1.72	5.67
Indicated Resource	735	5,591	4.11	11.91	9.17	32.42
Inferred Resource	695	5,647	3.92	11.86	8.75	121.61
Total Mineral Resource	1,579	5,585	8.80	26.10	19.64	159.70
Exploration Target	920 - 2,810	1,800 - 3,300	1.6 - 9.3	5.0 - 25.6	3.7 - 20.7	40 - 250

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, which was recently accepted by JORC. 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.

JORC / CIM Reserve	Drainable Brine Volume (M m ³)	K Grade (mg/l)	K (Mt)	SO ₄ (Mt)	Drainable Brine SOP (Mt)
Proved Reserve	119	6,207	0.74	2.14	1.65
Probable Reserve	295	5,306	1.57	4.46	3.49
Total Ore Reserve	414	5,565	2.30	6.60	5.13

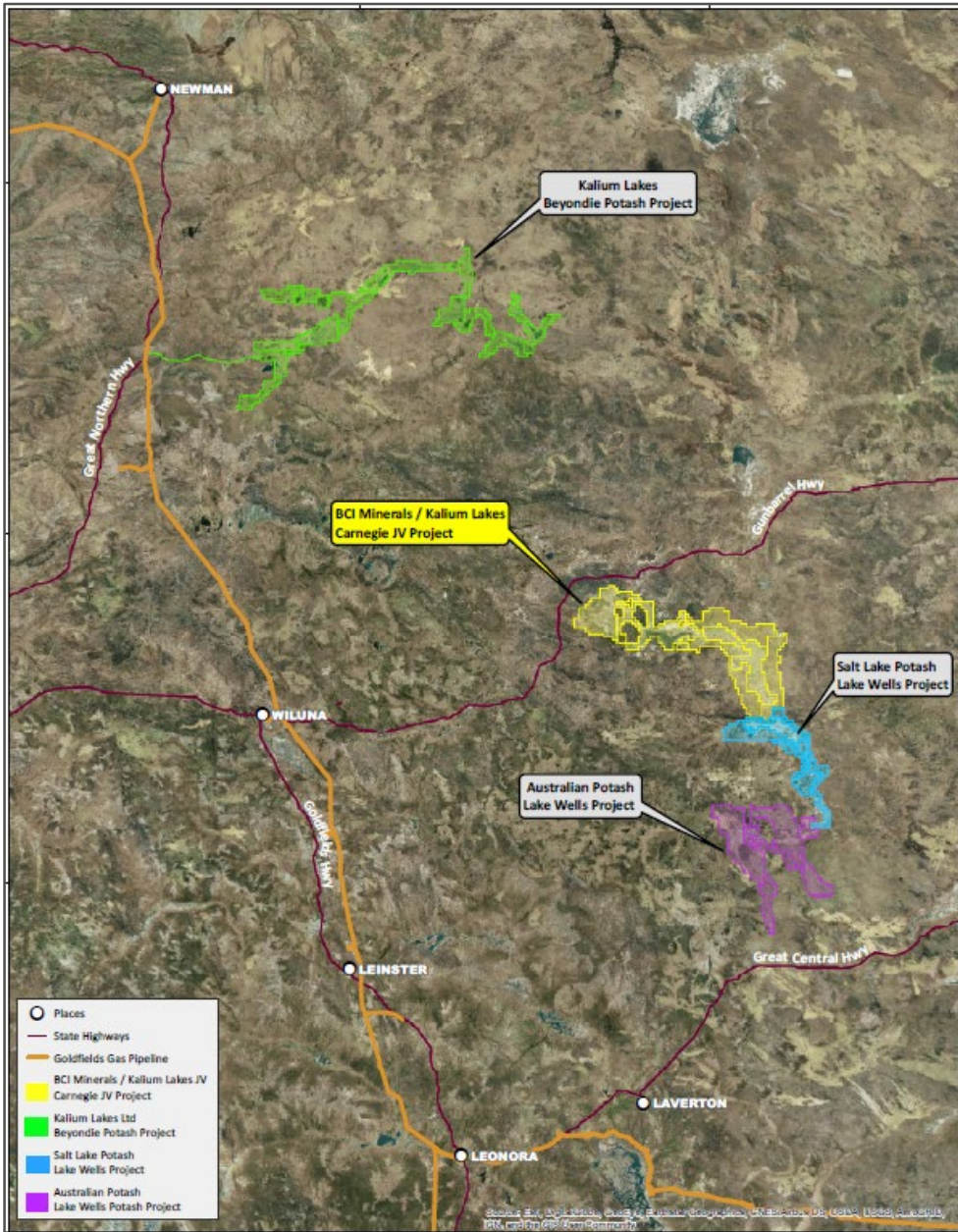
The Ore Reserve estimate has been developed using detailed integrated groundwater flow and solute transport finite element modelling in FEFLOW, an industry standard numerical groundwater modelling platform. The models have been used to simulate the Ore Reserve estimate and develop mine plans for the Beyondie SOP Project. Proved and Probable Reserve volumes were derived from the capture zones originating from the Measured and Indicated Resource zones respectively. The impacts of lake surface recharge have been determined by comparing the differences of the mine plan with and without recharge. The Ore Reserve estimate does not include any recharge. A cut-off grade of 2,500 mg/L potassium has been applied to the Ore Reserve.

BC Iron and Kalium Lakes entered into the Carnegie Joint Venture (CJV) on the Carnegie Potash Project (CPP) in February 2017

- Under the terms of the agreement BCI can earn up to a 50% interest in the CJV by sole-funding \$10.5M for 3 development stages of project studies expenditure:
 - **Stage 1:** Complete. BCI earned 30% interest by sole funding the \$1.5M Scoping Study Phase
 - **Stage 2:** BCI can elect to earn a further 10% interest by sole funding a further \$3.5M Pre-Feasibility Study Phase
 - **Stage 3:** BCI can elect to earn a further 10% interest by sole-funding a further \$5.5M Feasibility Study Phase

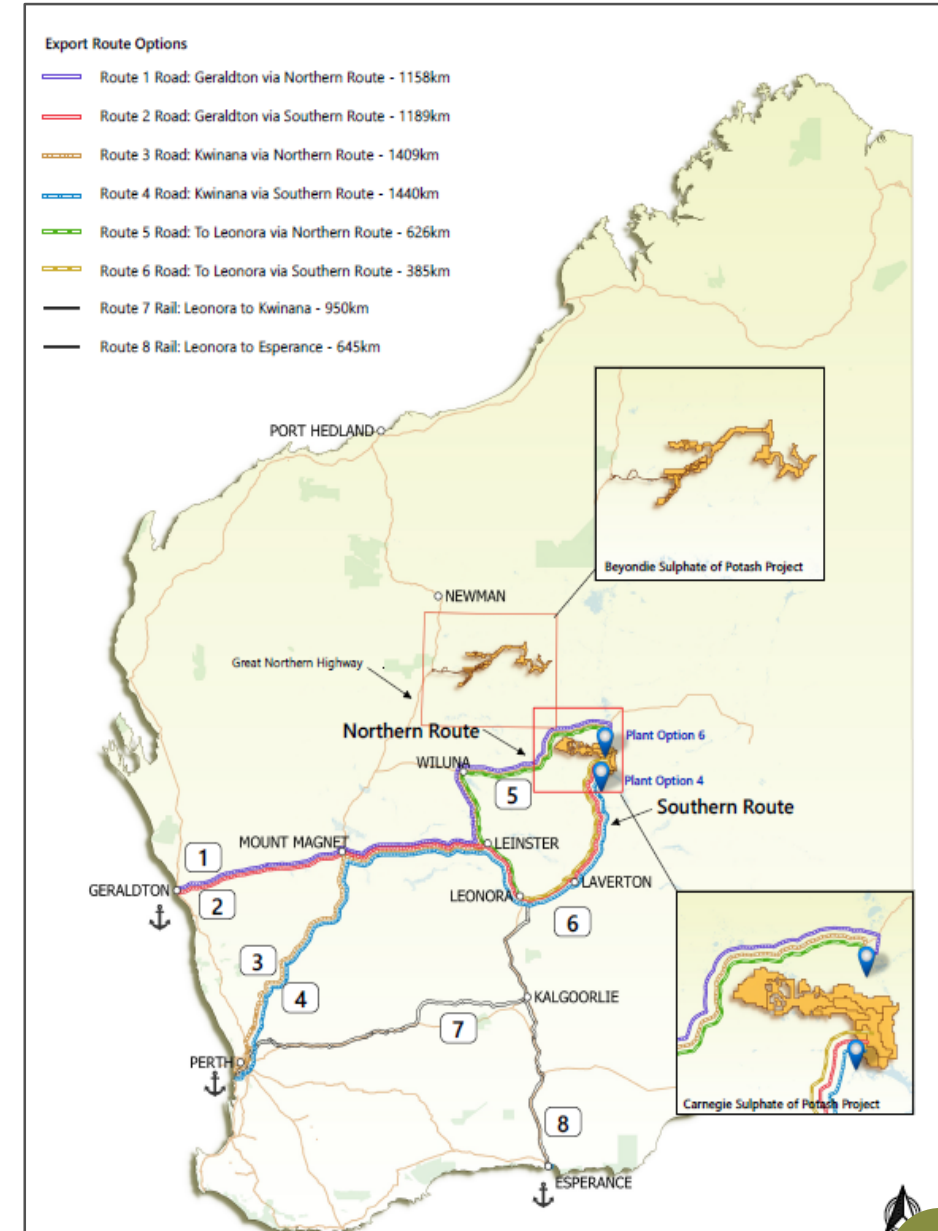
By end of the Feasibility Study the CJV would have an ownership of 50% KLL and 50% BCI

Refer to Carnegie Potash Project Joint Venture ASX announcement dated 1 March 2017;
https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2017_03_01_KLL_1488355140.pdf



CARNEGIE POTASH PROJECT HIGHLIGHTS

- ✓ Scoping Study, Maiden Resource and Exploration Target confirm the CPP has potential to be a technically and economically viable project
- ✓ Leveraged the knowledge, intellectual property and experience from Kalium Lakes Beyondie Sulphate of Potash Project
- ✓ Inferred Resource of 0.88 Mt @ 3,466 mg/l K (equivalent to 7,729 mg/l SOP) based on only top 1.7 metres of the 27,874 hectare surficial aquifer on granted tenement E38/2995
- ✓ Exploration Target of 3.46 Mt – 7.33 Mt SOP @ 3,410 mg/l K – 3,420 mg/l K within the deeper aquifers on granted tenement E38/2995
- ✓ A further 82,000 hectares of lake surface on pending tenements is not included in the current Inferred Resource and exploration target, providing further resource upside potential
- ✓ Close proximity to other potash explorers with multiple options for ports and road routes utilising existing infrastructure
- ✓ Low capital and operating cost estimates for various SOP production cases





CARNEGIE PP – MINERAL RESOURCE & EXPLORATION TARGET



JORC / CIM Resource	Drainable Brine Volume (M m ³)	K Grade (mg/l)	K (Mt)	SO ₄ (Mt)	Drainable Brine SOP (Mt)	Total Brine Volume SOP (Mt)
Inferred Resource	113.55	3,466	0.39	1.33	0.88	1.46
Exploration Target	459 - 960	3,410 – 3,420	1.57 – 3.29	5.77 – 12.30	3.46 – 7.33	41.23 – 83.14

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-UTECH 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 Carnegie 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 Carnegie Potash Project Scoping Study announcement dated 27 July 2018 for further details: https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2018_07_27_KLL_1532688420.pdf



DISCLAIMER AND COMPLIANCE STATEMENT

Not a Disclosure Document

This document has been prepared by Kalium Lakes Limited ("Kalium Lakes" or "KLL"). This document has been prepared in relation to a proposed accelerated pro rata non-renounceable entitlement offer of new shares to be made pursuant to section 708AA of the Corporations Act 2001 (Cth) ("Corporations Act") (as modified by ASIC Corporations Instrument 2016/84) and an institutional placement of shares pursuant to section 708A of the Corporations Act (together, the "Offer").

This document is for informational purposes only. This document does not constitute or contain an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any security in Kalium Lakes. This document is not a prospectus, product disclosure statement or other offering document under Australian law or any other law, will not be lodged with the Australian Securities and Investments Commission, and may not be relied upon by any person in connection with an offer or sale of Kalium Lakes' securities.

Summary Information

This document contains a summary of information about Kalium Lakes and its activities that is current as at the date of this document. The information in this document is general in nature and does not purport to be complete or to contain all the information which a prospective investor may require in evaluating a possible investment in Kalium Lakes or that would be required in a prospectus or a product disclosure statement prepared in accordance with the Corporations Act.

No Liability

The information contained in this document has been prepared in good faith by Kalium Lakes, however no guarantee representation or warranty expressed or implied is or will be made by any person (including Kalium Lakes and its affiliates and their directors, officers, employees, associates, advisers and agents) as to the accuracy, reliability, correctness, completeness or adequacy of any statements, estimates, options, conclusions or other information contained in this document.

To the maximum extent permitted by law, Kalium Lakes and its affiliates and their directors, officers employees, associates, advisers and agents each expressly disclaims any and all liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of or reliance on information contained in this document including representations or warranties or in relation to the accuracy or completeness of the information, statements, opinions, forecasts, reports or other matters, express or implied, contained in, arising out of or derived from, or for omissions from, this document including, without limitation, any financial information, any estimates or projections and any other financial information derived therefrom.

Statements in this document are made only as of the date of this document unless otherwise stated and the information in this document remains subject to change without notice. No responsibility or liability is assumed by Kalium Lakes or any of its affiliates for updating any information in this document or to inform any recipient of any new or more accurate information or any errors or mis-descriptions of which Kalium Lakes and any of its affiliates or advisers may become aware.

Lead Manager and Co-Lead Manager disclaimer

Macquarie Capital (Australia) Limited has acted as Lead Manager and Morgans Corporate Finance Limited has acted as Co-Lead Manager for the Offer (together, the "Advisers"). The Advisers and their respective related bodies corporate, directors, officers or employees (together, the "Limited Parties") have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this document or any of its contents, and the Limited Parties accept no responsibility or liability for the contents of this document and make no recommendation, representation or warranty concerning the Offer or whether or not any person should participate in the Offer or make a commitment to participate in any way in the Offer. There is no statement in this document which is based on any statement made by any of the Limited Parties. To the maximum extent permitted by law, the Limited Parties expressly disclaim any and all liability or responsibility, including, without limitation, any liability arising from fault or negligence on the part of any person, for any expense, loss, damage or cost howsoever arising from the use of this document or its contents or otherwise. This includes for any indirect, incidental, consequential, special or economic loss or damage (including, without limitation, any loss of profit or anticipated profit, fines or penalties, loss of business or anticipated savings, loss of use, business interruption or loss of goodwill, bargain or opportunities).

Participation in offer

You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Kalium Lakes and/or the Lead Manager.
- each of Kalium Lakes and the Lead Manager and each of their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Not financial product advice

This document does not constitute financial product advice or take into account your investment objectives, taxation situation, financial situation or needs. This document consists purely of factual information and does not involve or imply a recommendation of a statement of opinion in respect of whether to buy, sell or hold a financial product. An investment in Kalium Lakes is considered to be speculative in nature. Before making any investment decision in connection with any acquisition of securities, investors should consult their own legal, tax and/or financial advisers in relation to the information in, and action taken on the basis of, this document.

Mineral resources and ore reserves

Recipients of this presentation outside Australia should note that it is a requirement of the Australian Securities Exchange listing rules that the reporting of ore reserves and mineral resources in Australia comply with the Australasian Joint Ore Reserves Committee Code for Reporting of Mineral Resources and Ore Reserves (the "JORC Code"), whereas mining companies in other countries may be required to report their ore reserves and/or mineral resources in accordance with other guidelines (for example, SEC Industry Guide 7 in the United States). Recipients should note that while Kalium Lakes' mineral resource and ore reserve estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries, and do not comply with SEC Industry Guide 7. In particular, SEC Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources, including indicated and inferred resources, in SEC filings. Accordingly, if Kalium Lakes were reporting in accordance with SEC Industry Guide 7, it would not be permitted to report any mineral resources, including indicated and inferred resources, and the amount of reserves reported by Kalium Lakes may be lower than its estimates. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that Kalium Lakes will be able to legally and economically extract them. In addition, investors should note that under SEC Industry Guide 7, mine life may only be reported based on ore reserves. Mine life estimates in this presentation assume that a portion of non-reserve resources will be converted to ore reserves, which would not be permitted under SEC Industry Guide 7.

International offer restrictions

This document does not constitute an invitation or offer of securities for subscription, purchase or sale in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been, and will not be, registered under the U.S. Securities Act of 1933 as amended (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States unless the securities have been registered under the Securities Act (which the Company has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws. The distribution of this document in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. Persons who come into possession of this document who are not in Australia should observe any such restrictions. Any non-compliance with such restrictions may contravene applicable securities laws. Please refer to the section of this document headed "Foreign Selling Restrictions" for more information.

Forward looking statements

Certain information in this document refers to the intentions of Kalium Lakes, but these are not intended to be forecasts, forward looking statements or statements about the future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of the events in the future are subject to risk, uncertainties and other actions that may cause Kalium Lakes' actual results, performance or achievements to differ from those referred to in this document. Accordingly Kalium Lakes and its affiliates and their directors, officers, employees and agents and the Limited Parties do not give any assurance or guarantee that the occurrence of these events referred to in the document will actually occur as contemplated.

Statements contained in this document, including but not limited to those regarding the possible or assumed future costs, performance, dividends, returns, revenue, exchange rates, potential growth of Kalium Lakes, industry growth or other projections and any estimated company earnings are or may be forward looking statements. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Kalium Lakes. Actual results, performance, actions and developments of Kalium Lakes may differ materially from those expressed or implied by the forward-looking statements in this document. Such forward-looking statements speak only as of the date of this document. There can be no assurance that actual outcomes will not differ materially from these statements. To the maximum extent permitted by law, Kalium Lakes and any of its affiliates and their directors, officers, employees, agents, associates and advisers and the Limited Parties:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumption; and
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence.



DISCLAIMER AND COMPLIANCE STATEMENT

Compliance Statement – Beyondie Sulphate of Potash Project

The information in this document that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves in respect of the Beyondie Sulphate of Potash Project is extracted from the report titled "TECHNICAL REPORT FOR THE BEYONDIE POTASH PROJECT, AUSTRALIA, JORC (2012) and NI 43-101 Technical Report – Bankable Feasibility Study" and dated 17 September 2018 (Report) and the ASX announcement titled "Lower Operating Cost and increased Production for BSOPP" dated 4 March 2019 (Announcement), 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 Report and Announcement and, in the case of estimates of Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves, 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 and Announcement.

Thomas Schicht and Anke Penndorf are full-time 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.

Compliance Statement – Carnegie Potash Project

The information in this document that relates to Exploration Targets, Exploration Results, Mineral Resources and Mineral Reserves in respect of the Carnegie Potash Project is extracted from the report titled "CARNEGIE POTASH PROJECT, AUSTRALIA, JORC (2012) and NI 43-101 TECHNICAL REPORT" and dated 30 June 2018 (Report), 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 and BCI Minerals confirm they are 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 and BCI Minerals confirm 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-time employees of K-UTEC AG Salt Technologies (K-UTEC). K-UTEC, Thomas Schicht and Anke Penndorf are not associates or affiliates of Kalium Lakes, BCI Minerals or any of their 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 Kalium Lakes, BCI Minerals and Carnegie 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, BCI Minerals or the Carnegie Potash Project and consequently considers itself to be independent of Kalium Lakes and BCI Minerals.

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.



KEY RISKS

Development of the Beyondie Potash Project

The Company has prepared estimates of future production targets, revenue profiles, operating cash costs and capital costs for its operations. No assurance can be given that such estimates will be achieved or that the Company will have access to sufficient capital to develop the Beyondie Potash Project.

Production targets and operating costs may be affected by a variety of factors, including the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. Other risks impacting production and operating cost estimates include increases in labour costs, general inflationary pressures, currency exchange rates and other unforeseen circumstances such as health and safety outcomes. The success of the Company will also depend upon the Company having access to sufficient capital, being able to maintain permits and obtaining all required approvals for its activities.

No assurance can be given that the assumptions in respect to the bankable feasibility study and subsequent results in respect to the Front-End Engineering and Design works undertaken (refer to the ASX announcements dated 18 September 2018 and 4 March 2019), including in respect to the production target ramp up from 90ktpa to 180ktpa, will be achieved. Failure to achieve any of these key assumptions, including production or cost estimates or material increases in costs, could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Financing

The Company will require significant financing for capital expenditure to develop the Beyondie Potash Project and to fund its operating costs. The Company will require financing from external sources to meet such requirements. Although the Company has received a credit approved offer of finance from German KfW IPEX-Bank (KfW) and Euler Hermes Aktiengesellschaft (Hermes) (refer to the ASX announcements dated 2 July 2019 and 19 July 2019) and an investment decision from the Board of the Northern Australia Infrastructure Facility (NAIF) in respect to a loan package (refer to the ASX announcement dated 20 February 2019), the financing arrangements remain subject to the execution of formal binding documentation. It is anticipated that these financing arrangements will be contingent on certain restrictions on the Company, including in respect to future financing and operating activities. If these conditions are not satisfied or certain events occur, the Company may be unable to draw down on these facilities and/or the financiers may have the right to terminate the arrangement. Any such event will have an adverse impact on the Company's financial condition and operating activities.

If the Entitlement Offer and Placement are not fully subscribed, the underwriting/sub-underwriting arrangements are terminated and/or the Company fails to enter into a binding arrangements with KfW, Hermes and/or NAIF, there can be no assurance that additional financing from other third party financiers, whether equity or debt, will be available to the Company, and if it is, whether the terms of such equity or debt financing will be commercially acceptable. The ability of the Company to arrange financing will depend, in part, on prevailing market conditions as well as the business performance of the Company. If the Company obtains additional financing through the issuance of equity or convertible securities, the interests of shareholders in the Company may be diluted. Additional debt financing may involve restrictions on the Company's future financing and operating activities. Any failure of the Company to obtain required financing on acceptable terms could have a material adverse effect on the Company's financial condition, results of operations and its liquidity and may require the Company to postpone, reduce or terminate the development.

Commodity price volatility

If the Company achieves success leading to production, the revenue the Company will derive through the sale of sulphate of potash product (SOP Product) exposes the Company to commodity price and exchange rate risk (see below). 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 potash, forward selling activities, technological advancements and other macro-economic factors.

If the Company achieves development success which leads to viable production, its financial performance will be highly dependent on the prevailing commodity prices and exchange rates. These factors can affect the value of the Company's assets and the supply and demand characteristics of potash, and may have an adverse effect on the viability of the Company's development and production activities, its ability to fund those activities and the value of its assets.

Currency volatility

International prices of various 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 rate of exchange between the United States Dollar and the Australian Dollar as determined in international markets.

Project delays and cost overruns

The Company's ability to successfully develop and potentially commercialise its Beyondie Potash Project on schedule may be affected by factors including project delays and costs overruns. If the Company experiences project delays or cost overruns, this could result in the Company not realising its operational or development plans or result in such plans costing more than expected or taking longer to realise than expected. There is also a risk that the associated commissioning and ramp up (refer below for further details) may take longer than planned and that costs may be higher than anticipated.

The Company will endeavour to take appropriate action to mitigate these risks or to insure against them, but the occurrence of an event that results in project delays and/or costs overruns may have a material adverse effect on the Company's performance and the value of its assets.

Operational risks

If the Beyondie Potash Project achieves production, during the production ramp up and operational phase of the Beyondie Potash Project, there is a risk that difficulties may arise as part of the processing and production of the SOP Product, including failures in plant and equipment, difficulties in obtaining and importing replacement equipment, spares or necessary consumables in a timely or cost effective manner.

Other risks during the production ramp up and operational phase include, and are not limited to, weather, availability of materials, availability, continuity and productivity of skilled and experienced workers and contractors, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in costs of labour. Although the Company has completed the Front-End Engineering and Design optimisation works in respect to the Beyondie Potash Project, there is no certainty that the production ramp up process will not uncover failures or deficiencies in processes, systems, plant and equipment required for the Beyondie Potash Project, 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.

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



KEY RISKS

Offtake

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 (as pricing under the offtake agreement is linked to the sales price realised by K+S), disputes regarding variations 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 and when the Beyondie Potash Project commence operations, 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 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 favourable terms.

Resource and Reserve estimates and classification

The Mineral Resource and Ore Reserve estimates for the Beyondie Potash Project 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 potash will in fact be realised.

Purification facility design, operation, recovery and product specification

The Company is using internationally recognised consultants in the design of the process and selection of suitable equipment to achieve production capacity and specification to market requirements. However, project development remains inherently risky due to the number of variables that need to be managed. This could lead to equipment 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.

This risk also applies to non-process plant equipment and facilities, recognising that the Beyondie Potash Project 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.

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 maybe variable and shorter than expected.

Variability in brine

The brine deposit may be variable 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. Added to this 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, require additional pumping volumes due to lower grades.

Environmental and other statutory approvals

The Company's project and operations are subject to Commonwealth and State laws, regulations and specific conditions regarding approvals to explore, construct and operate. There is a risk that such laws, regulations and specific conditions may impact the profitability of the project and the ability for the project to be satisfactorily permitted. Key approvals from the Environmental Protection Authority (EPA), Department of Environmental and Energy (EPBC), Department of Mines and Petroleum (DMIRS), Department of Water and Environmental Regulation (DWER) plus many other agencies, and on-going approvals required, may take longer to be obtained or may not be obtainable at all. The Company has identified that the process will have disturbances associated with ponds, purification facility, pipelines, bores, trenches, roads, waste NaCl, residue bitterns which may be subject to specific disposal conditions.

Evaporation pond design

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. There is 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 capital and operation costs, of the full size project. There is also a risk of structural failures or leakage.

Dependence on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on the efforts of senior management and its key personnel. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The loss of key personnel could cause a significant disruption to the business and could adversely affect our operations.

New commodity and lack of operational experience

The Company recognises that as a potential leader in the Australian production of potash products there may initially be a lack of suitably trained operators for the overall project which has been explicitly designed for the extraction and treatment of brine to produce this group of products to market specifications.

Furthermore, this risk could manifest itself during the commissioning stage for the same reasons expressed above which could lead to increased capital costs and delays in achieving operational ramp up.

Inclement weather and Natural Disasters

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 process in the ponds, scouring damage to trenches, roadways and pond walls. Flood waters within the pond areas will increase the total evaporation 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. 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.



KEY RISKS

Title Risk

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.

Exploitation, exploration and mining licences

The Company has been granted two Mining Leases, various 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 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.

Change in regulations

Adverse changes in Federal or Western Australia 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.

Environmental risk

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, the Company's activities including the Beyondie Potash Project are 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.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidents or other unforeseen circumstances, which could subject the Company to extensive liability.

Insurance

The Company intends to insure 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.

Contractual disputes

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. It is not possible for the Company to predict or protect itself against all such risks.

Third party risk

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

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.

Competition

Although there is currently no Australian production of SOP, there are other mining exploration companies in Australia that are currently seeking to explore, develop and produce SOP. 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 Company's projects and business.

Underwriting risk

The Company has entered into an Offer Management Agreement with Macquarie Capital (Australia) Limited under which, subject to (amongst other matters) the successful completion of the bookbuild for the Placement and Institutional Entitlement Offer, Macquarie Capital (Australia) Limited has agreed to underwrite the Retail Entitlement Offer (the "Offer Management Agreement"), subject to the terms and conditions of the Offer Management Agreement. Macquarie Capital (Australia) Limited's obligations to underwrite the Retail Entitlement Offer are conditional on the successful completion of the bookbuild for the Placement and Institutional Entitlement Offer and certain customary matters, including (but not limited to) the Company delivering certain confirmation certificates, due diligence documentation and shortfall certificates. Further, if certain events occur, Macquarie Capital (Australia) Limited may terminate the Offer Management Agreement. These events include if Greenstone's firm commitment is terminated or purported to be terminated (without the agreement of Macquarie Capital (Australia) Limited) or is or becomes voidable, or if Greenstone does not perform its obligations under those its firm commitment and sub-underwriting agreement. If the Offer Management Agreement is terminated, or the bookbuild for the Placement and Institutional Entitlement Offer is not successful, this may have an adverse impact on the Company's ability to fund the construction of the Beyondie Potash Project. If the Offer Management Agreement is terminated, or the bookbuild for the Placement and Institutional Entitlement Offer is not successful, the Company may need to find alternative funding to complete the construction of the Beyondie Potash Project.



FOREIGN SELLING RESTRICTIONS

This document does not constitute an offer of new ordinary shares ("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") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of 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 which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, 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 of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

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 any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements 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.



FOREIGN SELLING RESTRICTIONS

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"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will 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.

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 XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, 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. There are on-sale restrictions in Singapore that 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.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published 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 investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

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 and 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.

