

# BRINE EXTRACTION ACHIEVES NAMEPLATE FLOW RATE

## Highlights

Brine extraction and supply infrastructure at Beyondie SOP Project commissioned at nameplate rate:

- All trenches complete at Lake Sunshine (15km) and Ten Mile (6km)
- Commissioning of all trench pump stations – Ten Mile (2) and Lake Sunshine (2)
- Commissioning of all production bores – Ten Mile (12) and Lake Sunshine (9)
- Installation of 68km of brine supply and distribution piping
- All brine extraction infrastructure delivered within budget and on schedule
- Evaporation ponds construction on schedule with 61% of primary pond areas commissioned

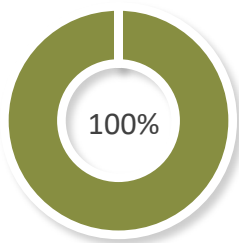
Kalium Lakes Limited (KLL) today announced the completion of its brine extraction and supply infrastructure. This notably includes brine production bores and pump stations delivering “nameplate” flow rates.

CEO, Rudolph van Niekerk, said: “Commissioning of the brine extraction infrastructure at nameplate capacity is a significant and further de-risking milestone for the Project.

“It not only validates the mine plan, but also continues to meet pre-production targets while we advance toward first production in the third quarter of next year,” he said.

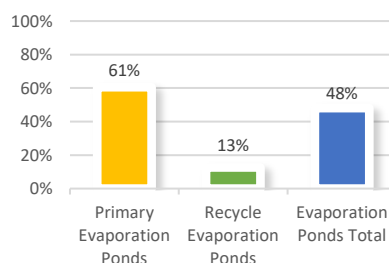
Overall progress at Beyondie is now 63% complete and importantly the project remains on schedule and within its revised budget.

### Brine Extraction Infrastructure



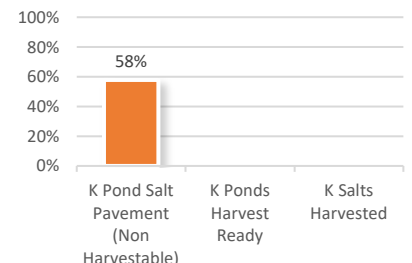
- ✓ 6.1 km trenches installed Ten Mile
- ✓ 15.1 km trenches installed Sunshine
- ✓ 12 production bores installed Ten Mile
- ✓ 9 production bores installed Sunshine
- ✓ 67.7km brine supply piping installed
- ✓ Production bores pump tested to achieve nameplate flowrates in accordance with mine plan

### Evaporation Ponds



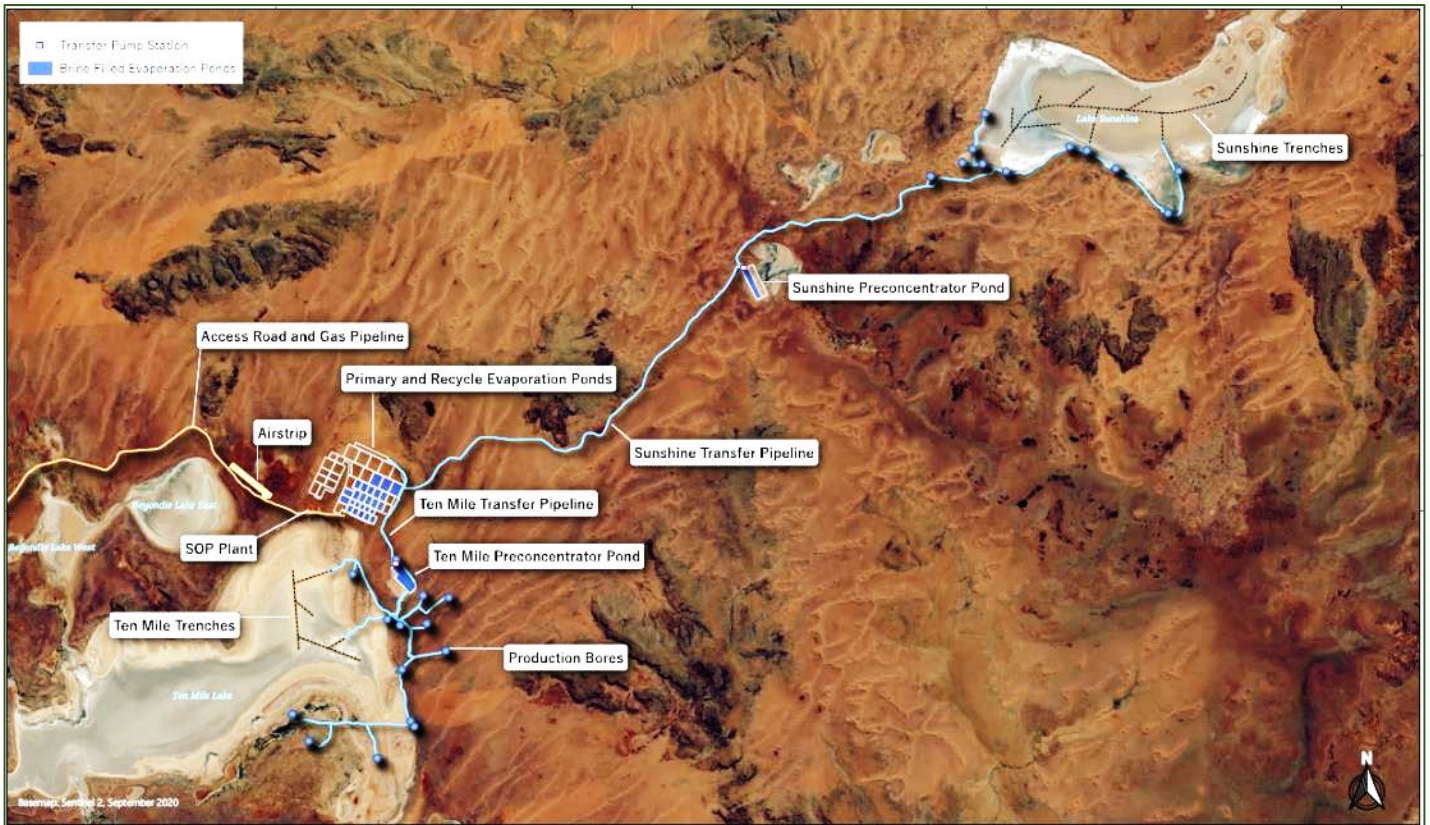
- 45.6 Ha Pre-concentrator ponds complete (76%)
- 65.5 Ha sodium chloride ponds complete (40%) with remaining ponds on schedule
- ✓ 57.6 Ha Primary Potassium Ponds Complete (100%)
- 12.5 Ha Recycle ponds commissioned (13%) with remaining ponds on schedule

### First Production Readiness



- ✓ Harvester delivered and commissioned
- 1.78 GL brine pumped at an average grade of 9,630 mg/L of K, equivalent to containing 36.2kt of SOP
- 33.2 Ha of non-harvestable NaCl pavements for primary potassium ponds complete (58%)
- Harvestable K salt production on schedule
- Harvesting operations on schedule to commence in Q1 2021

Brine is supplied from the Ten Mile and Sunshine resource locations for the Beyondie Sulphate of Potash Project (BSOPP), as shown in the image below.



**Brine Extraction and Supply Infrastructure**

Each of the brine extraction areas includes a series of production bores to extract brine from the paleochannel and sandstone aquifer resources located between 10 metres and 140 metres below ground level. Actual flow rates achieved from commissioning and test pumping matched modelling for the bore field within each of the extraction areas, summarised as follows:

**Table: Annual average flow rates and grade for production bores from each extraction area**

Source	Annual Average Flow (L/s)		Potassium Grade (mg/L)	
	Modelled	Actual	Modelled	Actual
<b>Sunshine Bores</b>	49	56	7,765	6,812
<b>Ten Mile Bores</b>	53	53	8,576	8,760

With all trenching work now complete, two trench pump stations are installed at each of the lakes to extract brine from the shallow brine resources contained within those lakes. These pumps have a combined flow rate in excess of the planned 100 litres per second, with average grades to date of 12,470 mg/L potassium against the mine plan of 8,970 mg/L potassium.



**Lake Sunshine Trench Pump Station**



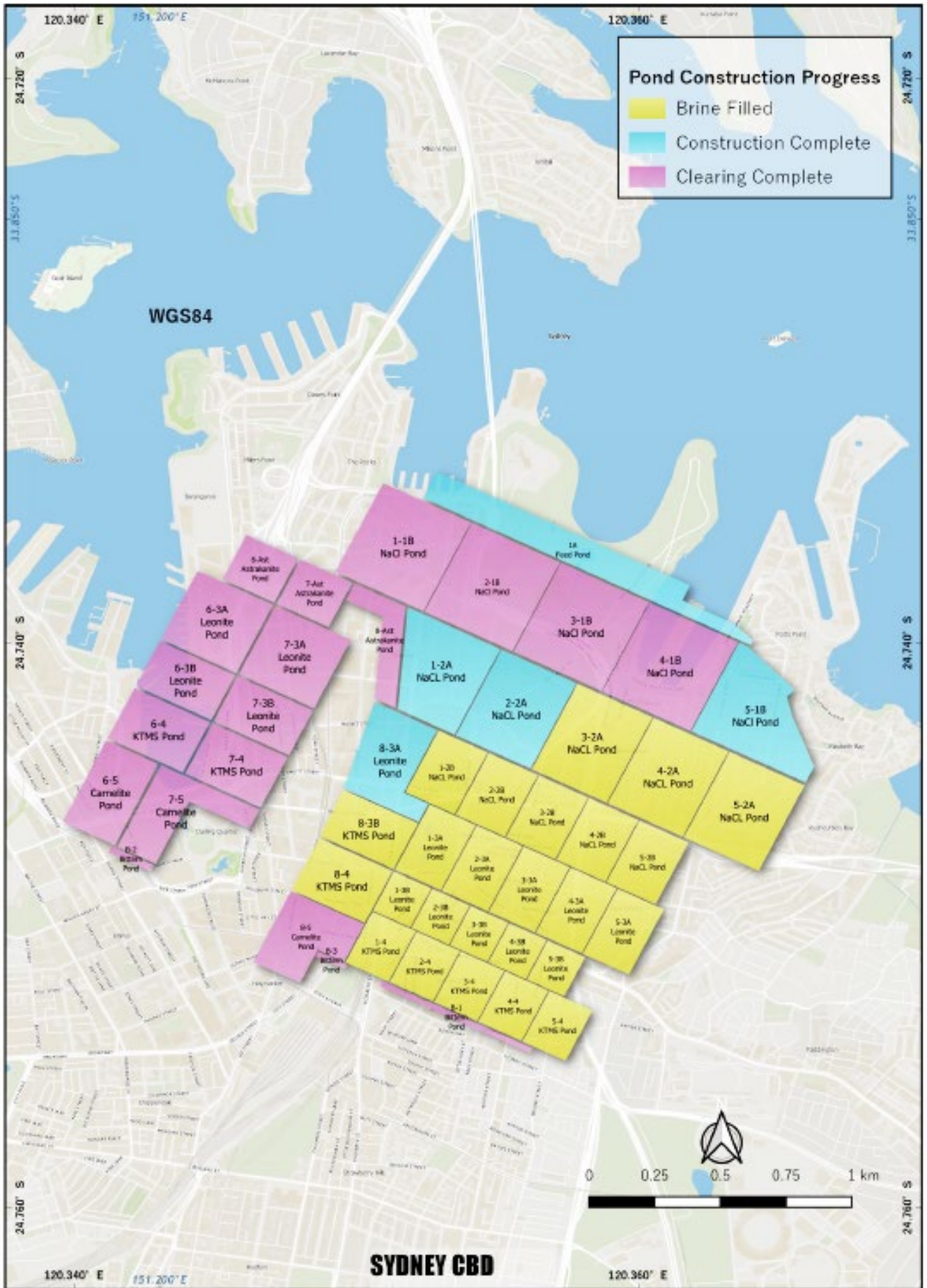


**15 kilometres of trenches complete at Lake Sunshine**

Evaporation pond construction is also progressing on schedule with 61% of all primary ponds now complete. Kalium Lakes has also mobilised three lining installation contractors, fast tracking liner installation to achieve the greatest benefit from the high evaporation rates during the upcoming summer period. With many of the primary ponds already in production, new ponds are added to the process as soon as liner installation for those ponds is completed.







Primary and recycle crystallisation ponds overlay on Sydney CBD map

# Beyondie Sulphate Of Potash Project

## Pioneering Australian SOP Production

- 100% owned **Beyondie Sulphate Of Potash Project (BSOPP)**
- Located 160km south east of Newman, in Western Australia
- 5.1Mt SOP Ore Reserve (1.65Mt Proven, 3.49Mt Probable)
- 31.42Mt SOP Drainable Mineral Resource (4.32Mt Measured, 13.19Mt Indicated, 13.91Mt Inferred)
- **Binding Offtake Agreement** with K+S, ~\$650M revenue over first 10 years
- **All Native Title Mining Agreements** in place
- **All EPA, EPBC, DMIRS, DWER construction approvals** in place
- **Phase 1 Start-up = 90ktpa SOP**; Phase 2 = 180ktpa SOP
- Low All In Sustaining **Operating Cost (AISC) ~US\$200 /t FOB**
- Low cost, high margin, long life operation: pre-tax Phase 1 NPV(8) of A\$364M and pre-tax Phase 2 NPV(8) of A\$603M
- **Low Cost Financing** - NAIF (\$74M), KfW (\$102M) with Euler Hermes German Government Guarantee
- \$15M Westpac working capital facility
- **First production now due early Q3-2021 with +30 years ore reserve**
- Overall Project is 63% complete as at the end of September 2020
- The BSOPP is subject to various specific and general risks as set out at Section 9 (pages 67-74) of the Prospectus published on 21 May 2020



### 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 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.

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disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

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

This announcement was approved and authorised for release by the Chief Executive Officer of Kalium Lakes Limited.

### Kalium Lakes Limited



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Mal Randall	Non-Executive Director
Dale Champion	Non-Executive Director
Mark Sawyer	Non-Executive Director
Brent Smoothy	Non-Executive Director



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