

**ASX Announcement
03 September 2018**

Kalia Limited is exploring for copper, gold and energy metals in the Mt Tore region on Bougainville Island and Australia

Directors

Chairman
Hon. David Johnston
Managing Director
Mr Terry Larkan
Technical Director
Mr Peter Batten
Non-Executive Director
Mr Sean O'Brien

Operations

CFO & Company Secretary
Mr Phillip Hartog

Issued Capital

Ordinary Shares
2,514,347,391
Unlisted Options
144,500,000
Adviser Options
250,000,000
Performance Shares
750,000,000

**Share Price – 31
August 2018**

\$0.007

ASX Code

KLH

Further Contact:

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West Perth WA 6872

Company Update

Kalia Limited (“Kalia” or “the Company”) provide the following update on activities following the release of the report for the quarter ended 30 June 2018.

Joint Venture

The joint venture between licence holders of Bougainville Exploration Licence 03/2017 and 04/2017 (“the Licences”), being Kalia Investment Limited, a 100% subsidiary the Company and holding a 75% interest in the Licences and Toremana Resources Limited, a company incorporated by the landowners in the region, was incorporated in Papua New Guinea.

The joint venture company is named Tore Joint Venture Limited and the shareholding reflects the 75:25 split in ownership of the Licences.

Community

Community engagement activity has resulted in the following areas being opened for on ground exploration activities:

Aita (Sirivia)	Access agreed
PetsPets 1 and 2	Access agreed
Kunai Hills	Access agreed
Sipai	Access agreed

There is ongoing work in the areas where authority to access is agreed in order to maintain and build on the good relationships. Work continues in the following areas to obtain authority to access them for exploration activities:

Melilup / Tsuir	Target Q3/2018 access
Rarie / Puspa	Target Q4/2018 access
Teovanie	Target Q4/2018 access
Keriaka	Target Q4/2018 access

Fig 1 has locations / areas marked.

Exploration

Geophysical Survey

The helicopter has mobilised to Bougainville and work on the geophysical survey has commenced.

Thomson Aviation will gather data from nearly 10,000 line kilometres over the Licences. The data will be submitted to Fathom Geophysics Australia Pty Ltd (“Fathom Geophysics”) who specialise in exploration under cover and is experienced in epithermal terranes.



Airborne Logistics helicopter with Thomson probe at Buka Airport

Weather permitting, the data collection will be completed in September 2018 and the geophysical analysis reports are expected by mid-October 2018.

Geochemistry exploration

Access to the Aita area has enabled the geologists to commence the collection of river float and rock chip samples.

At the end of August 119 samples have been collected from Aita field trips.

The results of the assay work from these samples will start to be received in mid-September 2018.

The September plan is to have expeditions to areas of interest at PetsPets, Kunai Hills, Melilup and a third expedition to Aita. Gaining access to the field has allowed the Tore Joint Venture to commence its growth and three Bougainvillean field geologists have been employed to have three teams in the field.

Access to multiple areas for exploration will mean that the Company will be able to provide regular updates on geological work with assay results.

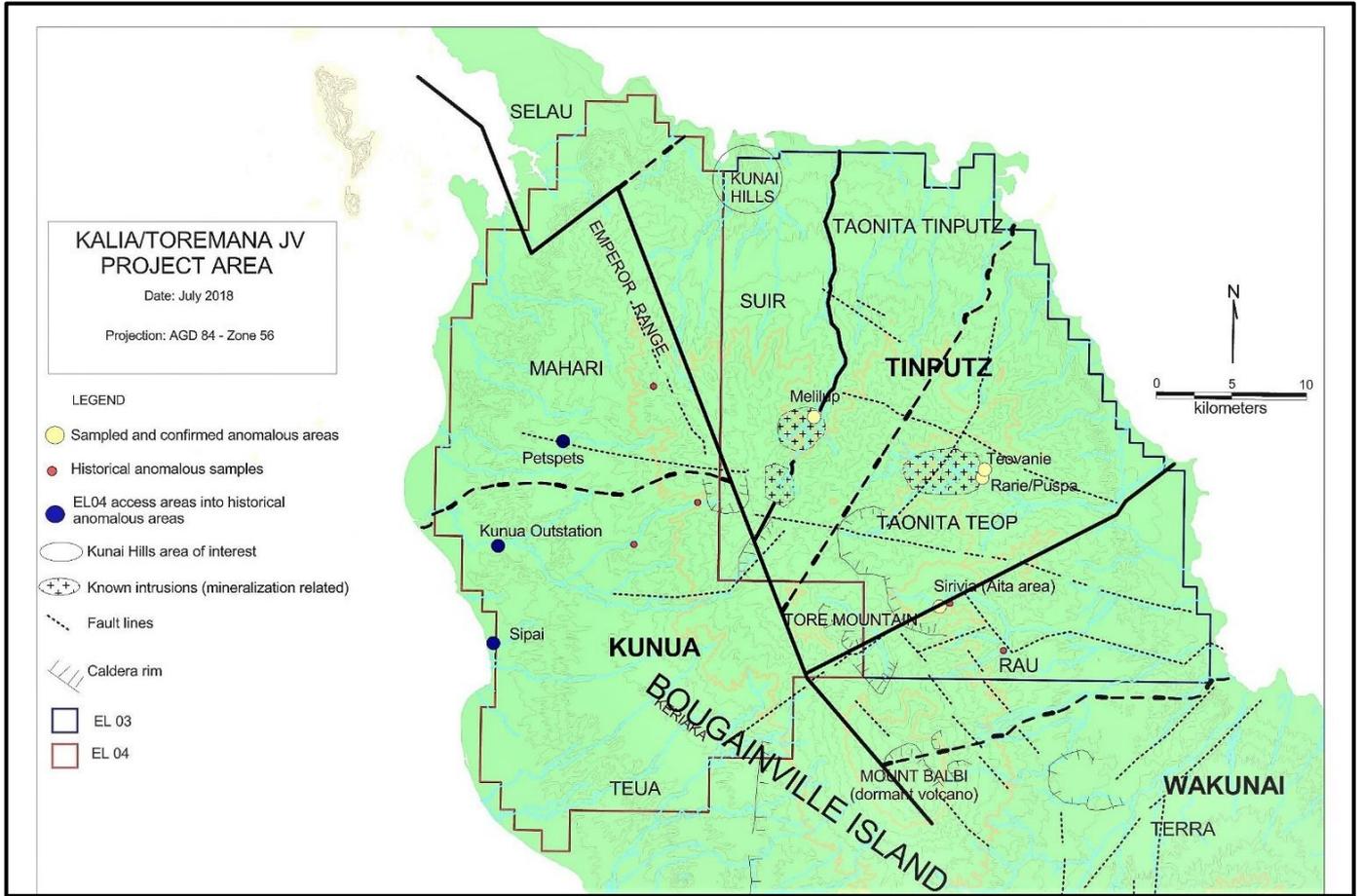


Fig 1: Orientation map of Bougainville Exploration Licences 03 (east) and 04 (west)