

FIRST COMMERCIAL SALES OF BEYONDIE SOP

Kalium Lakes Limited (ASX:KLL) (**Kalium Lakes** or the **Company**) is pleased to advise that it has commenced deliveries of Sulphate of Potash (**SOP**) from the Beyondie SOP Mine to local WA fertiliser manufacturer and distributor, CSBP Fertilisers (**CSBP**), as part of the inaugural sale under its offtake agreement with K+S Asia Pacific (**K+S**).

- First commercial sale of standard grade SOP completed through offtake partner, K+S.
- Product delivered locally to major WA fertiliser manufacturer and distributor, CSBP, to form part of its premium product offering to local farmers for the 2023 season.
- Kalium Lakes' SOP product specification exceeds contractual minimum grade requirements.
- SOP is expected to be delivered on a scheduled basis over the next month in accordance with the arrangement for the first sale under the offtake agreement.

Kalium Lakes, Australia's first producer of SOP through primary solar evaporation, advises that it has commenced delivery of standard grade SOP to leading local WA fertiliser producer and distributor, CSBP Fertilisers.



Loading of the first truck load of Beyondie SOP on Friday, 29 July 2022.

Product is expected to be despatched in regular weekly deliveries over the next month as part of the first sale made under the 10-year offtake agreement the Company executed with major potash producer and distributor, K+S, through its Asian subsidiary, K+S Asia Pacific Pte Ltd, in 2019.

Kalium Lakes' standard grade SOP is expected to find its way to local WA farmers for the 2023 season, reducing the reliance on imported SOP.

Kalium Lakes' Chief Executive Officer, Len Jubber, said:

"We are pleased to advise the loading of our first delivery of SOP from the Beyondie SOP Mine in accordance with previous advice to shareholders that commercial sales were targeted to commence in July 2022. This is an important milestone in the commissioning of the Beyondie SOP Mine as the sole Australian producer of SOP. It also heralds the start of the era of domestic SOP production in Australia, for distribution to the Australian and international agricultural markets."

"Kalium Lakes wishes to acknowledge the support of offtake partner, K+S, and its local WA buyer, CSBP, in being part of the inaugural delivery of the first Australian made SOP."

K+S Asia Pacific Managing Director, Dr Marcus Ross, said:

"People say the first steps are the hardest. But the commencement of deliveries by Kalium Lakes is a major leap towards the commercial supply of SOP into the agricultural sector. This is excellent news for farmers in Australia and other markets in south-east Asia."

CSBP Fertilisers General Manager, Mark Scatena, said:

"As the only WA producer of compound Nitrogen, Phosphorus and Potassium (NPK) products, CSBP Fertilisers (CSBP) is pleased to be receiving the first tranche of locally produced SOP, a key feedstock in the manufacture of CSBP's premium NPK compound fertiliser MacroPro Extra."

"While CSBP has long maintained strong and diverse global supply relationships, local SOP production has the potential to improve the security of supply for WA industry, enabling CSBP to continue the local manufacture of its premium fertiliser range tailored to WA conditions and the requirements of WA growers."

Marketing Update

Following the planned August plant shutdown, the targeted ramp-up of SOP production from Beyondie is expected to see increasing quantities of SOP being shipped to interstate and overseas markets.

In the coming months, Kalium Lakes will begin the fine tuning of the Koppern compaction plant that was partially commissioned in June. This is also expected to result in higher-priced granular SOP comprising an increasing proportion of the Company's sales.

Kalium Lakes has begun delivering into an SOP market that has seen prices double from their long-term average in the last 12 months. These price increases have largely been the result of economic and financial sanctions on Belarus and Russia, which together account for more than 35% of the global Muriate of Potash (MOP) market, with MOP being the primary input in the production of approximately half the world's SOP.

Furthermore, global SOP supply is also being curtailed by Chinese government export restrictions on a range of fertilisers which were introduced in October 2021. China's SOP exports for the January to June 2022 period fell by more than half compared to the same period a year earlier.



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*** ENDS ***

This announcement was approved and authorised for release by the Board of Kalium Lakes Limited.

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