

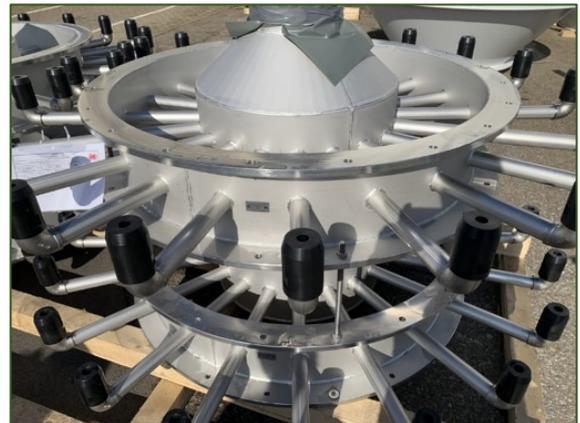
First Shipment of SOP Purification Plant Equipment

Highlights

- **The first shipment of German key-equipment supplied by Ebtec GbR, a Joint venture of German based K-UTECH AG Salt Technologies and Ebner GmbH & Co. KG, has commenced ahead of schedule.**
- **The current shipment includes flotation cells, agitators and cyclones. Conveyor packages, centrifuges, a fluid bed dryer and pumps will comprise the next shipment, planned for July 2020.**
- **Including the July shipment there are five additional shipments scheduled before the end of August with a total of 10 shipments to be completed during Q4 2020.**
- **The first delivery of other equipment has arrived at the Beyondie SOP Project ahead of schedule.**

Kalium Lakes Limited (Kalium Lakes) (ASX:KLL) is pleased to announce that German engineer and equipment supplier Ebtec GbR (Ebtec) has commenced the shipment of specialised equipment for the Beyondie Sulphate of Potash Project (BSOPP) purification plant. This is the first of a total of 10 planned shipments, with the last shipment planned to leave Germany by the end of October 2020.

The shipment includes flotation cells, agitators and cyclones and is expected to be delivered to site ahead of schedule. Five more shipments are planned to leave before the end of August and will include conveyor packages, centrifuges, pumps, cooling crystalliser package, feeder, hammer mill, tanks, piping and instrumentation. The remaining shipments will include thickeners, tanks, piping and instrumentation.



First Ebtec shipment includes the flotation cell components (above)

Kalium Lakes' Managing Director, Brett Hazelden, commented: "There are only a handful of similar brine based SOP mines operating across the world and as a result access to specific equipment design, supply, construction and the necessary operating expertise is limited. Through the partnership with our German engineering and equipment supply consortium Ebtec, which has completed similar services for a successful SOP plant in Austria, Kalium Lakes is uniquely positioned in the Australian SOP development space.

"There is strong confidence in the design given the performance guarantees Ebtec has provided for SOP quality and production throughput. As we have come to expect working with the efficient team at Ebtec, this equipment has been manufactured on time and all aspects of the planned delivery are ahead of schedule," he said.

Dr Markus Pfänder, Ebtec's executive representative commented: "We are glad that despite of the Corona crisis we could manage to deliver ahead of schedule. The equipment that is currently being sent to Australia is based on decades of experience, extensive testing and a proven supply chain. This combination gave us sufficient confidence to provide respective performance guarantees and thereby ensure the success for the Beyondie SOP Project."



Additional Ebtec equipment, scrubber (left) and centrifuges (right), awaiting shipment from Germany

Kalium Lakes can also report that other non-Ebtec supplied equipment has commenced delivery, also ahead of schedule, with the boiler package recently received at the Beyondie SOP Project processing plant construction site and the chillers and cooling towers currently stored in Perth awaiting transfer to the site.



First (non Ebtec) equipment delivery arrives at the Beyondie SOP Project construction site

The Companies



The consortium Ebtec GbR (Ebtec) is an arrangement between K-UTEK AG Salt Technologies(K-UTEK) and Ebner GmbH (Ebner) to provide Engineering, Procurement and Supervision (EPS) services for the BSOPP. Both parties have worked together recently to provide similar services for a SOP plant in Austria that has been successfully running for a number of years. Ebtec will supply the process plant and provide equipment installation supervision, followed by the commissioning of the plant. Ebtec's contract includes performance guarantees to ensure the quality of SOP production is in line with the requirements of the K+S Offtake Agreement.



K-UTEK AG Salt Technologies is a German technology and engineering company with almost 70 years of experience in mineral, salt and brine processing and has completed the PFS, BFS and FEED, as well as developing the process design and engineering for the BSOPP. For more information click this link: <https://www.k-utec.de/en>.



Ebner GmbH & Co. KG is a German equipment manufacturer and plant engineering company who specialises in fabrication, procurement and construction of brine processing plants and equipment. For more information click this link: <https://ebner-co.de/en/about-us/the-company>

*** ENDS ***

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

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)
- 19.6Mt SOP Drainable Mineral Resource (1.72Mt Measured, 9.17Mt Indicated, 8.75Mt 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 43.5% complete as at end of May 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



Compliance Statement

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

- 17 September 2018: Bankable Feasibility Study Completed With Exceptional Financial Outcomes
- 4 March 2019: Lower Operating Cost and Increased Production For BSOPP (Front-End Engineering and Design (FEED) works)
- 19 November 2019: 10 Mile West Delivers Highest Grades Recorded
- 17 December 2019: Extensive Increase in Aquifer Thickness at Lake Sunshine
- 29 January 2020: Beyondie (Stage 2) Consistent High Grade Results Comparison
- 4 February: 2020 High Potassium Grades Continue at 10 Mile West
- 21 May 2020: Prospectus

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

Kalium Lakes confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Ore Reserve Estimates, Exploration Targets or Production Targets, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Competent Person Statement

The information in this ASX announcement and the accompanying Report that relates to Exploration Targets, Exploration Results, Mineral Resources and Mineral Reserves is based on information compiled by Thomas Schicht, a Competent Person who is a Member of a 'Recognised Professional Organisation' (RPO), the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1077) and Anke Schindler, a Competent Person who is a Member of a RPO, the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1152). Thomas Schicht and Anke Schindler are full-term employees of K-UTEC AG Salt Technologies (K-UTEC).

K-UTEC, Thomas Schicht and Anke Schindler 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 Schindler will receive no other benefit for the preparation of the Report. Thomas Schicht and Anke Schindler 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 Schindler 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 Schindler consent to the inclusion in the Report of the matters based on their information in the form and context in which it appears.

Cautionary Statement Regarding Forward-Looking Information

Statements regarding plans with respect to the Company's mineral properties may contain forward looking statements. Statements in relation to future matters can only be made where the Company has a reasonable basis for making those statements. This announcement has been prepared in compliance with the current JORC Code 2012 Edition and the current ASX Listing Rules. The Company believes it has a reasonable basis for making the forward-looking statements, including any production targets, based on the information contained in the announcement and in particular the JORC 2012 and NI 43-101 Technical Report - Bankable Feasibility Study.

All statements, trend analysis and other information contained in this document relative to markets for Kalium Lakes, trends in resources, recoveries, production and anticipated expense levels, as well as other statements about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Kalium Lakes does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. Investors should not place undue reliance on forward-looking statement.

*** ENDS *** *This announcement was approved and authorised for release by the Managing Director of Kalium Lakes Limited.*

Kalium Lakes Limited



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ASX: KLL



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Mal Randall
Brett Hazelden
Stephen Dennis
Dale Champion
Mark Sawyer
Brent Smoothy

Non-Executive Chairman
Managing Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
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Company Secretary: Gareth Widger