

BEYONDIE SOP PROJECT

Developing Australia's First Sulphate of Potash Operation



INVESTOR PRESENTATION
5 AUGUST 2019

KALIUM
LAKES



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Not an Offer of Securities

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Compliance Statement

The information in this document 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" dated 17 September 2018 (Report) and ASX announcement titled "Lower Operating Cos and Increased Production for BSOPP" dated 4 March 2019 (Announcement), that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves 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 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 Report and 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 Report and Announcement. Thomas Schicht and Anke Penndorf are full-term 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 this document of the matters based on their information in the form and context in which it appears.



No current
production
in Australia

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
- ✓ A\$72m Equity Raise Completed
- ✓ Approvals and Native Title
- ✓ All Mining Tenure Granted
- ✓ Early Works Construction Underway
- ✓ Low Cost, High Margin, Long Life

1. Subject to execution of final binding documentation



PROFORMA CAPITAL STRUCTURE AND SHARE PRICE



Capital Structure	Current
Cash Balance (at 2 September 2019)	A\$71.6M
Shares on Issue	384M
Share Price (at 2 September 2019)	A\$0.495
Market Capitalisation (at 2 September 2019)	A\$190M
Performance Rights	15.0M
Options	10.7M

Shareholders	Percentage
Greenstone Resources	20.5%
Smoothy	16.2%
Institutions	13.5%
Agricultural Investors	10.8%
Directors & Management	5.3%
Other Investors	33.7%

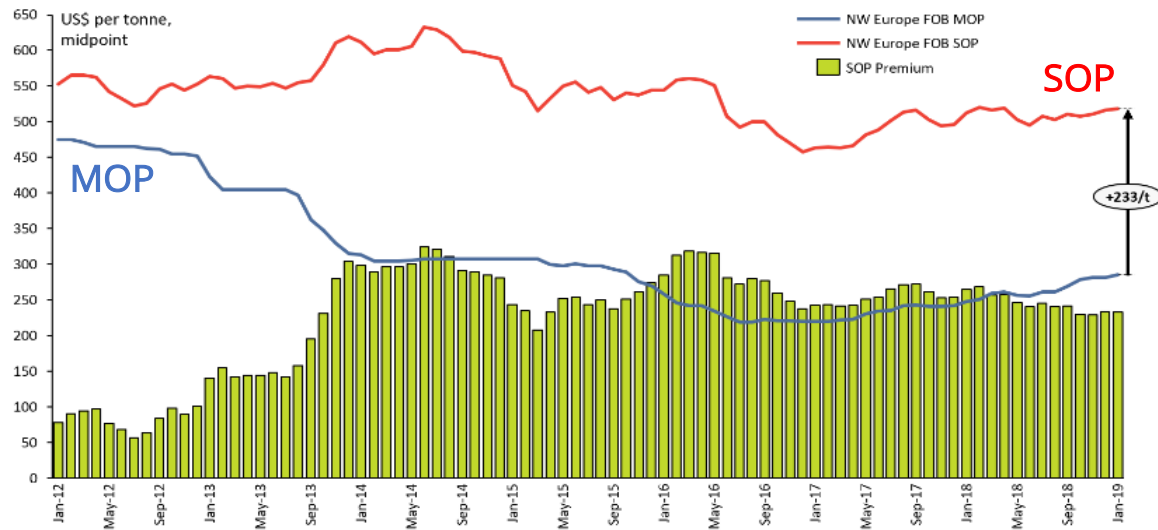
Research Coverage





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



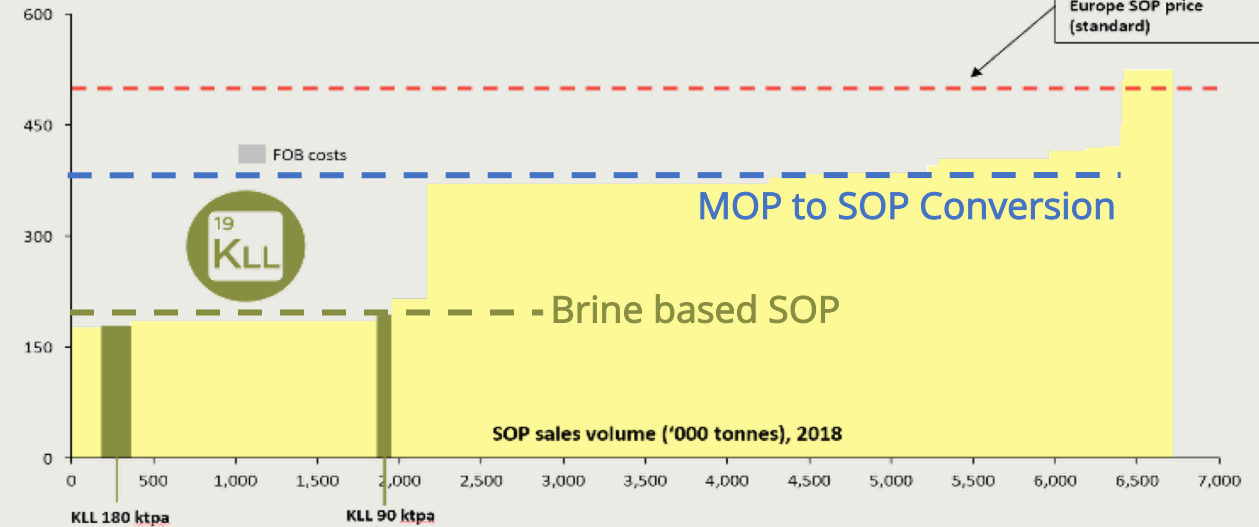
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Source: Integer, Argus Media

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

US\$/tonne (FOB, 2018)



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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



OFFTAKE, PRODUCT SPECS AND TIMING



- Binding Offtake Agreement executed with German fertiliser producer and distributor **K+S**
- 10 year term, 100% of Start-up Volume
- K+S currently supplies over 50% of the Australian and New Zealand SOP markets
- Demand = Australia ~75ktpa SOP, NZ ~20ktpa SOP
- 3 Product types (all products align with K+S Specs)
 - ✓ Standard +51% K_2O <1% Cl
→ 25-35ktpa from Q4 2020
 - ✓ Granular +51% K_2O <1% Cl
→ 50-60ktpa from Q1 2021
 - ✓ Soluble +52% K_2O <0.5% Cl
→ 10-20ktpa expected in 2022

1. Refer to Kalium Lakes Concludes Historic Binding Offtake agreement with global potash Producer K+S ASX Announcement dated 26 March 2019 https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_03_26_KLL_1553549280.pdf



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



Purification Processing
Using established German SOP technology



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



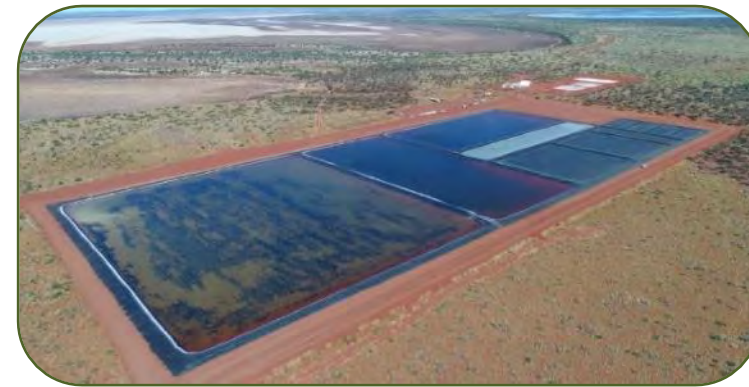
Agriculture Production
Australian and Asian Markets



AUSTRALIA'S LARGEST SCALE PILOT PROGRAM

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

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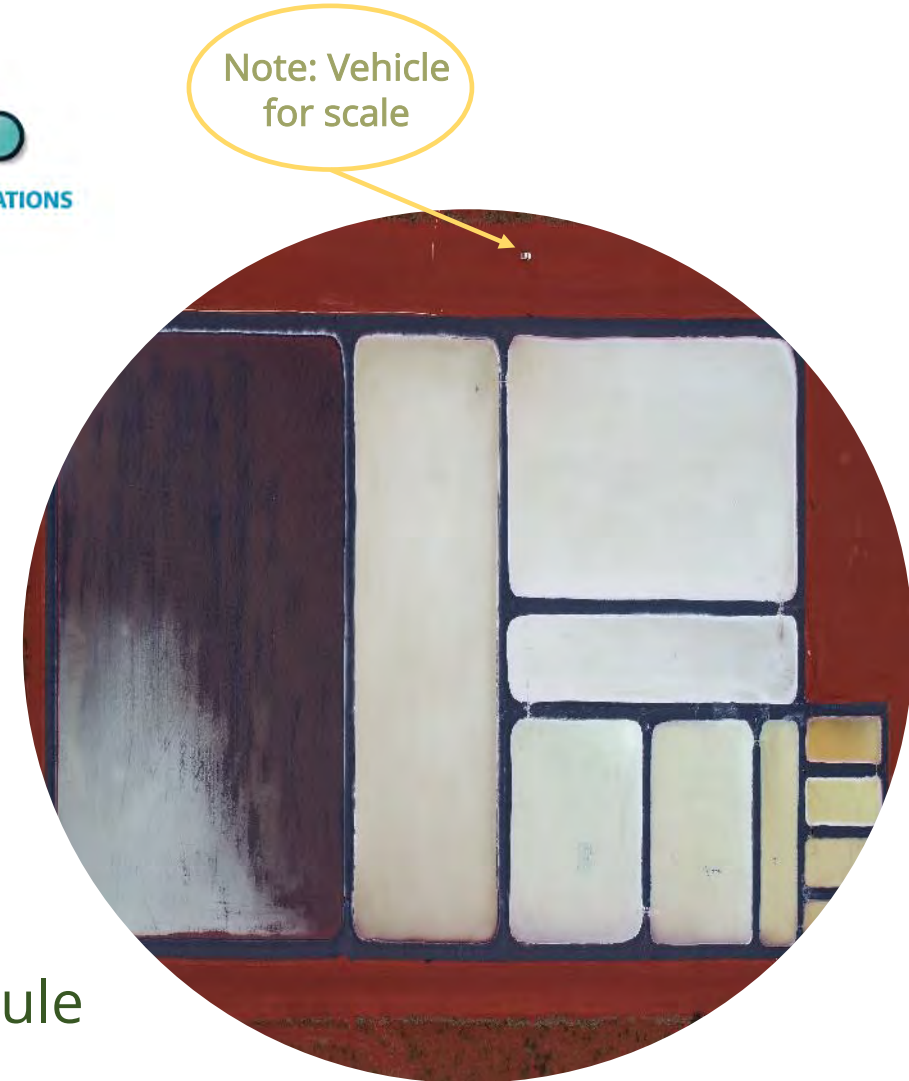




COMPREHENSIVE STUDY & DEVELOPMENT PROCESS



- No skipped study or development steps
- Full Pilot Scale Validation
- Over \$33M spent on studies and pilot trials
- Bank Due Diligence Investigations Completed
- The completed investigations have resulted in:¹
 - ✓ Performance Guarantees
 - ✓ Liquidated Damages for Performance and Schedule
 - ✓ Incentives for exceeding nameplate design





BSOPP BFS AND FEED HIGHLIGHTS

- Ore Reserves 5.1Mt SOP Reserve
19.6Mt SOP Drainable Brine Resource
- 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)
- 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%, Average EBITDA¹ of
A\$126Mpa, EBITDA margin of 61%







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

\$ CREDIT APPROVED FUNDING & EQUITY SECURED

Source of Funds	A\$M
Cash on Hand 30 June 2019 ¹	15.4
Recent Completed Equity ²	72
 Facilities ³	74
 Part A Facility ⁴	51
 Part B Facility	51
 Covered ⁴	
Total Funding Available	263.4

- ✓ Long Tenor 10-15 year loan life
- ✓ Low Cost <5% Average Interest Rate

To minimise the impacts of cost over runs, and extended ramp up timeframes KLL has put in place:

- ✓ a debt service reserve account (DSRA) and minimum cash balance of \$11M
- ✓ plus a cost overrun facility of \$10M
- ✓ over and above the \$29M contingency allowance

1. Unaudited 30 June 2019
2. Refer to ASX Announcements dated 26 July 2019 https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_07_26_KLL_1564099080.pdf and 19 August 2019 https://www.kaliumlakes.com.au/site/wp-content/uploads/austocks/kll/2019_08_19_KLL_1566202440.pdf
3. 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
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



PURIFICATION PLANT PROGRESSING ON PLAN AND BUDGET



- Purification Plant Layout Fixed
- Long Lead Items Progressively Being Ordered
- Key Purification Plant Supply and Construction Contracts Awarded



- 50% of OPEX Contracts awarded and on budget – gas supply, gas transport, haulage & ship





EARLY WORKS CONSTRUCTION UNDERWAY



MRWA Intersection Installed



Access Road Upgrades Complete



Communications Installed



New Accommodation Village Advanced



EARLY WORKS CONSTRUCTION UNDERWAY



Brine and Fresh Water Bores Installation Advanced



Bore Equipment Orders Placed



RFDS Airstrip Available for Use



Pipeline Installation Progressing



FIRST 150HA OF EVAPORATION PONDS UNDER CONSTRUCTION



Initial Pond Earthworks Complete Ready for Liner



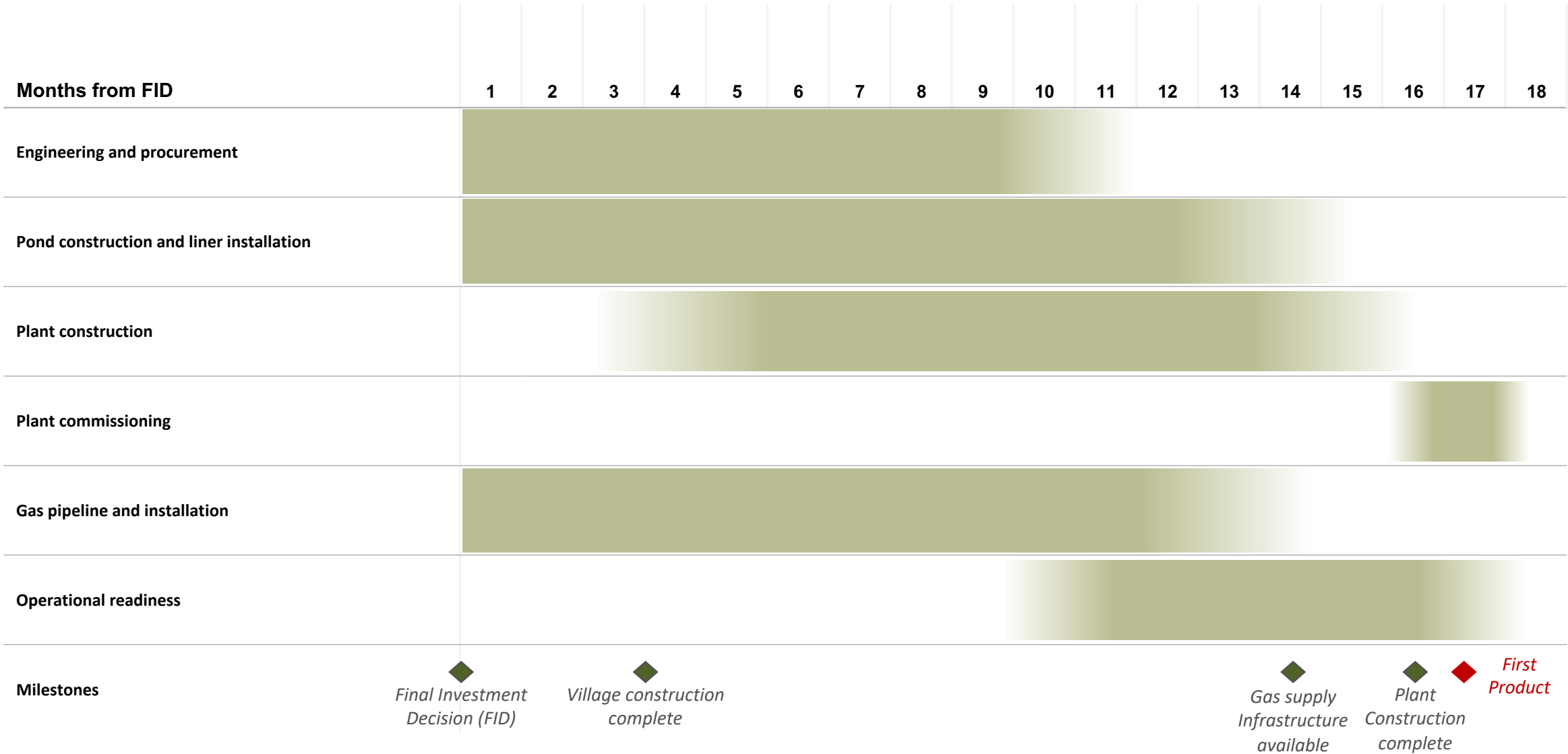
Liner Delivered to Site



Cut and Fill Earthworks



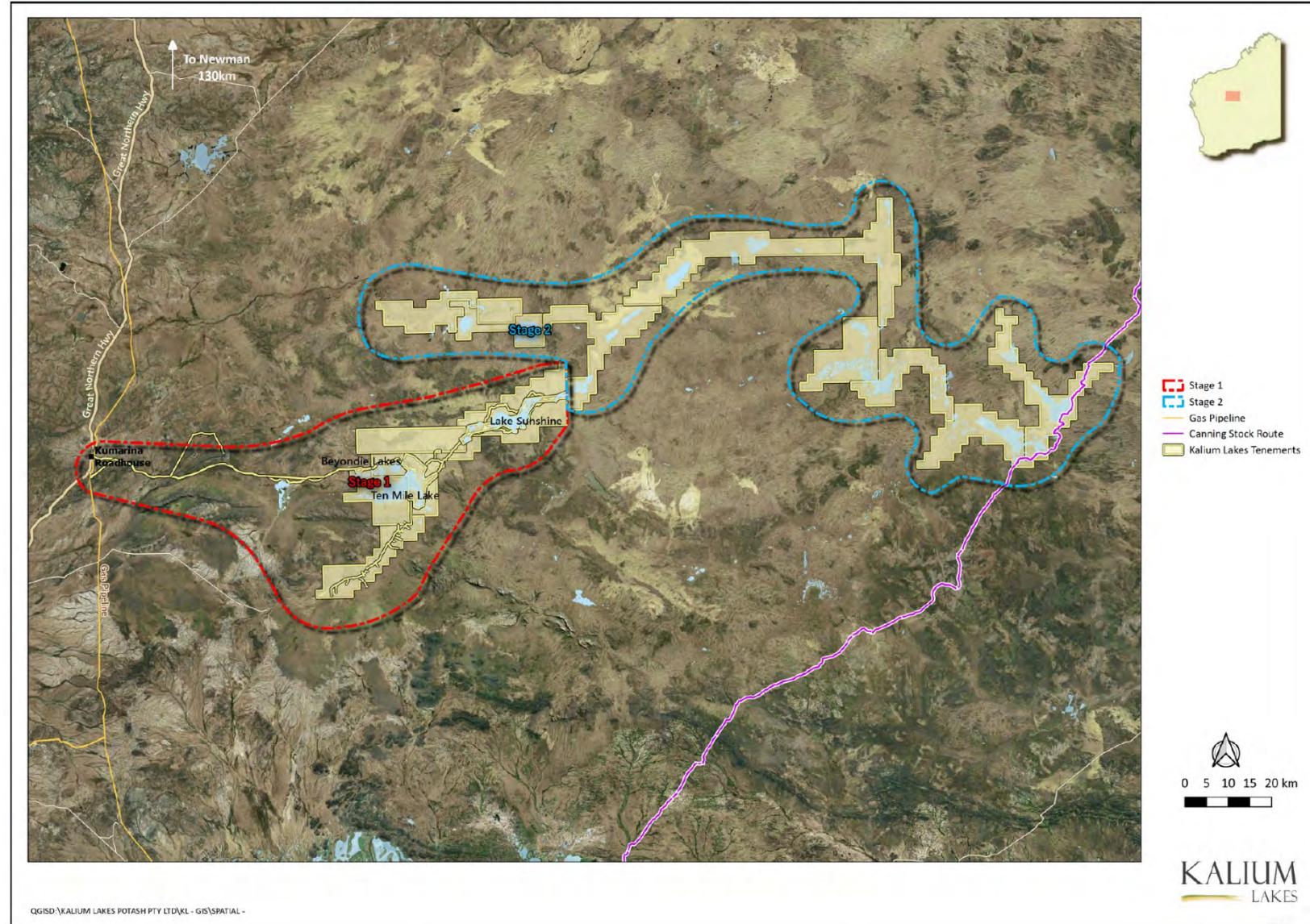
INDICATIVE TIMELINE TO FIRST PRODUCTION





STAGE 2 HAS SIGNIFICANT GROWTH POTENTIAL

- 5.1Mt SOP Ore Reserve includes Stage 1 only
- Stage 1 is 35km in length and includes *two lakes*
- Current 19.6Mt SOP Resource includes Stage 1 and Stage 2
- Stage 2 is 180km in length and includes *twelve lakes*
- Similar High grades also found in Stage 2 lakes
- Total paleochannel is equivalent of driving from Perth to Busselton





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.



ADDITIONAL INFORMATION





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.