

# BEYONDIE POTASH PROJECT

Working to Become Australia's First Sulphate of Potash Producer

## Investor Presentation – Equity Raising

21 November 2017



# Equity Raising Overview

<b>Offer Structure and Size</b>	<ul style="list-style-type: none"> <li>• Institutional Placement of up to 33.8 million new shares to raise up to approximately A\$14.2 million (“Placement”)</li> <li>• New shares will rank equally with existing fully paid ordinary Kalium Lakes shares</li> </ul>
<b>Offer Price</b>	<ul style="list-style-type: none"> <li>• Offer price of A\$0.42 per new share, which at the last closing price of 21 November 2017 represents a:             <ul style="list-style-type: none"> <li>— 13.4% discount to last closing price of A\$0.485</li> <li>— 11.6% discount to the 10 trading day VWAP of A\$0.475</li> </ul> </li> </ul>
<b>Major Shareholder Participation</b>	<ul style="list-style-type: none"> <li>• Brent Smoothy, Kalium Lakes’ largest shareholder with 39% of the Company’s issued shares has committed to bid into the bookbuild for \$2.0m of the Placement, demonstrating his continued support for the company. The issue of shares to Brent Smoothy (or any of his controlled entities) will be subject to any scaleback is conditional upon obtaining shareholder approval at an Extraordinary General Meeting to be held no later than 30 January 2018.</li> </ul>
<b>Share Purchase Plan (SPP)</b>	<ul style="list-style-type: none"> <li>• Eligible Kalium Lakes shareholders with a registered address in Australia or New Zealand as at the record date will have the opportunity to apply for up to A\$15,000 of new Kalium Lakes shares via a non-underwritten SPP</li> <li>• Amount to be raised through the SPP will be subject to an overall cap of A\$2.0 million</li> <li>• SPP shares will be issued at the Placement Price of \$0.42</li> <li>• New shares issued under the SPP will rank equally with existing fully paid ordinary Kalium Lakes shares</li> <li>• Further details of the SPP will be provided in the SPP offer booklet to be released on or around 30 November 2017</li> </ul>
<b>Use of Proceeds</b>	<ul style="list-style-type: none"> <li>• Proceeds from the Placement and SPP will be used to fund the completion of the Bankable Feasibility Study (“BFS”), commence early site preparation works and to provide working capital for the Beyondie Sulphate of Potash Project, including;             <ul style="list-style-type: none"> <li>— Pilot Processing,</li> <li>— Detailed Engineering to complete BFS,</li> <li>— Resource &amp; Reserve definition and test pumping,</li> <li>— Site Works and labour, and</li> <li>— Working Capital</li> </ul> </li> </ul>
<b>Syndicate</b>	<ul style="list-style-type: none"> <li>• Macquarie Capital (Australia) Limited and BurnVair Corporate Finance Limited are Joint Lead Managers of the Placement</li> <li>• The Offer is non-underwritten</li> </ul>

# Placement & SPP Timetable

Key Event	Date
Kalium Lakes shares in trading halt and Placement bookbuild opens	Tuesday, 21 November 2017 (After market close)
Placement Bookbuild closes	6pm AEDT, Wednesday, 22 November 2017
SPP Record Date	Monday, 20 November 2017
Announcement of completion of Placement, Kalium Lakes shares re-commence trading on ASX	10am AEDT, Friday, 24 November 2017
Settlement of shares issued under the Placement	Tuesday, 28 November 2017
Issue and normal settlement trading of shares issued under the Placement commences	Wednesday, 29 November 2017
SPP Offer opens	Thursday, 30 November 2017
SPP booklet despatched to eligible shareholders	Thursday, 30 November 2017
SPP Offer closes	Thursday, 14 December 2017
Issue of SPP Shares	Tuesday, 19 December 2017
SPP shares allotted under SPP commence trading on ASX	Wednesday, 20 December 2017
EGM Date	No later than 30 January 2018

*The above timetable is indicative only and subject to change. All SPP dates are the responsibility of KLL and KLL reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws.*

# Sources and Uses of Funds

***Successful completion of Equity raising will see Kalium Lakes fully funded to complete the BFS, commence early site works and provide working capital for the Beyondie Project***

Sources		Uses	
Cash balance as at 21 November 2017	A\$3.6m	Beyondie Potash Project Development:	
Placement	A\$14.2m	— Pilot Processing	A\$1.0m
		— Detailed engineering to complete BFS	A\$5.0m
		— Resource & Reserve definition and test pumping	A\$1.3m
		— Site Works and labour	A\$4.6m
		— Working capital	A\$5.9m
<b>Total Sources</b>	<b>A\$17.8m</b>	<b>Total Uses</b>	<b>A\$17.8m</b>

*Table above includes the Placement to Brent Smoothy but excludes the SPP which may raise up to a further A\$2 million*

# Proforma Capital Structure

## Capital Structure Post Placement & SPP

	Current	Proforma post placement <sup>1</sup>
<b>Cash as at 21 November 2017</b>	\$3.6m	\$19.8m
<b>Shares on Issue</b>	135.0m	173.5m
<b>Market Cap</b>	\$65.5m	\$84.2m
<b>Performance Rights</b>	20.0m	20.0m
<b>Management Options</b>	7.5m	7.5m
<b>Advisor Options</b>	1.8m	2.6m <sup>2</sup>

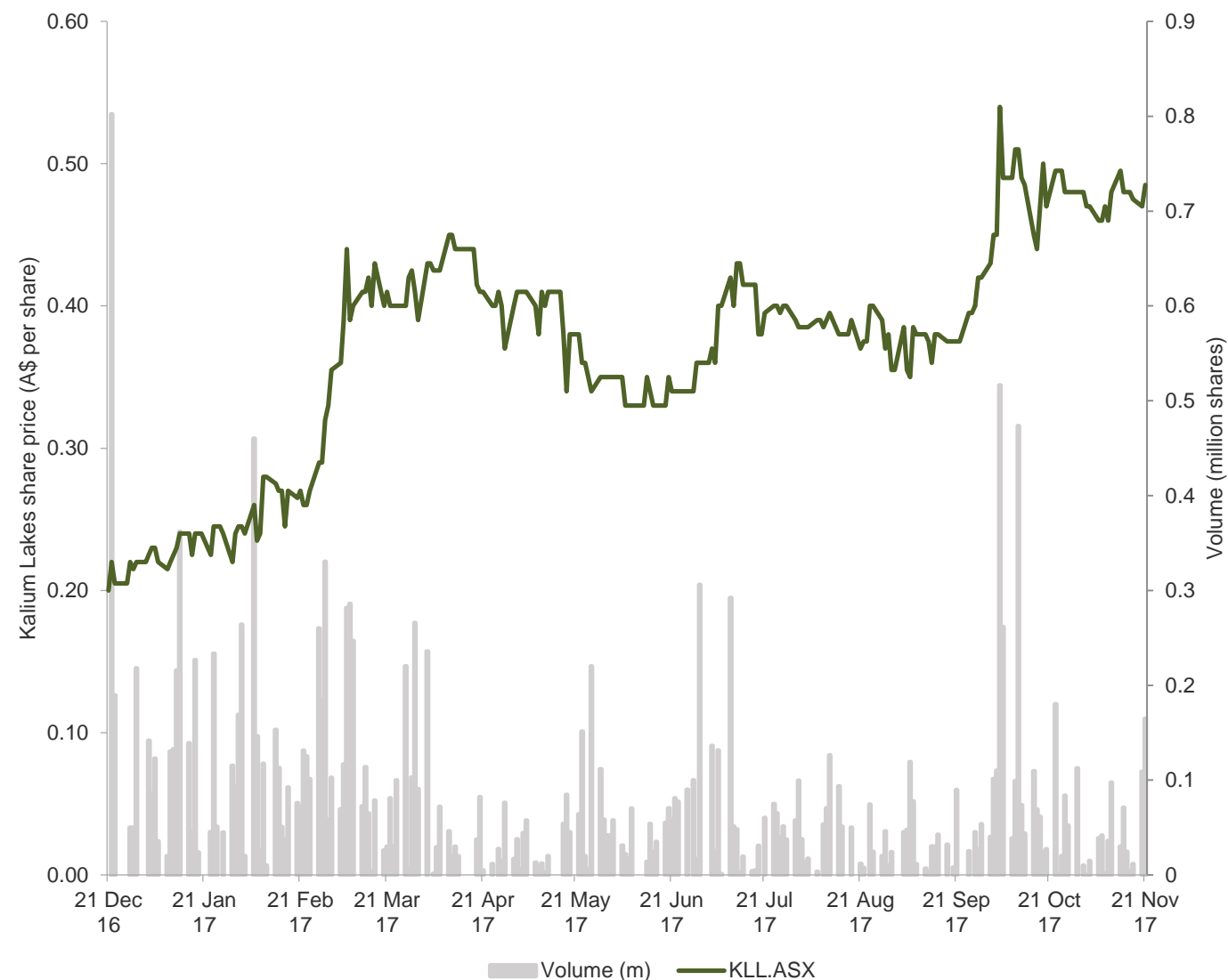
## Major Shareholders

<b>Agricultural Investors</b>	51%
<b>Directors &amp; Management</b>	14%
<b>Other Investors</b>	35%

- The Performance Rights are divided into three tranches, vesting on reaching the following milestones: completion of a DFS, securing project finance, and achieving commercial production of SOP
- Each Management Option has an exercise price of 25 cents per share, and an expiry of three years from its issue date
- A 1.9% royalty on SOP production is payable to the founders

(1) – Assuming successful completion of A\$14m Placement and SPP reaching cap of A\$2m

(2) – Includes options issued to Joint Lead Managers comprising 2.5% of the total number of shares issued under the Placement, at an exercise price of 25% above the share price of the Offer. The issue of these options is subject to shareholder approval



## Why Kalium Lakes?

Premium SOP Market

PFS and Reserve Complete

Low Cost, Long Life, High Margin Project

Potential Magnesium By-Products - EcoMag

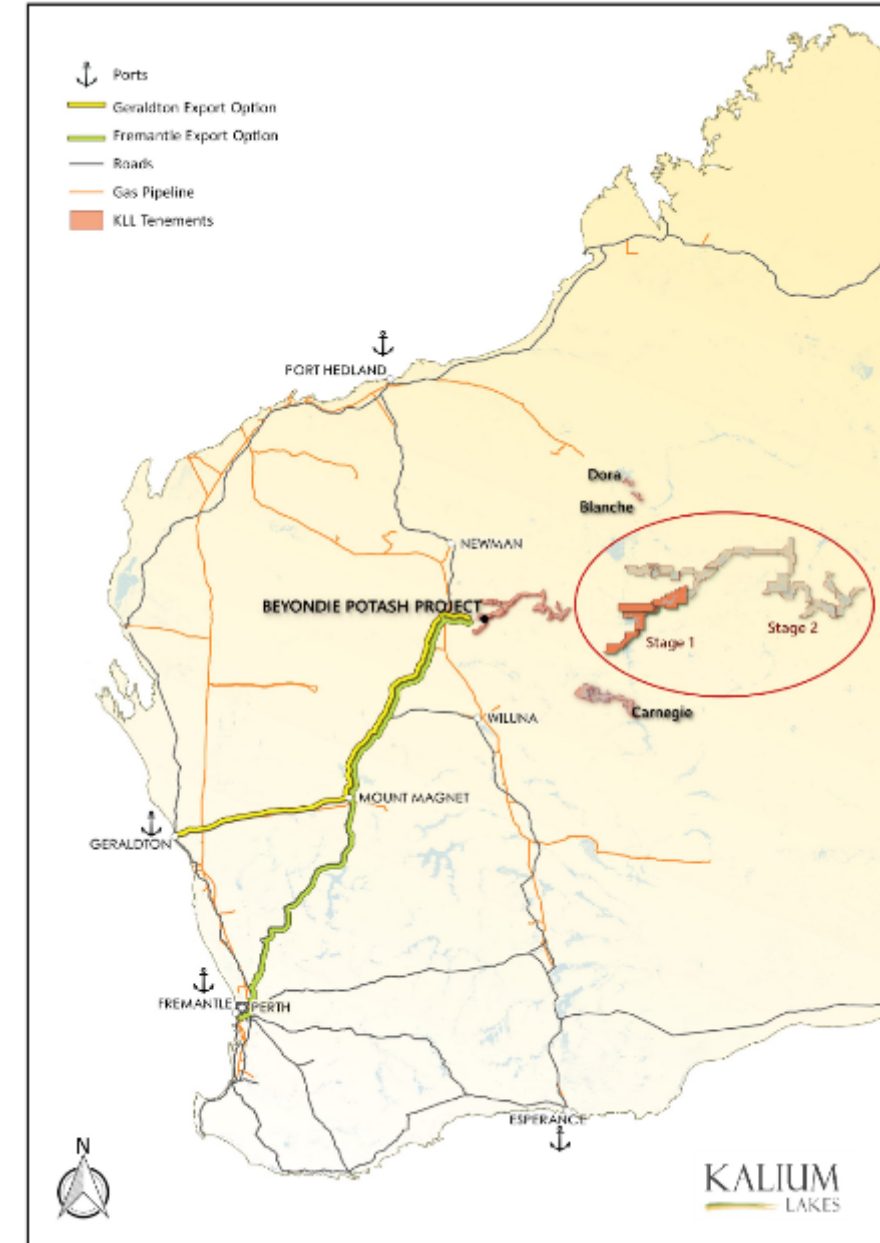
Carnegie Joint Venture - BC Iron

- ✓ Potassium Sulphate (SOP) is a Premium Fertiliser
- ✓ Supply Does Not Meet Demand
- ✓ No Current Production in Australia
- ✓ Leveraged to 'Feeding the World' Thematic
- ✓ Potassium is One of Three Essential Plant Nutrients
- ✓ Global SOP Market is ~6Mtpa, Worth ~US\$3-4Bpa
- ✓ Current SOP Retail Price in Australia is +A\$950/t
- ✓ Existing Brine Producers' Cost of Production ~US\$200/t



# PFS Financial Highlights

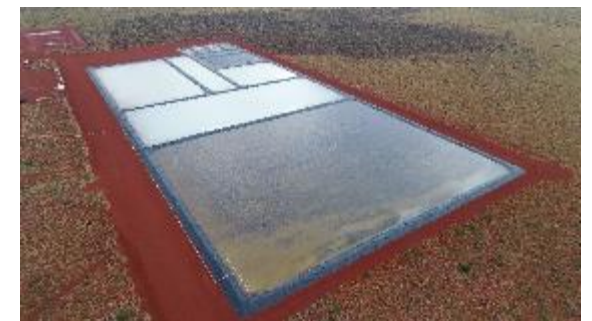
- ✓ 150ktpa SOP Base Case, with the option to phase the project by ramping up from 75 to 150ktpa SOP
- ✓ Pre-production Capital Cost of A\$124M or A\$220M
- ✓ Low LOM Operating Cost A\$244-253/t FOB
- ✓ Base case pre-tax NPV<sub>10</sub> of A\$388M, IRR of 28.7%
- ✓ High EBITDA Margin of 62%, EBITDA of A\$83Mpa
- ✓ >20year Life of Mine
- ✓ More than +\$1B Life of Mine (LOM) free cash flow
- ✓ Significant potential upside – extended mine life, increased production, magnesium by-products





# Beyondie SOP Project Highlights

- ✓ Australia's Highest Grade Brine Deposit
- ✓ Lowest Impurity Levels = Lowest Waste Salt Production
- ✓ 2.66Mt SOP Reserve & 18Mt SOP Drainable Resource (196Mt SOP Total Brine Volume Estimate)
- ✓ Cut off grade of 3,500 mg/l K (7,800 mg/l SOP)
- ✓ Smallest Comparable Environmental Footprint
- ✓ Closest Australian Brine Project to Existing Port, Road and Gas Pipeline Infrastructure
- ✓ Non-Binding Offtake MOUs signed
- ✓ Native Title Mining Agreement Signed, 2nd in Progress
- ✓ Pilot Scale Evaporation Ponds Underway



# Simple SOP Production Process



**Brine Pumping from Bores and Trenches**  
>120 Million litres successfully pumped to date



**Brine Solar Evaporation**  
Located in high evaporation region



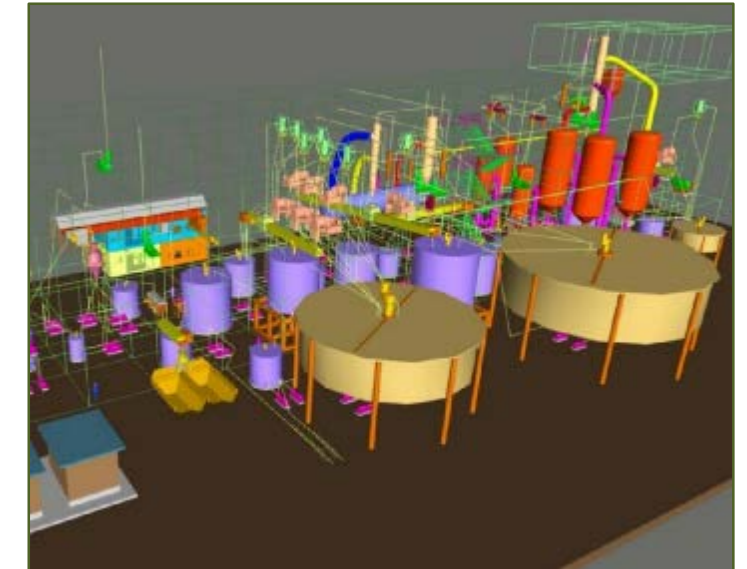
**Salt Harvesting**  
Low cost well proven process in Western Australia



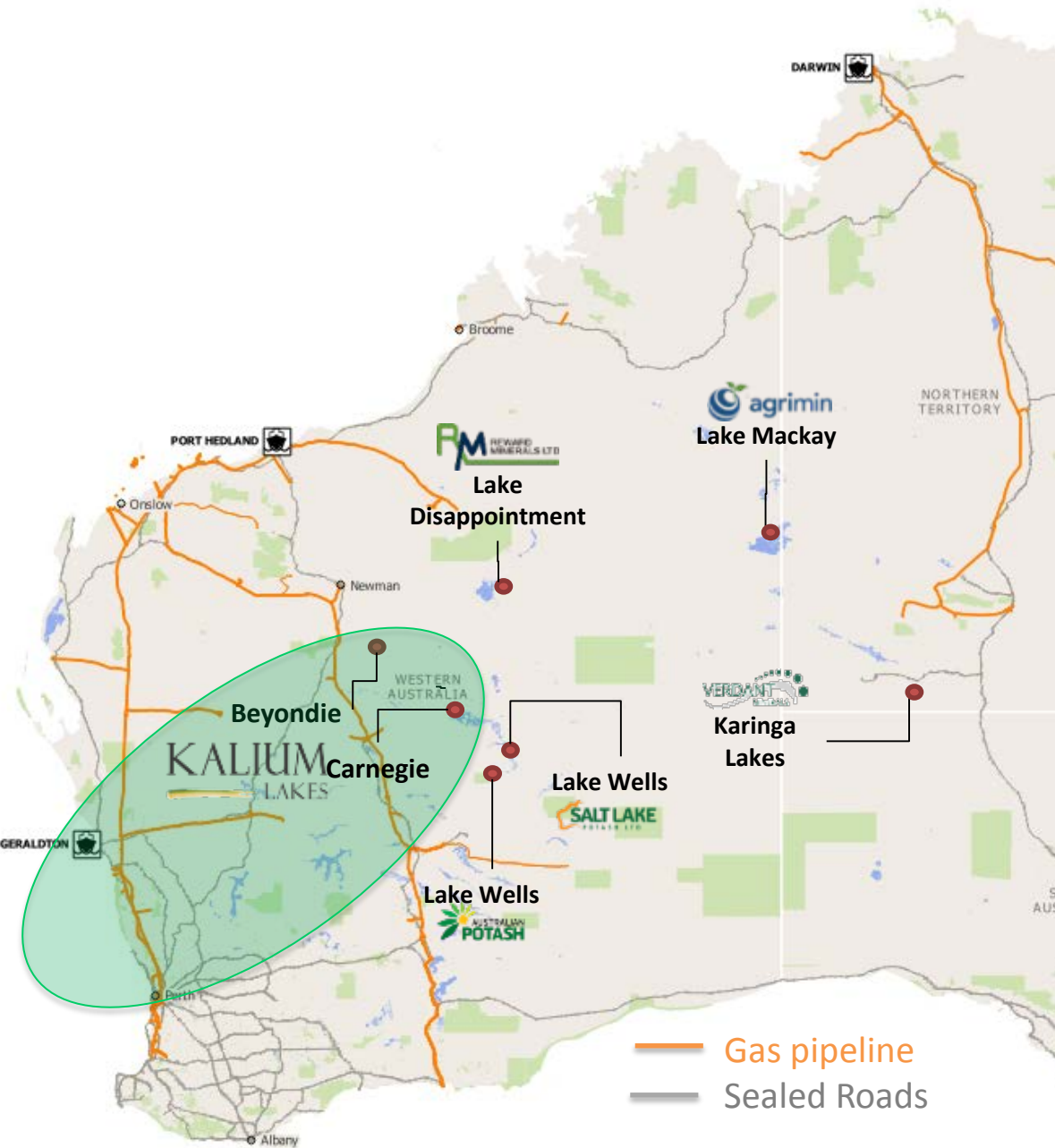
**Agriculture Production**  
Australian and Asian Markets



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



**Purification Processing**  
Using established German SOP technology

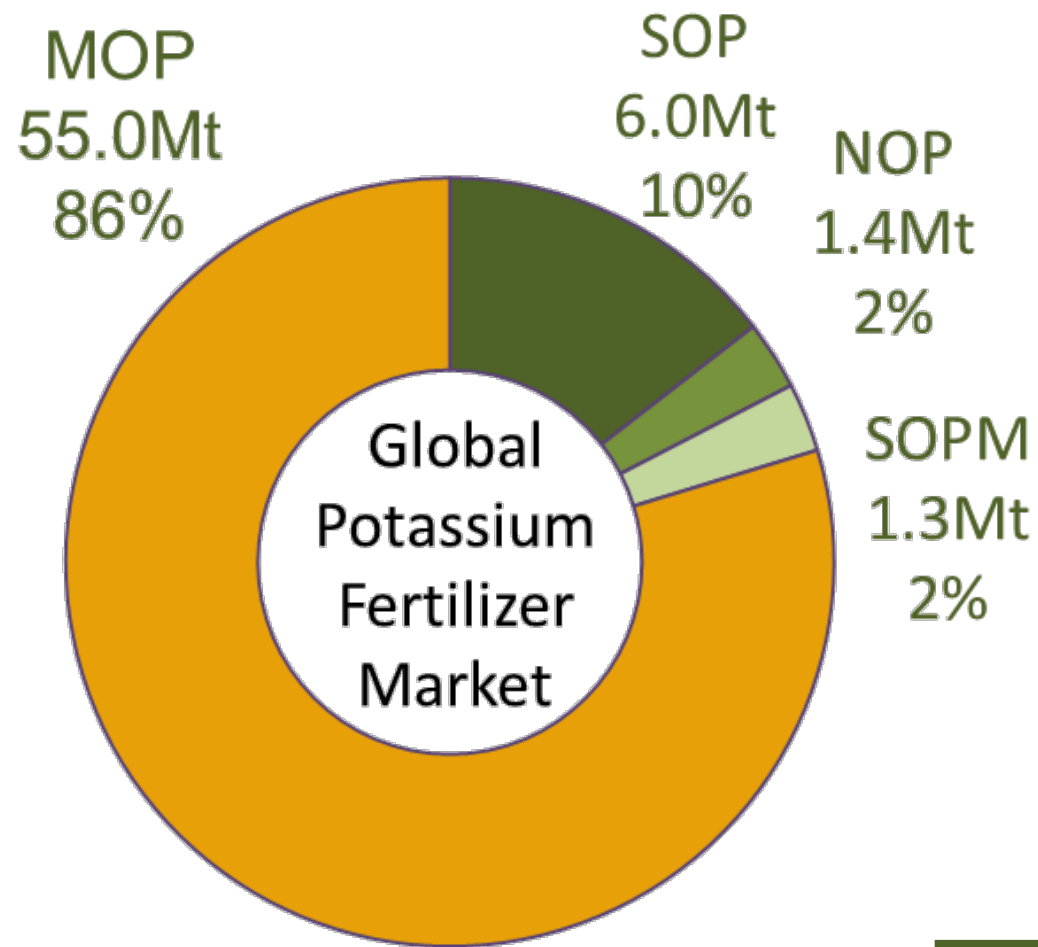


## Kalium Lakes competitive advantage:

- Close proximity to existing road and gas pipeline infrastructure **reduces capital** requirements
- Gas for power and boilers provides a cheaper fuel source **reducing operating cost** compared to diesel
- Easy trucking distance to Port and existing backloading capacity provides **low transport costs** and logistics benefits
- Geraldton and Fremantle Ports provides easy access to local and export markets
- Short distance to Newman for support services and air transport

## Additional Detail



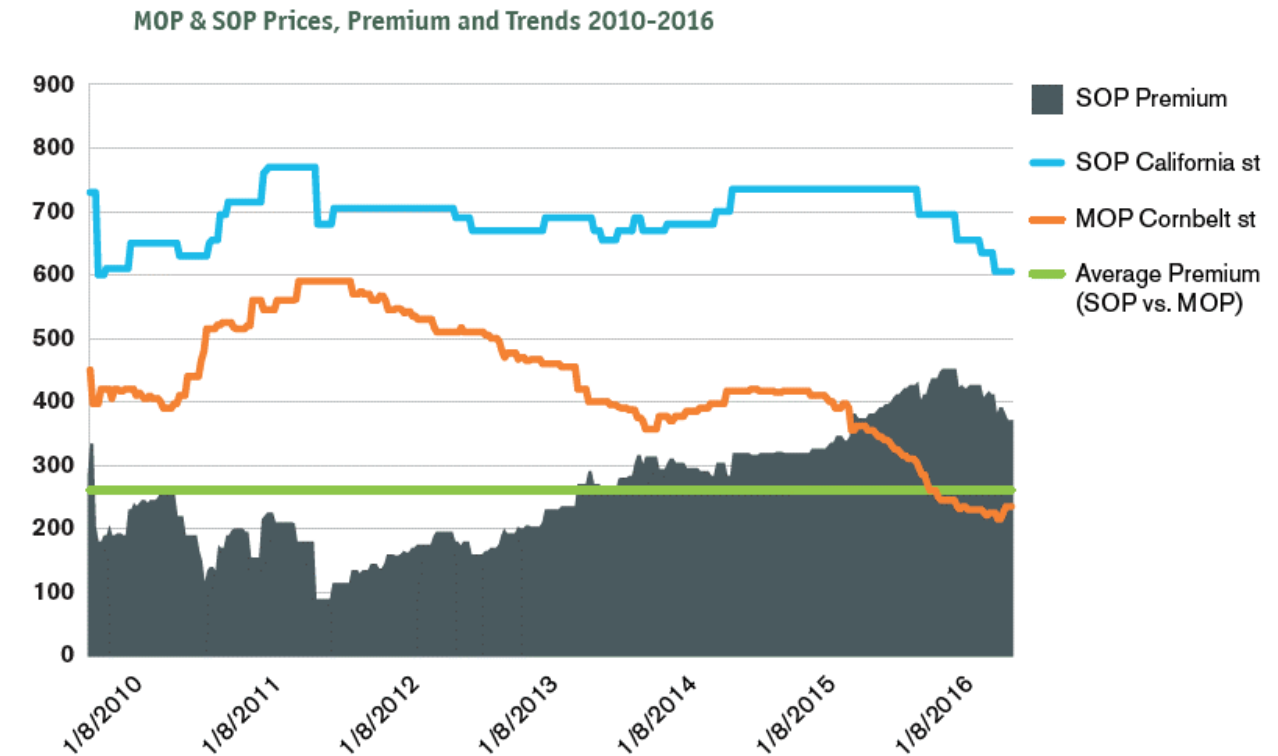


NOP – Potassium Nitrate  
 SOPM – Sulphate of Potash  
 Magnesia

- The global potassic fertiliser market totals 60 to 70 million tonnes per annum
- No Australian Potash Production
- Muriate of Potash (“MOP” or "KCl") most common form of potassium fertiliser
- Sulphate of Potash (“SOP” or " $K_2SO_4$ ") used principally for specialty crops: fruits, nuts vegetables, berries, beans and cocoa
- Australian potassic fertiliser demand totalled 300ktpa during past 5 years and exceeded 400 thousand tonnes in 2015

KLL Target Markets	Australia	China	India	Indonesia	Japan	Malaysia	New Zealand	South Africa	Thailand	USA	Vietnam
Annual Demand ktpa SOP	70	4,100	100	25	100	15	30	45	15	475	15

- SOP commands a significant premium over the MOP market
- The SOP fertiliser market is worth about US\$3-4 Billion annually
- Salt index of MOP is a key issue, leading to seedling toxicity and overall accumulation of salts in the soil profile
- SOP does not contain any chloride, improving plant and soil health
- SOP contains sulphur, a secondary nutrient for healthy plant growth
- Sulfur deficiency is a growing issue

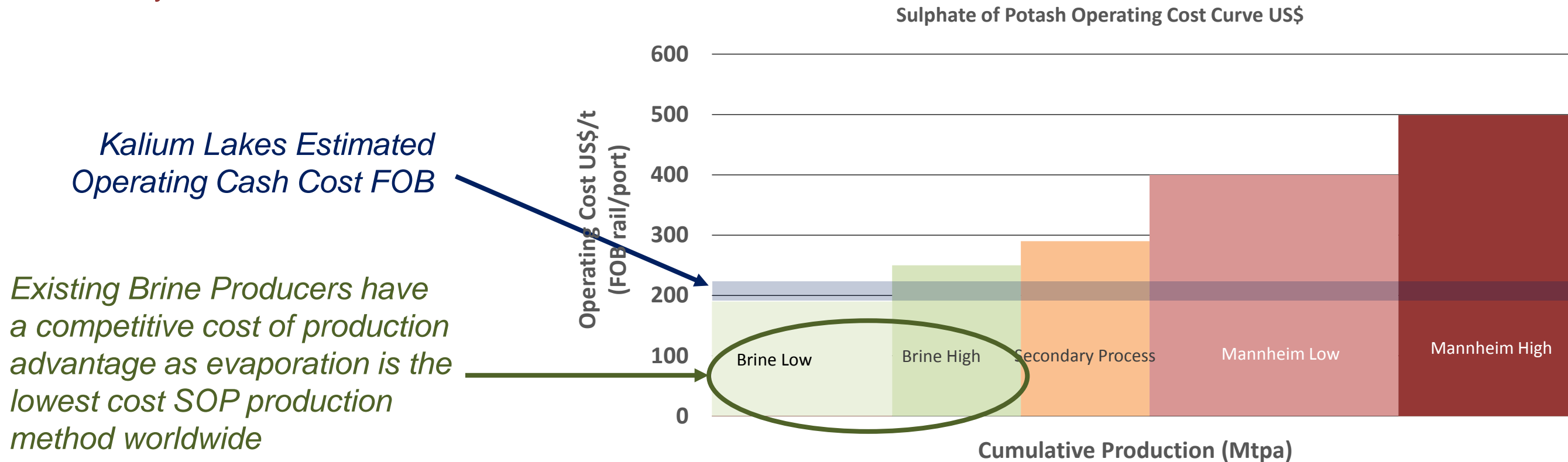


*Source: This content was extracted from the Green Markets report, Global Sulfate of Potash Market 2016-2026. This content is republished here with the express written permission of Kennedy Information, LLC. Copyright ©2016. Further use of, electronic distribution or reproduction of this material, requires the permission of Kennedy Information, LLC.*

# SOP Production Methods and Costs

SOP is produced in three main ways:

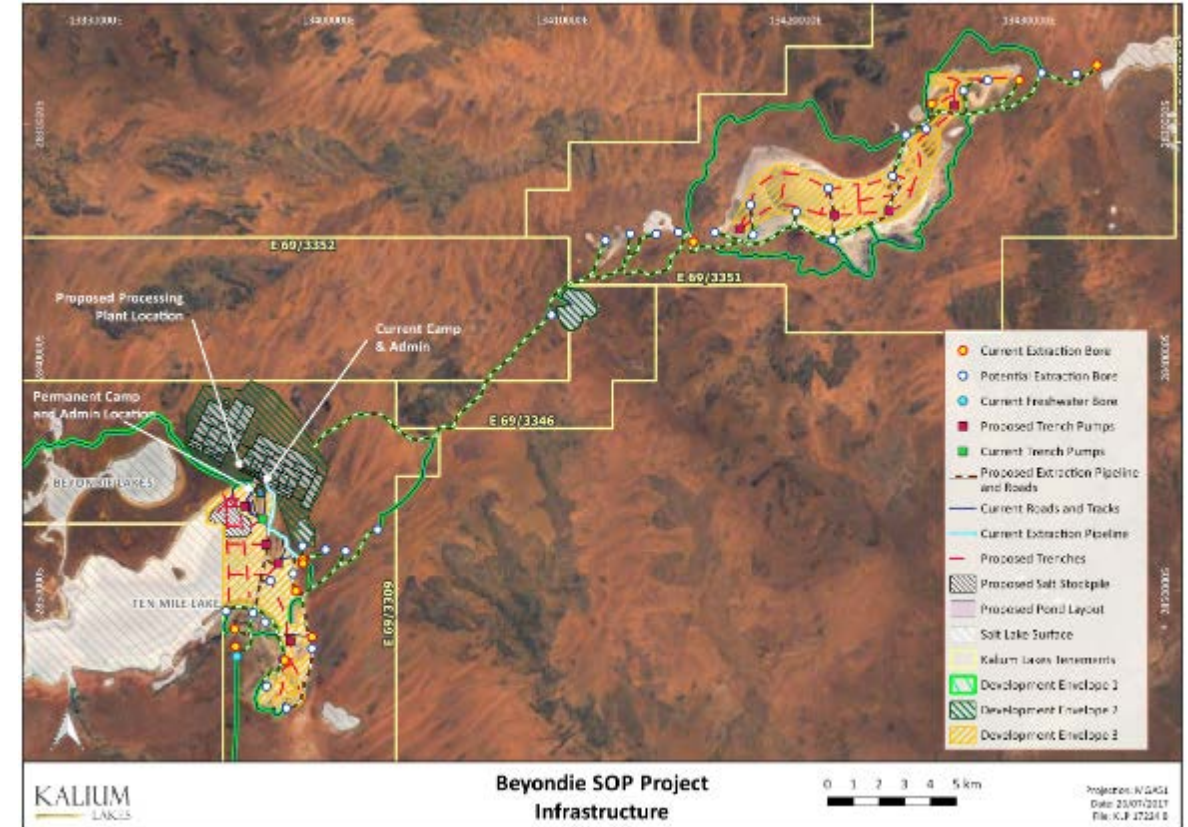
- Salt lake brine processing via evaporation and purification
- Secondary Process - reaction of MOP with sulphate salts
- Mannheim Process - reacting MOP with sulphuric acid to produce SOP and hydrochloric acid



Source: Company Reports, Company Research, Websites, CRU, Integer, Green Markets

## The Project Comprises:

- A combination of shallow trenches and production bores
- Staged evaporation ponds
- Purification plant
- Product and excess salt storage areas
- Administration, utilities and facilities
- Accommodation facility
- 78 km access road to sealed Great Northern Highway
- 78 km to Goldfields Gas Pipeline
- Export via Geraldton and Fremantle Ports

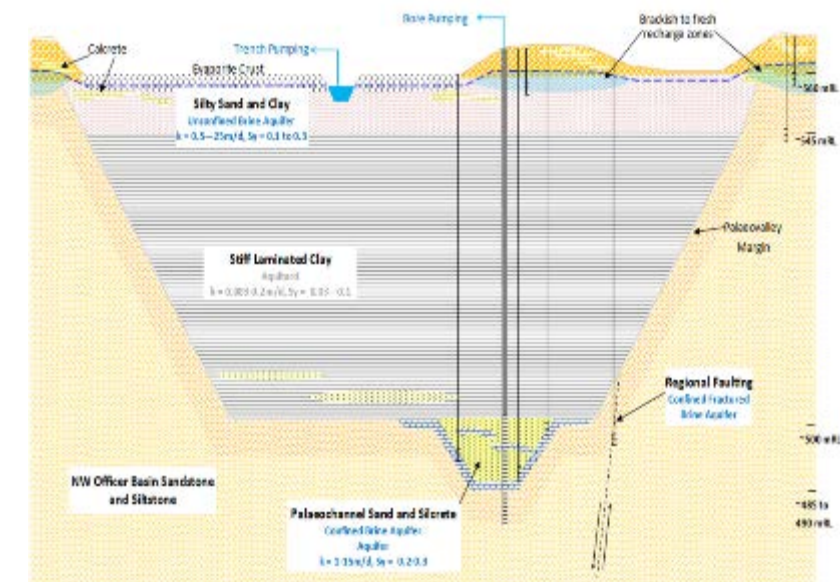




# Extensive Hydrogeological Data Collection

An extensive hydrogeological data collection program has been undertaken, comprising:

- 400 auger hole locations across all of the lakes
- 1,130km of geophysical traverses
- 76 diamond/air core drill holes to collect geological and brine samples
- 51 drill holes converted to monitoring bores
- 11 large 200-250mm diameter cased test bores
- 13 mini aquifer tests
- 10 constant rate pumping and recovery tests of test bores
- 10 weeks of bore test pumping
- ~1,000m trenches installed, up to 5m in depth
- 6 test trench pumping trials completed
- 60 days of trench test pumping
- >125 million litres of brine pumped from the aquifers



# Beyondie Potash Project Mineral Resource

JORC / CIM Resource	Drainable Brine Volume (M m <sup>3</sup> )	K Grade (mg/l)	K (Mt)	SO <sub>4</sub> (Mt)	Drainable Brine SOP (Mt)	Total Brine Volume SOP (Mt)
<b>Indicated Resource</b>	311	<b>6,278</b>	1.96	5.56	<b>4.37</b>	35.15
<b>Inferred Resource</b>	1,075	<b>5,735</b>	6.16	18.37	<b>13.74</b>	161.32
<b>Total Mineral Resource</b>	<b>1,386</b>	<b>5,865</b>	<b>8.12</b>	<b>23.93</b>	<b>18.11</b>	<b>196.5</b>
<b>Exploration Target</b>	934 – 1,894	1,803 – 4,277	1.68 – 8.09	5.10 – 22.26	3.74 – 18.05	44.13 - 314.75

*Cut off grade of 3,500 mg/l K (7,800 mg/l SOP)*

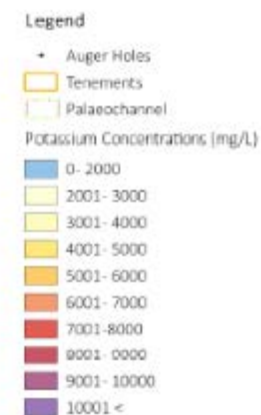
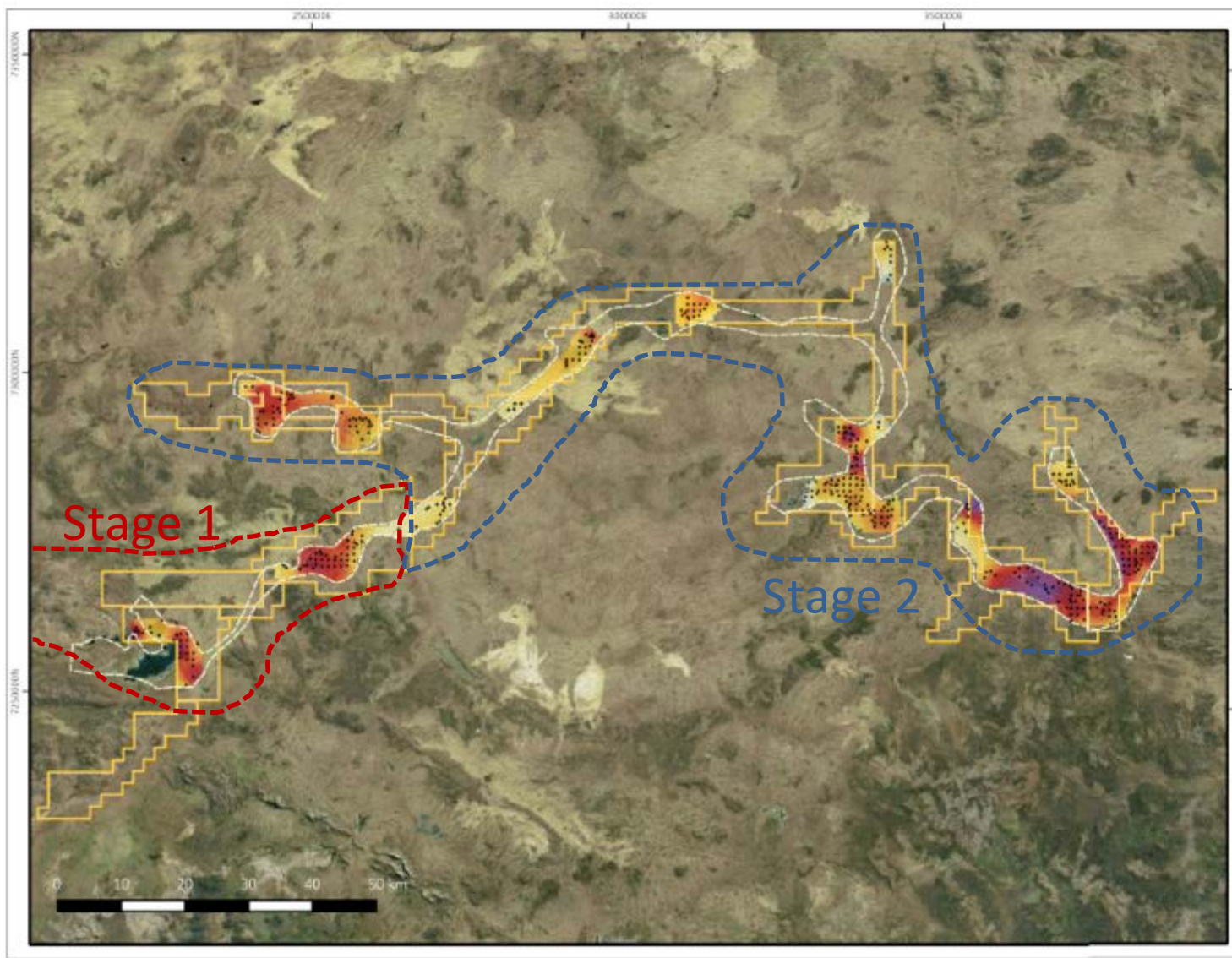
*Drainable Brine Mineral Resource complies with the Canadian (CIM, 43-101) standards and guidelines for brine deposits, as well as JORC Code (2012). German consultants K-UTEK have signed off as the Competent Persons.*

*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*

*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. Refer to Pre-Feasibility Study with Maiden Ore Reserve announcement dated 3 October 2017 for further details.***

# Extensive High Grade Potassium Zones



Lake	K Grade (mg/l)	SOP Grade (mg/l)
Beyondie	4,897	10,913
10 Mile	7,068	15,751
Sunshine	6,851	15,267
Yanneri	6,466	14,409
Terminal	5,987	13,342
West Central	5,145	11,466
East Central	6,462	14,400
White Lake	7,617	16,974
Aerodrome	7,675	17,104

Stage 1

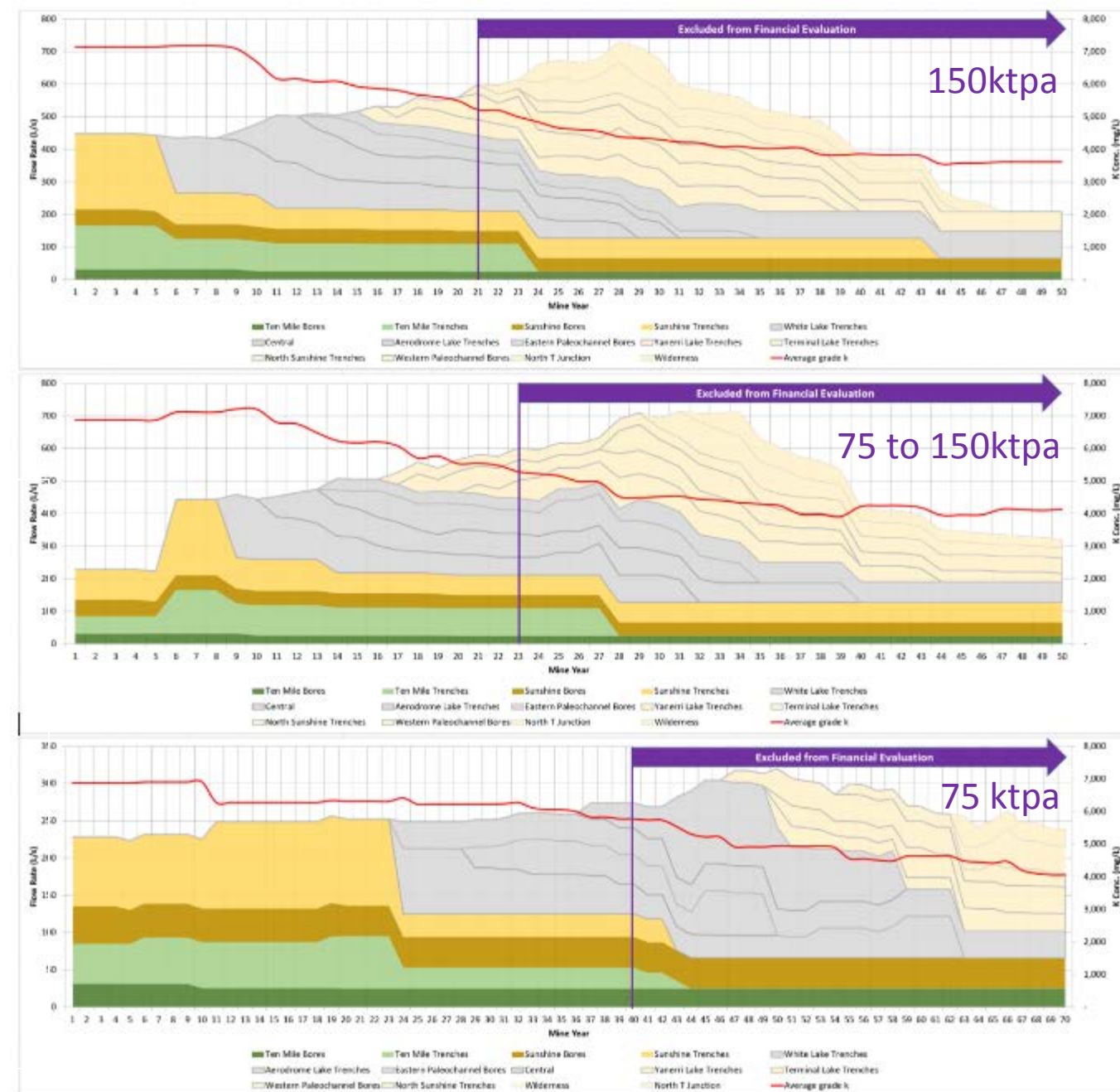
Stage 2

# Beyondie Potash Project Ore Reserve

## Probable Ore Reserve

Drainable Brine Volume	M m <sup>3</sup>	187
K Grade	mg/l	6,373
K	Mt	1.19
SO <sub>4</sub>	Mt	3.34
<b>SOP</b>	<b>Mt</b>	<b>2.66</b>

- Based on numerical groundwater model abstraction from trenches and bores
- Western Stage 1 Area developed initially
- Additional Western and Eastern lakes added progressively over Life of Mine
- Financial Model only considers part of potential mine inventory
- Significant potential upside from extended mine life or increased production



# Laboratory and Pilot Evaporation Tests

- Laboratory Testwork by K-UTEC in Germany has verified initial evaporation pond and purification process design requirements for the production of SOP
- Kalium Lakes has undertaken 3 stages of infield pilot pond trials and verification activities
- Pond design reviewed by DSB International and DRA Global
- Outcomes have clearly identified pond leakage as a major SOP recovery driver and in turn capital & operating costs, pumping volumes, evaporation pond area and mine life
- Lined ponds may achieve a SOP recovery of up to 87% (excluding purification plant recovery losses)
- Unlined ponds may achieve a SOP recovery of up to 69% (@0.5mm/day leakage, excluding PPR)



Laboratory Tests



Small Lined Pilot Trials



Verification Pond Trials  
Lined and Unlined

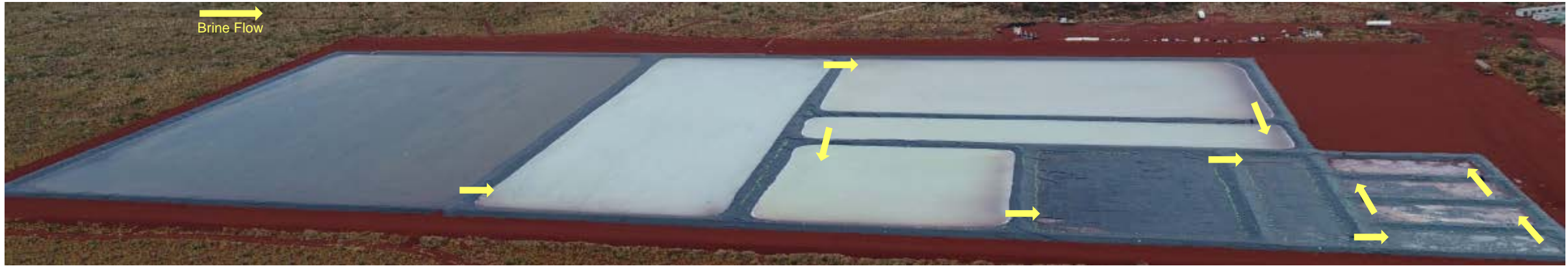


Large Scale Pilot Pond Trials



Mixed Salts

# Pilot Scale Works Key to Successful BFS and Funding

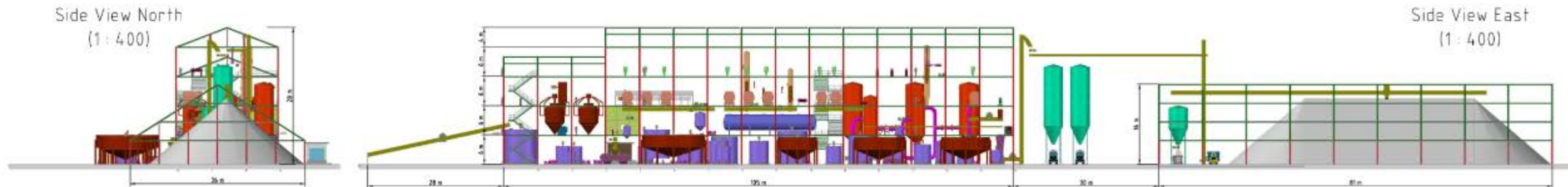


Large Scale Pilot Evaporation Ponds Constructed at the Beyondie Sulphate Of Potash Project



Pilot Scale Purification Facilities at K-UTEC Germany

Final Products

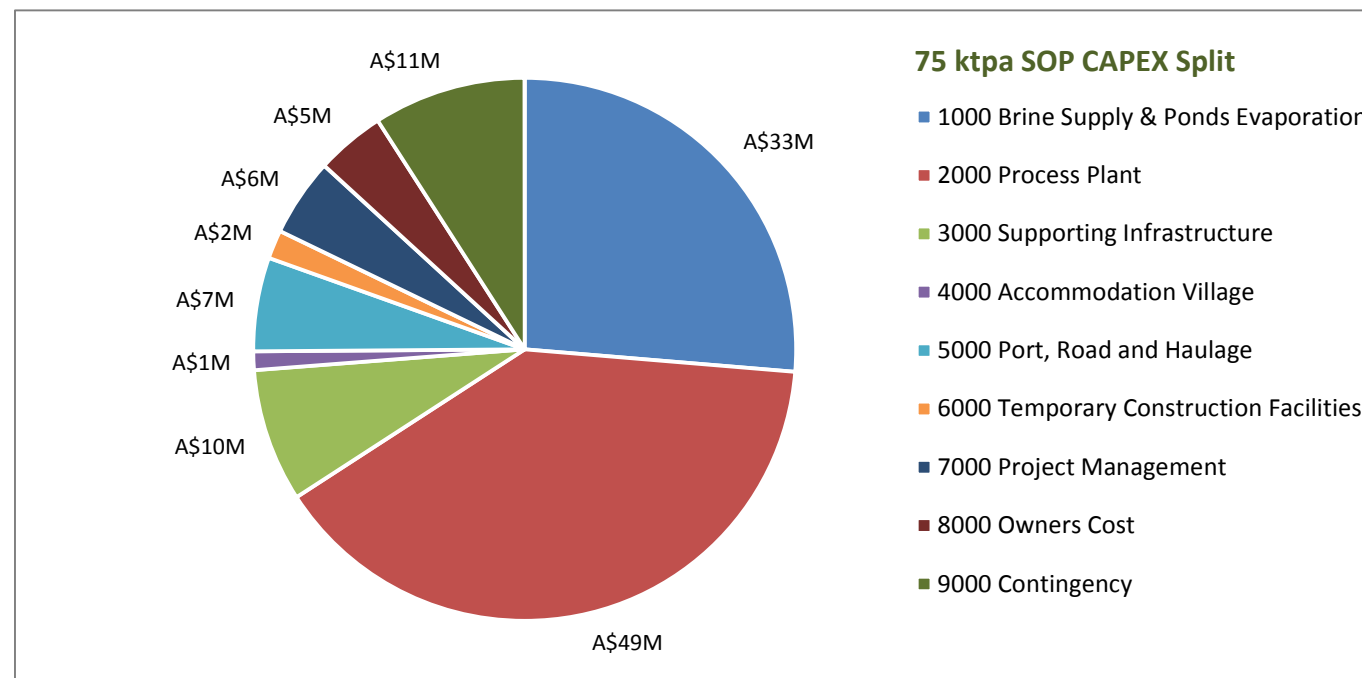
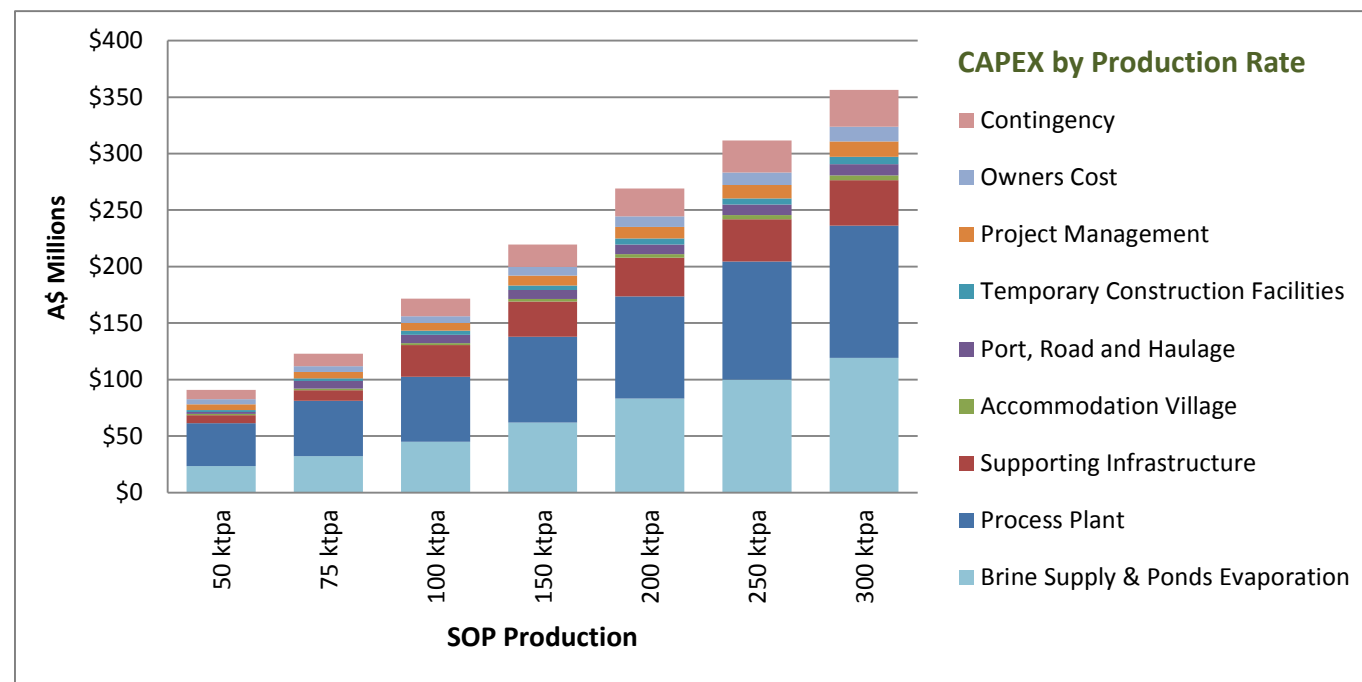


Proposed Full Scale Facility

# Capital Cost Class 4 (PFS) AACE Estimates

KALIUM LAKES		
DESCRIPTION	75 ktpa SOP A\$M	150 ktpa SOP A\$M
Brine Supply, Ponds & Harvesting	33	62
Purification Plant	49	76
Supporting Infrastructure & Accommodation	11 <sup>(1)</sup>	33 <sup>(2)</sup>
Port, Road and Haulage	7	8
Temporary Construction Facilities	2	4
Project Management	6	9
Owners Costs	5	8
Contingency	11	20
<b>TOTAL CAPITAL COST</b>	<b>124</b>	<b>220</b>
Capital Intensity (\$/annual installed tonne)	1,855	1,464

Refer to Pre-Feasibility Study and Maiden Ore Reserve announcement dated 3 October 2017 for further details  
 (1) – Assumes no gas pipeline, use of diesel only  
 (2) – KLL Gas Pipeline Capex included



# Operating Cost Estimates and Build-up

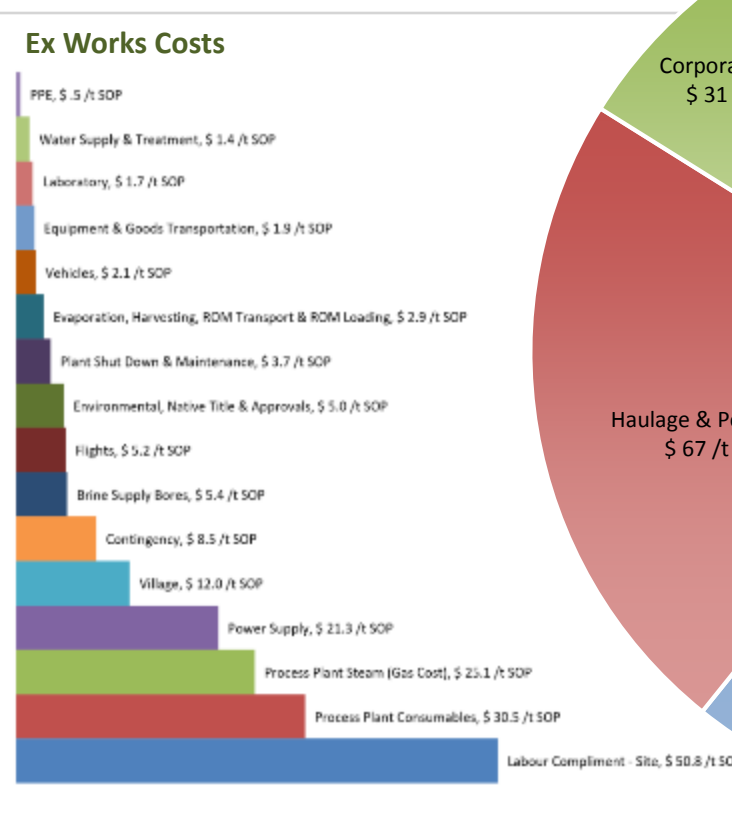
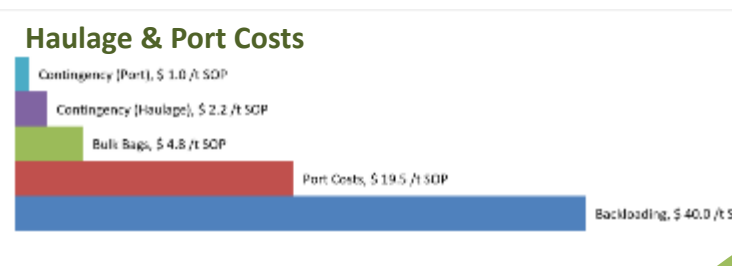
DESCRIPTION	KALIUM LAKES	
	75 ktpa A\$/t SOP	150 ktpa A\$/t SOP
Ex Works	216 <sup>(1)</sup>	176 <sup>(2)</sup>
Haulage & Port	67	67
<b>CASH COSTS</b>	<b>284</b>	<b>244</b>
Corporate Costs	39	31
<b>CASH + CORPORATE COSTS</b>	<b>323</b>	<b>275</b>
Sustaining Capex	20	15
<b>ALL IN SUSTAINING COSTS</b>	<b>342</b>	<b>290</b>
AISC US\$/t (@75c USD:AUD)	US\$ 257 /t	US\$ 217 /t

Refer to Pre-Feasibility Study and Maiden Ore Reserve announcement dated 3 October 2017 for further details

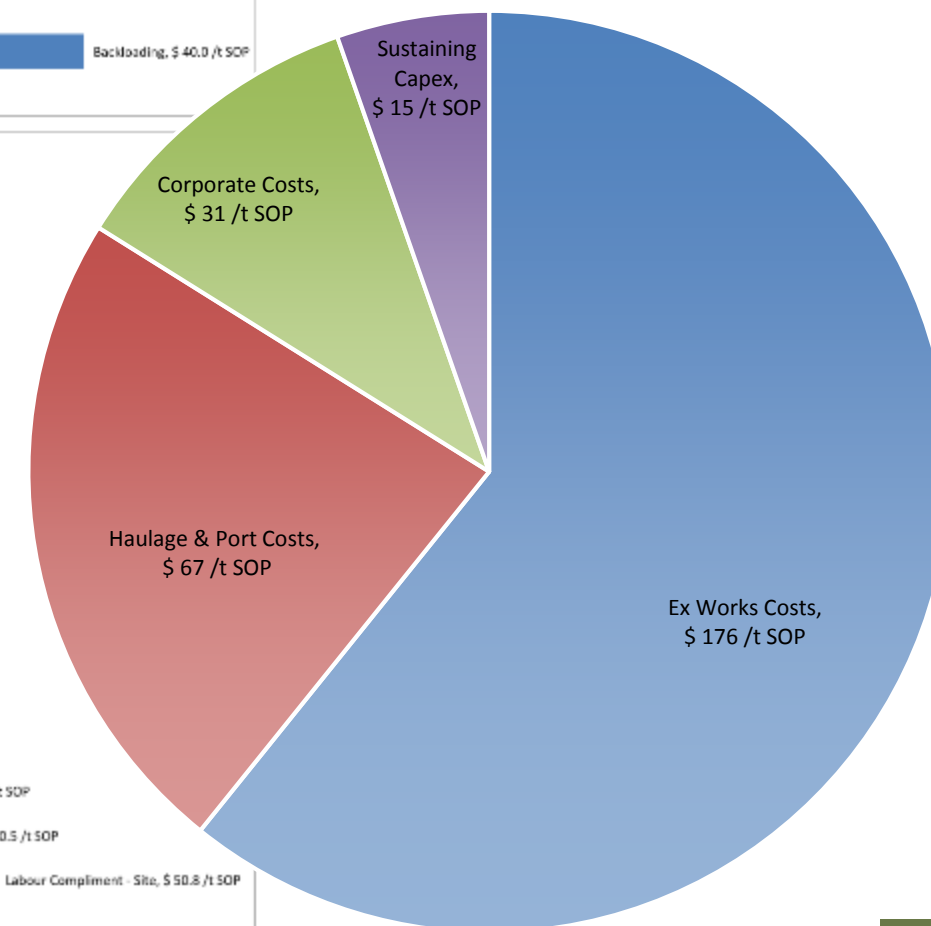
(1) – KLL assumes no gas pipeline, use of diesel only

(2) – KLL Gas Pipeline Capitalised no additional OPEX required

AISC – All in Sustaining Cost (Excluding royalties and corporate taxes)



### Overall Cost Summary 150ktpa SOP (A\$/t SOP)





# Factors Utilised to Select Production Target

Commencement Case (ktpa)	25	50	75	100	150	200	250	300	350	400
Expansion Case (ktpa)			150	200						
<b>Project Economics</b>	<b>Sub-economic</b>		<b>Robust</b>			<b>Highly attractive at most pricing scenarios given margins</b>				
NPV	Modest		Solid valuations on conservative pricing			Large valuations on conservative pricing				
IRR	Below 20%		Above 20%, particularly for expansion cases			Very attractive				
Payback period	> 7.0 years		4.0 - 7.0 years			< 5 years, supported by larger production volumes and margins				
EBITDA	<\$30 M pa		\$80 -100 M pa			> \$100M pa				
<b>Financing Ability</b>	<b>Equity</b>		<b>Manageable equity funding, typical gearing levels</b>			<b>Equity task become a challenge, offtake critical for debt</b>				
Capex vs Avg Mkt. Cap.		1.9x	2.5x	3.4x	4.4x	5.4x	6.2x	7.1x		
Debt Finance	Too small to justify		Flat/staged scenarios support target gearing levels. Expansion funded from cashflow			Higher gearing capacity but debt market will need visibility on equity plug				
Offtake Likelihood	High		Likely, depends on speed to market			Larger volumes harder to place, speed to market critical				
Mine Life	>50 years		20 – 40 years			7 – 15 years				
<b>Technical Risk</b>	<b>Low</b>		<b>Practical to execute and manage</b>			<b>Potential challenges to maintain production levels</b>				
Sustainable Pump Flow Rates	Standard		Consistent with typical irrigation projects			Very large requirements; more challenging to sustain				
Pond Area	Small		Moderate			Large				
Leakage & Remedy	Lined ponds		Can be minimised with lined ponds			Expensive to line, high risk of leakage & difficult to remedy				
<b>Market Impact</b>	<b>Domestic</b>		<b>Weighting across domestic &amp; export markets</b>			<b>Domestic, and largely export markets / local MOP substitution</b>				
% of Domestic Market			100%		200%	300%	400%			500%
Impact on Dom. Price	Nil to low		Low to medium negative impact							
% of Global Market		1%		2%		3%	4%	5%	6%	
Magnesium Sales Potential	Marketable Sales Volume			Partial sales volume only		Unable to sell this amount of product				

# Financial Evaluation

Description	Production Scenario Unit	Base Case	Phased Ramp Up	Constant Rate
		150 ktpa SOP	75 - 150 ktpa SOP	75 ktpa SOP
Sales Price	US\$/t SOP	500	500	500
Exchange Rate	A\$:US\$	0.75	0.75	0.75
Assumed Life of Mine	years	21.0	23.0	40.0
Project NPV <sub>10</sub> (Pre-tax, nom)	A\$M	388	319	205
Project NPV <sub>10</sub> (Post-tax, nom)	A\$M	248	205	126
IRR (Pre-tax)	%	28.7%	25.8%	23.5%
IRR (Post-tax)	%	22.5%	20.9%	18.6%
LOM Revenue	A\$M	2,776	2,892	3,322
LOM OPEX Cash Cost FOB	A\$M/t SOP	244	253	285
LOM OPEX	A\$M	969	1,024	1,349
Initial CAPEX	A\$M	220	124	124
LOM CAPEX (incl. Sustaining)	A\$M	328	341	278
LOM Royalties	A\$M	75	78	89
LOM Corporate Tax	A\$M	382	389	431
LOM Free Cash Flow (pre-tax)	A\$M	1,404	1,450	1,606
Free Cash Flow (pre-tax)	A\$M p.a.	80	78	45
LOM Free Cash Flow (post tax)	A\$M	1,022	1,061	1,174
Free Cash Flow (post tax)	A\$M p.a.	62	60	34
LOM EBITDA	A\$M	1,721	1,779	1,876
EBITDA (average)	A\$M p.a.	83	83	47
EBITDA Margin	%	62.0%	61.5%	56.5%
CAPEX / EBITDA (average p.a.)	x	0.19	0.19	0.14
Payback Period (pre-tax)	Years	3.7	4.8	4.8
Payback Period (post-tax)	Years	4.8	6.0	6.0
Expansion Payback (pre-tax)	Years	N/A	2.5	N/A
Expansion Payback (post-tax)	Years	N/A	3.3	N/A

- Lowest Assumed Forward looking SOP price among current project developers
- Pre-production Capital Cost of A\$124M or A\$220M
- Low LOM Operating Cost
- Exceeds Hurdle Rates – NPV & IRR
- High EBITDA Margin of 62%, EBITDA of A\$83Mpa
- More than +\$1B Life of Mine (LOM) free cash flow
- LOM is ~5 times payback period
- Financial Model only considers part of potential mine inventory (see slide 17)
- Significant potential upside from extended mine life, increased production and magnesium by products

- ✓ Commence the Bankable Feasibility Study
- ✓ Continue the ongoing pilot scale evaporation pond program
- ✓ Undertake bulk sample purification plant pilot works at K-UTECH in Germany
- ✓ Ongoing test pumping of bores and trenches
- ✓ Update the Hydrogeological Numerical Modelling and associated Mine Plan
- ✓ Engineering and design activities to allow tender pricing
- ✓ Project Approval submissions to the relevant authorities
- ✓ Finalisation of the second Native Title Mining Agreement
- ✓ Further Resource and Reserve drilling to meet BFS requirements
- ✓ Securing Binding Offtake Agreements
- ✓ Undertake detailed investigation of magnesium by-products
- ✓ Advance discussions to secure binding funding proposals prior to FID

- 1. Continue Final De-risking of the Project**
- 2. Minimise Initial Capital Requirements**
- 3. Provide Early Cashflow**
- 4. Capture the Australian Market Demand**
- 5. Expand with the Market**

The project development pathway is defined by:

- Pre-Feasibility Study Completion
- Pilot Scale Development
- Bankable Feasibility Study
- Project Financing
- Phased Ramp-Up Project Development – 75ktpa SOP
- Full Scale Project Development – 150ktpa SOP
- Project Expansion & Enhancement

## Why Kalium Lakes BSOPP?

150ktpa SOP Production Target

Technically and Financially Robust

Pre-production Capital Cost of A\$124M or A\$220M

Low LOM Operating Cost A\$244-253/t FOB

High EBITDA Margin of 62%, EBITDA of A\$83Mpa

>20year Life of Mine with +A\$1B LOM free cash flow

# Reference & Benchmarking Slides





## **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.



## **Brett Hazelden, Managing Director (B.Sc, MBA, GAICD)**

A Metallurgist who brings more than 20 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.



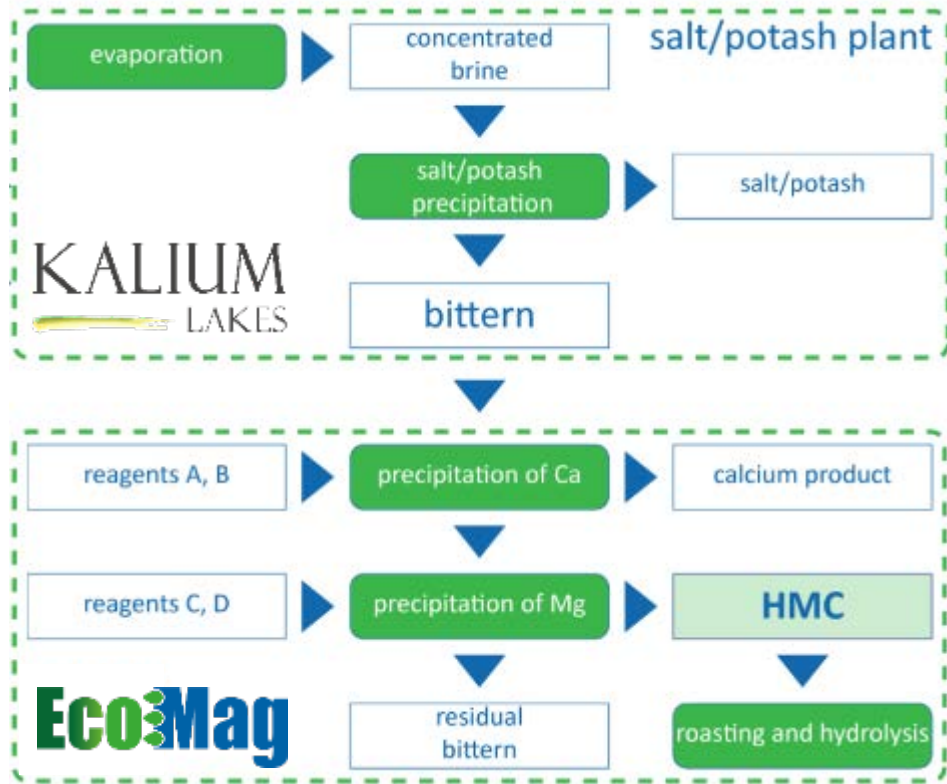
## **Rudolph van Niekerk, Chief Development Officer / Executive Director (B.Eng, GAICD)**

A Mechanical Engineer with more than 12 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 Ausenco, AngloGold Ashanti and BC Iron.



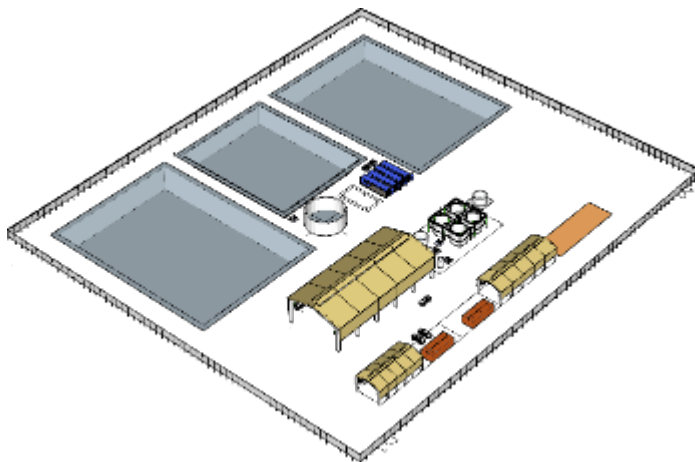
## **Brendan O'Hara, Non-Executive Director (B.Juris, LLB, SF Fin)**

A former legal practitioner of the Supreme Court of WA and member of the Business Law Section of the Law Council of Australia. Brendan's previous roles include eight years as Executive Chairman of ASX-listed Summit Resources Limited, and State Executive Director of the ASX.

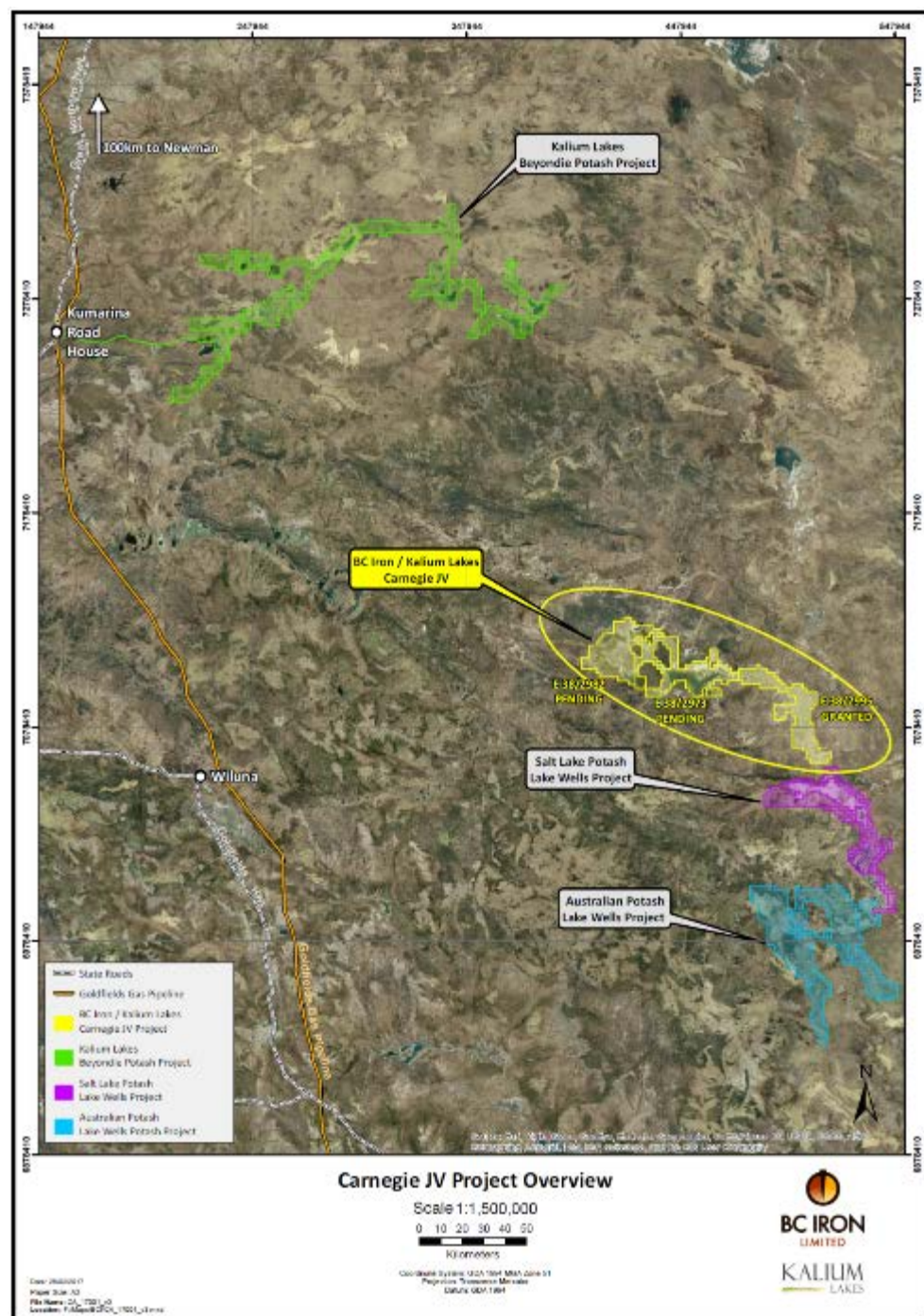


## EcoMag and Kalium Lakes have signed a Letter of Intent (LOI) to trial the recovery of high value (~\$1,000/t) Hydrated Magnesium Carbonate (HMC):

- Laboratory trials of the Beyondie Brine have achieved 95% recovery of Magnesium
- EcoMag to deploy a pilot plant to Beyondie to demonstrate the process at a larger scale.
- LOI is exclusive to Kalium Lakes among WA potash project developers
- Potential additional revenue for the Beyondie Project
- Patented process developed by Korea's Chonnam National University (CNU).
- EcoMag has been granted an exclusive licence to the technology for recovering HMC from brines.
- Korea Chemical Corp (KC), CNU and EcoMag have recently established a World Class 300 Project (US\$10 million) to demonstrate the technology.







## BC Iron and Kalium Lakes have entered into a JV on the Carnegie Potash Project (CJV):






- Scoping Study Phase (Stage 1), BCI can earn a 30% interest by sole funding \$1.5M
- Pre-Feasibility Study Phase (Stage 2), BCI can elect to earn a further 10% interest by sole funding a further \$3.5M
- Feasibility Study Phase (Stage 3), BCI can elect to earn a further 10% interest by sole-funding a further \$5.5M
- By end of Feasibility Study CJV would have an ownership of 50% KLL, 50% BCI
- **CJV has a larger footprint in the same area as Salt Lake Potash (SO4) and Australian Potash Limited (APC) to the south**
- CJV will leverage Beyondie Intellectual Property to fast track work and look to duplicate design to minimise costs and rework

# Peer Comparison

Utilising CIM Brine Standard	✓	✓	✗	✗	✓
Using AMEC Potash working group guidelines	✓	?	✗	✗	✓
>15Mt CIM/JORC SOP <u>Drainable</u> Resource	18.1Mt	23.2 Mt	153 Mt ?	?	14.7 Mt
High Grade Brine Resource > 10 kg/m <sup>3</sup> SOP	13.1	8.0	11.4	8.7	7.9
Cut Off Grade	7.8 kg/m <sup>3</sup> SOP	No cut off grade	No cut off grade	No cut off grade	No cut off grade
Na:K (Waste: Ore Ratio) < ~10:1	8.8	?	15.2	21.5	17.6
SOP Production Estimates	75-150 kt pa	370 kt pa	400 kt pa	200-400 kt pa	150-300 kt pa
Excess NaCl Salt (estimated from TDS)	1.4-2.8 Mt pa	14 Mt pa	11 Mt pa	7-14 Mt pa	4-9 Mt pa
In-situ Palaeochannel <u>and</u> playa lake brine sources	✓	✗	✗	✓	✓
Extraction Method	15-40 Bores & 20-45km Trenches	250km Trenches Only	200km Trenches Only	107-164km Trenches & 38 Bores	35-70 Bores Only
Brine Extraction Volume < 30 GL pa	8-15 GL pa	66.5 GL pa	63 GL pa	32-64 GL pa	17-37 GL pa
Pumped >100 million litres of Brine	✓	✗	✗	✗	✗
Evaporation Rate (estimated)	3,800 mm pa	3,400 mm pa	4,100 mm pa	3,200 mm pa	3,200 mm pa
Evaporation Ponds	<u>Off Lake - Lined</u>	On Lake - Unlined	On Lake - Unlined	On Lake - Unlined	On & Off Lake - Unlined
Potassium Recovery (note pond leakage slide 12)	60-70%	69.3% ?	60% ?	70% ?	71% ?






Source: Company Reports, Company Research, Websites, Broker Research

# Peer Comparison

					
Environmental Disturbance <20km <sup>2</sup>	~8-13 km <sup>2</sup>	~59 km <sup>2</sup>	~75 km <sup>2</sup>	~29-45 km <sup>2</sup>	~13-25 km <sup>2</sup>
Project < 80km from sealed road	78 km	590 km	355 km	220 km	168 km
Project < 80km from gas pipeline	78 km	400 km	175 km	245 km	245 km
Project < 900km by road from Port	700 or 862km	2,000 km	776 or 1,371 km	968 km	940 km
MoU in place with Port	✓	X	✓	X	X
Native Title Mining Agreement signed	✓ X (1 of 2)	✓ X (1 of 2)	✓	X	Not required ?
Approval to commence large scale trial	✓ up to 150ha	X	X	X	X
Scoping Study Complete	✓	✓	✓	✓	✓
Pre-Feasibility Study Complete	✓	X	X	X	X
Initial Capex < A\$250M	\$124-220 M	\$346 M	\$320 M	\$224 M	\$175 M
Operating Costs (FOB) <A\$300/t SOP	\$244-253 /t	\$342 /t	\$323 /t	\$210 /t	\$351 /t
Mine Life > 20 years	20-40 years	20 years	13 years	20 years	20 years
Assumed SOP Price	US\$500/t or A\$666/t	Not Stated	A\$750 /t	Reference US\$625 /t	A\$795 /t
Market Cap (21 November 2017)	A\$65 M	A\$144 M	A\$35 M	A\$86 M	A\$27 M

Source: Company Reports, Company Research, Websites, Broker Research

# Capital Cost Peer Comparison

									
DESCRIPTION	75 ktpa A\$M	150 ktpa A\$M	300 ktpa A\$M	370 ktpa A\$M	400 ktpa A\$M	200 ktpa A\$M	400 ktpa A\$M	150 ktpa A\$M	300 ktpa A\$M
Brine Supply, Ponds & Harvesting	33	62	119	78	100	27	45	42	93
Purification Plant	49	76	117	85	93	69	74	63 <sup>(4)</sup>	123 <sup>(4)</sup>
Supporting Infrastructure & Accommodation	11 <sup>(1)</sup>	33 <sup>(2)</sup>	44 <sup>(2)</sup>	30 <sup>(3)</sup>	71 <sup>(1)</sup>	54 <sup>(3)</sup>	62 <sup>(3)</sup>	11 <sup>(3)</sup>	15 <sup>(3)</sup>
Port, Road and Haulage	7	8	10	25	56	11	12	?	?
Temporary Construction Facilities	2	4	7	15	?	8	11	35	59
Project Management	6	9	14	17	?	23	27	In Above	In Above
Owners Costs	5	8	13	28	?	?	?	In Above	In Above
Contingency	11	20	32	69	?	33	38	24	48
<b>TOTAL CAPITAL COST</b>	<b>124</b>	<b>220</b>	<b>357</b>	<b>346</b>	<b>320</b>	<b>224</b>	<b>268</b>	<b>175</b>	<b>338</b>
Capital Intensity (\$/annual installed tonne)	1,855	1,464	1,188	935	800	1,118	669	1,166	1,126

(1) – Assumes no gas pipeline, use of diesel only






(2) – KLL Gas Pipeline Capex included

(3) – Gas pipeline excluded and provided by 3<sup>rd</sup> Party in OPEX

(4) – APC includes MOP to SOP conversion of 50ktpa

Source: Company Reports, Company Research, Websites,  
Broker Research

# Operating Cost Peer Comparison

									
DESCRIPTION	75 ktpa A\$/t SOP	150 ktpa A\$/t SOP	300 ktpa A\$/t SOP	370 ktpa A\$/t SOP	400 ktpa A\$/t SOP	200 ktpa A\$/t SOP	400 ktpa A\$/t SOP	150 ktpa A\$/t SOP	300 ktpa A\$/t SOP
Ex Works	216 <sup>(1)</sup>	176 <sup>(2)</sup>	163 <sup>(2)</sup>	151 <sup>(3)</sup>	199 <sup>(1)</sup>	135 <sup>(3)</sup>	93 <sup>(3)</sup>	282 <sup>(4)</sup>	259 <sup>(4)</sup>
Haulage & Port	67	67	70	191	124	75	75	69	69
<b>CASH COSTS</b>	<b>284</b>	<b>244</b>	<b>233</b>	<b>342</b>	<b>323</b>	<b>210</b>	<b>168</b>	<b>351</b>	<b>328</b>
Corporate Costs	39	31	22	5	5	31	17	17	11
<b>CASH + CORPORATE COSTS</b>	<b>323</b>	<b>275</b>	<b>255</b>	<b>347</b>	<b>328</b>	<b>241</b>	<b>185</b>	<b>368</b>	<b>339</b>
Sustaining Capex	20	15	12	22	35	?	?	In Ex Works	In Ex Works
<b>ALL IN SUSTAINING COSTS</b>	<b>342</b>	<b>290</b>	<b>267</b>	<b>370</b>	<b>363</b>	<b>?</b>	<b>?</b>	<b>368</b>	<b>339</b>
AISC US\$/t (@75c USD:AUD)	US\$ 257/t	US\$217/t	US\$200/t	US\$277/t	US\$272/t	?	?	US\$276/t	US\$254/t

(1) – KLL assumes no gas pipeline, use of diesel only

(2) – KLL Gas Pipeline Capitalised no additional OPEX required

(3) – Gas pipeline provided by 3<sup>rd</sup> Party in OPEX

(4) – APC includes MOP to SOP conversion of 50ktpa. MOP supplied to site at A\$326/t

Source: Company Reports, Company Research, Websites, Broker Research

## **Development of the Beyondie Potash Project**

The Company has prepared estimates of future production targets, revenue profiles, operating cash costs and capital costs for its operations. No assurance can be given that such estimates will be achieved or that the Company will have access to sufficient capital to develop the Beyondie Potash Project.

Production targets and operating costs may be affected by a variety of factors, including the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. Other risks impacting production and operating cost estimates include increases in labour costs, general inflationary pressures, currency exchange rates and other unforeseen circumstances such as health and safety outcomes.

The success of the Company will also depend upon the Company having access to sufficient capital, being able to maintain permits and obtaining all required approvals for its activities.

Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial.

## **Resource estimates and classification**

The Mineral Resource and Ore Reserve estimates for the Beyondie Potash Project are estimates only and are expressions of judgement based on knowledge, experience and industry practice. In addition, by their very nature, Mineral Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. No assurances can be given that any particular level of recovery of potash will in fact be realised.

## **Purification facility design, operation, recovery and product specification**

The Company is using internationally recognised consultants in the design of the process and selection of suitable equipment to achieve production capacity and specification to market requirements. However, project development remains inherently risky due to the number of variables that need to be managed. This could lead to equipment not performing as required or expected, resulting in difficulty maintaining product specification, not achieving name plate design capacity, not achieving expected potassium recoveries, increased maintenance and overall operating costs.

This risk also applies to non-process plant equipment and facilities, recognising that the Beyondie Potash Project by its nature is operating with corrosive fluids and subject to environmental impacts of salinity which may result in premature or otherwise unexpected failure of critical equipment such as bore pumps.

## **Project delays and cost overruns**

The Company's ability to successfully develop and potentially commercialise its Beyondie Potash Project on schedule may be affected by factors including project delays and costs overruns.

If the Company experiences project delays or cost overruns, this could result in the Company not realising its operational or development plans or result in such plans costing more than expected or taking longer to realise than expected.

## **Inability to abstract brine volume**

The Company has utilised a number of specialist consultants in determining its ability to abstract brine consistently from the deposits but there is a risk that the Company will be unable to abstract the brine in volumes required to meet project timetables and production. This can occur due to low permeability of aquifer material, variability in the deposit and continuity of the various aquifer layers. As a result pumping rates may be lower than expected, or require additional bores and/or trenches. Each bore and trench is likely to have a specific life expectancy and will eventually run dry as brine is extracted. This life expectancy may be variable and shorter than expected.

## **Variability in brine**

The brine deposit may be variable due to the geological layering of the host rock, the location within the palaeochannel, inflows of other waters carrying other impurities or fresh water all of which will affect the brine chemistry across the deposit. Added to this there is also the potential for dilution after rainfall which may influence changes in the chemistry of brine recovery. The variability may cause different evaporation rates, alternative salt evaporites being formed in the evaporation ponds, require additional pumping volumes due to lower grades.

## **Evaporation pond design**

The Company will need to confirm the construction methodology, evaporation rates, leakage rates and other potential performance parameters of the brine. There is a scale up risk that, in the construction and operation of the evaporation ponds, these performance parameters could vary to the current pond and pump testing findings and therefore may impact the basis of design and operation, and potentially the capital and operation costs, of the full size project. There is also a risk of structural failures or leakage.

## **Commodity price volatility**

If the Company achieves success leading to mineral production, the revenue the Company will derive through the sale of commodities exposes the Company to commodity price and exchange rate risk. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. Such factors include the supply and demand for commodities such as potash, forward selling activities, technological advancements and other macro-economic factors.

## **Currency volatility**

International prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken in account in Australian Dollars, consequently exposing the Company to the fluctuations and volatility of the rate of exchange between the United States Dollar and the Australian Dollar as determined in international markets.

## **Dependence on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on the efforts of senior management and its key personnel. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The loss of key personnel could cause a significant disruption to the business and could adversely affect our operations.

## **New operational commodity and lack of experience**

The Company recognises that as a potential leader in the Australian production of potash products there may initially be a lack of suitably trained operators for the overall project which has been explicitly designed for the extraction and treatment of brine to produce this group of products to market specifications.

Furthermore, this risk could manifest itself during the commissioning stage for the same reasons expressed above which could lead to increased capital costs and delays in achieving operational ramp up.

# Key Risks

## **Incllement weather and Natural Disasters**

The Company's operational activities are subject to a variety of risks and hazards which are beyond its control, including hazardous weather conditions such as excessive rain, flooding and fires.

Severe storms and high rainfall leading to flooding and associated damage may result in disruption to the evaporation process in the ponds, scouring damage to trenches, roadways and pond walls. Flood waters within the pond areas will increase the total evaporation time and impact the production schedule.

Additionally, as some of the brine production is from surface trenches, these trenches may become flooded during severe weather. This may impact the quality and consistency of the brine and the ability to continue surface extraction by trenches within the lakes areas, until the flood waters subside.

Any of the above occurrences will impact profitability.

## **Statutory Approvals**

The Company's project and operations are subject to Commonwealth and State laws, regulations and specific conditions regarding approvals to explore, construct and operate. There is a risk that such laws, regulations and specific conditions may impact the profitability of the project and the ability for the project to be satisfactorily permitted. Key approvals from the Environmental Protection Authority (EPA), Department of Mines and Petroleum (DMP), Department of Water (DoW) plus many other agencies may take longer to be obtained or may not be obtainable at all.

The Company has identified that the process will have disturbances associated with ponds, purification facility, pipelines, bores, trenches, roads, waste NaCl, residue bitterns which may be subject to specific disposal conditions.

## **Title Risk**

The Company's granted tenements permit the Company to undertake exploration. Each tenement carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in a tenement if the conditions are not met or if there are insufficient funds available to meet expenditure commitments.

Exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Various conditions may also be imposed as a condition of renewal. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of the tenements comprising the Company's projects. The Company makes no assurance that the renewal applications will be granted or applications approved.

## **Exploitation, exploration and mining licences**

The tenements that have been granted only permit the Company to undertake exploration on the tenements. In the event that the Company successfully delineates economic deposits on any of the tenements, it will need to apply for a mining lease to undertake development and mining on the tenement. There is no guarantee that the Company will be granted a mining lease if one is applied for.

Potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of the Beyondie Potash Project exploration tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

## **Change in regulations**

Adverse changes in Federal or Western Australia government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia may change resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

## **Environmental risk**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects, the Company's activities including the Beyondie Potash Project are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the required standard of environmental obligation, including compliance with all environmental laws.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidents or other unforeseen circumstances, which could subject the Company to extensive liability.

## **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be available or of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

## **Contractual disputes**

As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

## **Third party risk**

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients.

Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

## **Competition**

Although there is currently no Australian production of SOP, there are other mining exploration companies in Australia that are currently seeking to explore, develop and produce SOP. The Company will have no influence or control over the activities or actions of its competitors and other industry participants, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. Competitors may have significant additional experience and / or resources to explore, develop and product competing products, which may adversely affect the Company's financial position or prospects.

# Foreign Selling Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

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WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

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In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

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# Disclaimer & Compliance Statement

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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 the Report of the matters based on their information in the form and context in which it appears.