

Thursday 14 October 2021

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SUCCESSFUL COMPLETION OF A\$50M CAPITAL RAISING

- **A\$50.0 million committed in two-tranche placement at A\$0.18 per share**
 - **The placement was significantly oversubscribed and well supported by existing shareholders, with the Company also welcoming a number of new institutional investors to the share register**
 - **First tranche to be completed utilising existing placement capacity to raise A\$37.8 million, with the second tranche to raise A\$12.2 million subject to shareholder approval at Annual General Meeting in late November 2021**
 - **Share Purchase Plan (“SPP”) for all eligible shareholders to raise up to A\$10.0 million will open on 22 October 2021 at the same offer price as the Placement**
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The Company’s Chief Executive Officer, Rudolph van Niekerk commented:

“We are exceptionally pleased with the outcome of the capital raising and we are grateful for the support of our existing shareholders and welcome new institutional shareholders to our register. This is a very exciting time for Kalium Lakes especially having regard to the production of first SOP and subsequent ramp-up to 90ktpa production expected to be achieved by March 2022.

The funds raised will enable the Company to expand Beyondie from 90ktpa to 120ktpa which is well timed given the rising SOP price and several potential upside opportunities with COVID-19 impacts normalising.

We would like to once again thank our existing and new shareholders for their support.”

Kalium Lakes Limited (**ASX: KLL**) (“**Kalium Lakes**” or “**the Company**”) is pleased to announce that it has successfully completed a bookbuild to raise A\$50 million through a two-tranche placement of new fully paid ordinary shares (“**Shares**”)(“**Offer**”).

The Offer was significantly oversubscribed, receiving strong demand from existing shareholders as well as new institutional investors who will be introduced to the Company’s share register. In determining allocations for the Offer, the Company considered a number of factors and focused (to the extent practicable and appropriate) on providing pro rata participation to existing shareholders.

Kalium Lakes’ largest shareholder, Greenstone Resources (“**Greenstone**”), has committed to take up its rights to retain a holding of 19.8% post the Offer and SPP under its anti-dilution right, as announced to the ASX on 11 May 2020.

Proceeds from the Offer will be used to fund the expansion of Kalium Lakes’ Beyondie SOP Project to 120ktpa and provide working capital during the ramp-up.

Placement

The Offer comprises of 278 million new Shares to be issued at A\$0.18 per Share to raise A\$50.0 million. The Offer will take place in two tranches:

- **Tranche 1:** 209.8 million new Shares to be issued to raise approximately A\$37.8 million utilising Kalium Lakes’ existing placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A (“**Unconditional Placement**”); and

- **Tranche 2:** 68.0 million new Shares to raise approximately A\$12.2 million, subject to shareholder approval at the Company's Annual General Meeting ("**AGM**") to be held in late November ("**Conditional Placement**")

Further details on the AGM time and venue will be provided in the notice of meeting to be despatched to shareholders in late October 2021.

The Company's Chairman, Stephen Dennis, will also subscribe for up to A\$50,000 worth of Shares under the Conditional Placement, subject to shareholder approval.

Share Purchase Plan

In addition to the Offer, Kalium Lakes is seeking to raise up to an additional A\$10 million and will invite all Kalium Lakes shareholders as at the record date of Tuesday, 12 October 2021 with a registered address in Australia or New Zealand ("**Eligible Shareholders**") to apply for the new Shares at an offer price of A\$0.18 per share. Eligible Shareholders will be offered the opportunity under the SPP to apply for up to A\$30,000 worth of new Shares (subject to scale back at the Company's absolute discretion).

New Shares issued under the Capital Raising will rank equally with existing Shares currently on issue.

Kalium Lakes may decide to accept applications (in whole or in part) that result in the SPP raising more or less than A\$10 million in its absolute discretion. Kalium Lakes reserves the right (in its absolute discretion) to close the SPP early and scale back applications under the SPP if demand exceeds A\$10 million or accept oversubscriptions (subject to the requirements of the ASX Listing Rules).

Participation in the SPP by Eligible Shareholders is entirely optional. The SPP is not underwritten.

The terms and conditions of the SPP will be detailed in an SPP Offer Booklet to be despatched to Eligible Shareholders and released to the ASX on or about 22 October 2021.

Macquarie Capital (Australia) Limited and Morgans Corporate Limited are acting as Joint Lead Managers and Joint Bookrunners to the Placement. Thomson Geer are acting as Australian legal counsel to Kalium Lakes in relation to the Capital Raising.

An indicative timetable for the Capital Raising is set out in the investor presentation released to the ASX on 13 October 2021. The timetable remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules.

Forward looking statements

Certain information in this document refers to the intentions of Kalium Lakes, but these are not intended to be forecasts, forward looking statements or statements about the future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of the events in the future are subject to risk, uncertainties and other actions that may cause Kalium Lakes' actual results, performance or achievements to differ from those referred to in this document. Accordingly, Kalium Lakes and its affiliates and their directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of these events referred to in the document will actually occur as contemplated. Statements contained in this document, including but not limited to those regarding the possible or assumed future costs, performance, dividends, returns, revenue, exchange rates, potential growth of Kalium Lakes, industry growth or other projections and any estimated company earnings are or may be forward looking statements. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Kalium Lakes. Actual results, performance, actions and developments of Kalium Lakes may differ materially from those expressed or implied by the forward-looking statements in this document. Such forward-looking statements speak only as of the date of this document.

There can be no assurance that actual outcomes will not differ materially from these statements. To the maximum extent permitted by law, Kalium Lakes and any of its affiliates and their directors, officers, employees, agents, associates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumption;
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*** ENDS ***

This announcement was approved and authorised for release by the Chief Executive Officer of Kalium Lakes Limited.

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Brent Smoothy
Sam Lancuba

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Non-Executive Director
Non-Executive Director
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