

Australian Industry Participation (AIP) Plan Executive Summary

1. General Project Details

Company Name: Kalium Lakes Potash Pty Ltd (Kalium)

Description of the project: Kalium intends to develop a sub-surface Brine deposit to produce a Sulphate of Potash (SOP) product by undertaking an evaporation and processing operation. The Beyondie Sulphate of Potash Project (BSOPP) consists of a series of evaporation and crystalliser ponds, production bores and trenches, a purification processing plant, natural gas pipeline and the necessary supporting infrastructure to support the mine and its personnel. The Project will be conducted in two stages. Stage 1 is currently in its final stages of completing a Bankable Feasibility Study, targeting commencement of construction by late 2018 or early 2019. The Project estimates that construction for Stage 1 will be completed by Q4 2019, with first product expected by Q1 2020. Stage 2 centres around extending the life of the mine beyond 23 years. Timing for Stage 2 is yet to be determined as it is subject to successful completion of Stage 1.

Estimated total project value: \$150 million

- **Estimated value of key goods and services procured for the project (if different to total project value) :** \$130 million

Project location: 160km south east of Newman, WA, near the Beyondie Lake

Link to project information: <http://www.kaliumlakes.com.au/beyondie-potash-project>

Project contact for procurement information: Rudolph van Niekerk, (08) 9240 3200, rudolph@kaliumlakes.com.au

2. Opportunities for Australian industry involvement

List of goods and services to be procured for the project and the expected opportunity for industry participation	Opportunities for Australian suppliers*	Opportunities for overseas suppliers
Services		
Gas Pipeline Design	Yes	No
Gas Pipeline Surveyors	Yes	No
Trench Installation	Yes	No
Pipe Installation	Yes	No
Delivery Station Construction	Yes	No
Inlet Station Construction	Yes	No
Engineering, Procurement & Construction Management**	Yes	No
Process & Functional Design – Purification Plant**	No	Yes
Project Execution – Purification Plant**	Yes	No
Process Design – Evaporation Ponds ¹	Yes	No
Liners Install**	Yes	No
Bore/Trench Pump Stations Design and Construct**	Yes	No
Brine Bore and Fresh Water Bore Development**	Yes	No
Brine and fresh water pipeline installation**	Yes	No
Logistics**	Yes	No
Diesel Supply**	Yes	No
Earthworks** ²	Yes	No

List of goods and services to be procured for the project and the expected opportunity for industry participation	Opportunities for Australian suppliers*	Opportunities for overseas suppliers
Surveyors**	Yes	No
IT & Communication Services** ³	Yes	No
Road Design & Construction** ³	Yes	No
Camp Services**	Yes	No
Laboratory Services**	Yes	No
Village Design & Construct**	Yes	No
Non-Processing Infrastructure & Buildings Design & Construct**	Yes	No
Goods		
Gas Pipeline Supply	Yes	Yes
Process Plant Equipment**	Yes	Yes
Accommodation Village ⁴ **	Yes	No
Potable Water Treatment Plant**	Yes	No
Waste Water Treatment Plant**	Yes	No
IT & Communication Facilities**	Yes	No
Mobile and Ancillary Equipment**	Yes	Yes
Site Buildings including Office Building and Storage**	Yes	No
Fuel Storage Tanks**	Yes	No
Bore & Trench Pump Station Supply**	Yes	No
Brine and Fresh Water Pipeline Supply**	Yes	No
Weir Supply**	Yes	No
Power Station**	Yes	No
Weighbridge**	Yes	No
Pond Liners Supply**	Yes	No
Steam Generation Plant**	Yes	No
Chilled Water Generation Plant**	Yes	No
Electrical Switchrooms**	Yes	No
Cooling Towers**	Yes	No
Small Batch Plants**	Yes	No
Transformers**	Yes	No

*An Australian supplier means an entity that has an ABN or an ACN.

**Final contract negotiations against those particular packages indicated in the table above, commenced in June 2018.

¹ Contract awarded and work in progress as required to confirm design parameters for BFS.

² Parts of this contract commenced during pilot works as part of BFS.

³ Part of this work awarded and commenced as part of BFS.

⁴ Second-hand prefabricated buildings already purchased.

Disclaimer: The information provided in the table above is based on an initial assessment by the company. Any questions or issues should be raised with the project contact.

3. Communication Strategy

- Kalium’s website will publish information on the project and supply opportunities, along with details on how Australian suppliers who are interested in participating in the Project can send an expression of interest.
- Kalium will promote potential supply opportunities and contact details for registration of interest by advertising in the project area, local media publications and LinkedIn.
- Kalium will make direct contact with local businesses in and around Newman and Kumarina (i.e. local businesses near the project area) regarding opportunities to supply services and goods.
- Kalium will proactively liaise with Aboriginal Corporations about the available employment opportunities in the Project.
- Kalium will actively seek information on Australian industry capability through various means including desktop research of industry and local publications, working with procurement experts from the engineering company to ascertain potential Australian suppliers, and assessing local expertise in Newman and Kumarina.

4. Opportunities through all tiers of supply and in all stages of the project

- Where available, Australian Standards will be used. If the products are bespoke and not available in Australia, International Standards will be used.
- The criteria Kalium uses to assess potential suppliers includes, amongst others, assessing against ‘local presence’ (contracts under \$250,000) or ‘Australian experience and capability’ (contracts over \$250,000). The bulk of contracts that Kalium is looking to award is to tier 3 and tier 4 suppliers.
- To ensure the flow-down of the AIP requirements, as a standard when awarding contracts, Kalium will include in its contractual clauses for services and goods a clause endorsing its AIP Plan and its requirements of contractors working on the Project to ensure full, fair and reasonable opportunity is provided to Australian industry.
- Kalium will ensure that tenderers have a fixed response date, and will not grant extensions of time that would discriminate against other tenderers who have submitted tenders within the original timeframe stipulated.
- Kalium will assess tenders from Australian and overseas suppliers on the same basis.

5. Opportunities for longer-term participation

- Since the Project is working with tier 3 and 4 suppliers, Kalium will provide onsite training and execution support to these contractors to encourage capability development.
- Kalium will facilitate strategic partnering by encouraging overseas suppliers who are interested in supplying the Project to partner with an Australian company in the delivery of the package.
- Given that BSOPP will be the first project of its kind in Australia, Kalium will develop Australian industry’s expertise through the transfer of SOP production knowledge through the employment of staff and the engagement of local industry throughout the lifecycle of the Project.
- Where requested, Kalium will provide verbal feedback to unsuccessful and successful Australian suppliers to encourage performance improvement in future tenders.

6. Procedures and Resources

- Kalium will develop standard contractual arrangements with suppliers to give Australian industry opportunities to participate in the Project.
- Kalium will develop a system to monitor and report on the extent of Australian industry participation.
- Kalium will review its engineering company’s proposed vendor list, to ensure that opportunities are provided to Australian industry, and where identified, will recommend to the engineering company to include Australian suppliers that have expressed an interest to participate in the Project.