

**ASX Announcement
29 March 2018**

Kalia Limited is exploring for copper, gold and energy metals in the Mt Tore region on Bougainville Island and Australia

Directors

Chairman
Hon. David Johnston
Managing Director
Mr Terry Larkan
Technical Director
Mr Peter Batten

Operations

Company Secretary
Mr Phillip Hartog

Issued Capital

Ordinary Shares
2,034,347,391
Unlisted Options
44,500,000
Unlisted Adviser Options
250,000,000

**Share Price – 28 March
2018**

\$0.009

ASX Code

KLH

Further Contact:

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Kalia signs formal share sale agreement with GRIT

Further to the announcement on 26 February 2018, Kalia Limited (ASX:KLH) (“Kalia” or “Company”) is pleased to announce that it has entered into a formal share sale agreement with Global Resources Investment Trust PLC (“GRIT”) (“SSA”) to consolidate the non-landowner interests in Exploration Licences 03 and 04, in the Tore region in the north of Bougainville Island, Autonomous Region of Bougainville, Papua New Guinea (“Tore Project”). Exploration Licences 03 and 04 are currently held by Kalia Holdings Pty Ltd, the Company’s 72.29% owned subsidiary (“Kalia Holdings”).

The SSA is conditional upon Kalia obtaining all necessary shareholder and regulatory approvals (the “Condition”) which, once obtained, will see GRIT acquire up to 21.28% of the Company’s issued capital through the issue of 480,000,000 shares in consideration for the acquisition by the Company of its 27.71% interest in Kalia Holdings.

Once the transaction has completed, which is expected to occur 5 business days following satisfaction of the Condition, Kalia will hold a 100% interest in Kalia Holdings, increasing its economic interest in the Tore Project from 54.29% to 75%.

Under the terms of the SSA, GRIT will be entitled to appoint a fit and proper person as its nominee to join the Kalia Board as a non-executive director. Further details of the nominee will be announced closer to the transaction completing, but is expected to provide an additional layer of expertise to the Kalia Board.

GRIT will also have the right (but not the obligation), subject to Kalia obtaining a waiver from ASX in respect of applicable ASX Listing Rules, to maintain its shareholding by subscribing for fully paid ordinary shares on the same terms as those attaching to any future capital raisings undertaken by the Company (subject to certain exceptions). The right will expire after a period of 5 years or in the event the relevant interest of GRIT in the Company falls below 10%.

The completion of this transaction will also provide the Company with access to a \$3 million secured loan facility, which will be used to fund the Company’s exploration activities on the targets at Melilup, Rarie Puspa, Taitai, Sipai, Pets and Kunua that were identified using the analysis of historical studies, announced in November and December 2017.

A notice of meeting seeking shareholder approval of the transaction is expected to be despatched after being considered by the ASX, likely to occur 4 April 2018.

Terry Larkan, Managing Director of Kalia stated “The formalities between the parties for the transaction have been completed. The work on meeting the documentary requirements for the issue of the notice of meeting have been done and process to obtain final signoffs before issue are in progress.

The samples from work done are being assayed by the independent laboratories. We intend to be in a position to share results on a regular basis commencing the end of April 2018.

We believe that the licence areas in Bougainville hold exceptional potential and our objective remains to identify targets for drilling in 2018.”

Terry Larkan
Managing Director