

## **QUARTERLY ACTIVITIES REPORT PERIOD ENDING 30 JUNE 2021**

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### **Highlights**

- **Project 90% complete, with commissioning of SOP purification plant commenced**
  - **Approximately 108,000 tonnes of contained SOP pumped as at end June 2021**
  - **First production of standard grade SOP targeted in September with capital expenditure on budget**
  - **Gas power station fully commissioned and performance tests completed**
  - **Lining of all evaporation ponds completed**
  - **Traditional owners signed Ten Mile West expansion to the existing Native Title Land Access Agreement**
  - **Expansion Study for 120ktpa expansion nearing completion**
  - **Further growth plans underway to substantially increase SOP production and develop magnesium by-product streams**
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### **Beyondie Sulphate of Potash Project**

During the quarter ending 30 June 2021 the Company continued the development of its 100% owned Beyondie Sulphate of Potash Project (BSOPP) in Western Australia. Approximately 108,000 tonnes of SOP equivalent had been pumped from the bore fields and trenches by the end of the period. Harvesting of potassium salts commenced, with a total of 60,000 tonnes of potassium salts stockpiled on the ROM pad, ready for commissioning.

At the date of this report the overall project is 90% complete and the Company is targeting first production, as planned, in September 2021.

On 13 May 2021, the Company announced that the 7.5MW power station has been fully commissioned and performance tested. This was followed by an update announcement on 1 June 2021 that the recycle ponds had been completed, finalising construction of all evaporation ponds required for the Project to achieve the 90ktpa production rate. Construction of several components of the SOP purification plant was also nearing completion and commissioning of several areas commenced during July as planned.

Onboarding of all key operations personnel has been completed and training of operators have commenced as part of the commissioning plan. The commissioning team includes senior Ebtec specialists travelling from Germany in preparation for wet commissioning of the SOP Purification Plant.











## Subsequent Events

The 120ktpa SOP expansion study is nearing completion. This feasibility study level work is based on expanding existing infrastructure where required (i.e. brine extraction and evaporation ponds), combined with a process plant debottlenecking and optimisation using German SOP process design experts, Ebtac Gbr.

The aim of the expansion study is to accelerate an increase in SOP production capacity (having regard to the increasing SOP prices), which will involve a low capital intensity expansion. Further, the increased production will enable realisation of economies of scale, offsetting various negative macro-economic factors (predominantly the foreign exchange rate in the case of a strengthening Australian dollar, increased freight costs, and various COVID-19 impacts), while at the same time taking advantage of the recent increase in SOP prices. Updated cost estimates will be provided as part of the 120ktpa SOP expansion study.

The Company has also commenced the assessment of potential funding opportunities to achieve a 120ktpa SOP expansion, with ongoing discussions well advanced between the Company and its financial advisors, senior lenders and off-take partner. The Company will, in due course, provide shareholders with an update in respect to the expansion study, as well as the status and outcome of the above discussions.

## Other Activities

Although services under the transport contract executed with Toll Mining Services' (Toll) in July 2019 have not yet commenced, Kalium Lakes has received notification from Toll that it is not able to provide the proposed backloading services, due to unavailability of adjacent forward hauling services. While commercial discussions between Toll and Kalium Lakes on this matter remain ongoing, the Company has commenced an assessment of alternative backloading arrangements and Perth depot services to ensure there will be no interruption to the SOP supply chain when SOP production commences.

The Company is also aware that the WA Government is reviewing the mineral royalty that will be applicable to SOP producers. The Company received written advice from the Department of Mines and Energy in 2015 as to the level of mineral royalty that would be applied to SOP. This advice was relied upon by the Company for the purposes of completing the project Bankable Feasibility Study which provided the basis for securing finance for the project from current lenders. If the WA Government impose a different basis for royalty payments the Company will need to determine the impact of any changes on its operating costs and will advise shareholders in respect to this by way of further ASX announcements.

## Planned Activities for Next Quarter

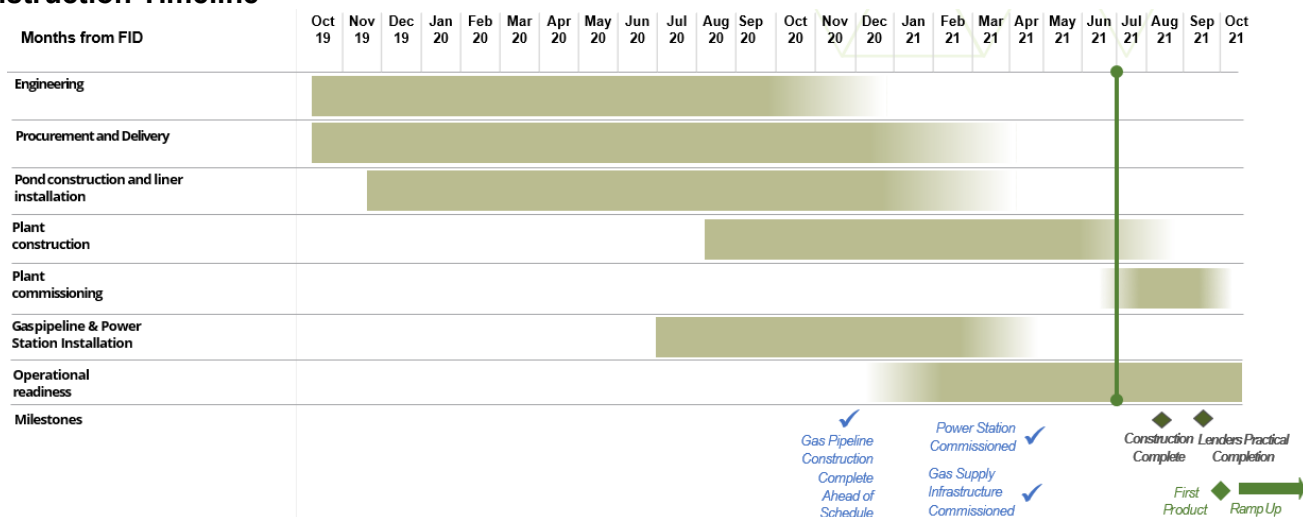
The Company's main objectives and planned activities for the September 2021 quarter include:

- Commence first production of standard grade SOP as part of commissioning activities
- Finalise off-take and marketing plan for additional SOP sales under the 120ktpa SOP expansion project
- Finalise 120ktpa SOP expansion study

## Project Timeline to First Production

The Company continues to successfully manage the project delivery in line with commitments made and remains on track to meet all key milestones.

## Construction Timeline



## Business Development

An internal analysis of the Company's published Resources and existing Mine Plan options (provided previously in ASX announcements) indicates the potential for substantially increased production scenarios that will maximise the value of the resource endowment. This increased throughput would be sourced from the total previously announced Resources and focusses on the eastern tenements being brought forward in the Mine Plan.

Internal studies are also ongoing to review options for realising value from magnesium which is a by-product of the SOP production process. If realised, this will provide opportunities for additional revenue streams and reduce Kalium Lakes' SOP unit operating cost base. Following the commencement of SOP production, the Company plans to devote further resources to investigate this opportunity.

## Corporate Activities

### Board and Senior Management

As announced during the period, Mr Dale Champion resigned as a Non-Executive Director and Mr Antony Beckmand resigned as Chief Financial Officer.

Mr Jason Shaw was then appointed as Chief Financial Officer and commenced with the Company on 5 July 2021. Mr Shaw has extensive knowledge of asset acquisition, development, management and financing, as well as establishing and operating corporate financial and administration business systems.

### Cash Holdings

The Company had A\$34.8 million cash on hand as at 30 June 2021. The Company also has A\$8.0 million remaining in undrawn financing facilities (from a total financing equivalent of A\$179.1 million).

### Payments to Related Parties

During the quarter the Company paid Salaries and Wages of \$0.09 million to its Directors. Also, \$0.59 million was paid to a company related to a Director for constructions services.

### Securities on Issue

The Company had 839,161,349 ordinary shares on issue as at 30 June 2021.

The following list details the other securities on issue at the end of the quarter:

- 12,250,000 performance rights
- 29,896,480 nil exercise price options expiring 16 June 2023
- 1,182,639 options exercisable at \$0.55 each, expiring 16 June 2022
- 1,750,000 options exercisable at \$0.625 each, expiring 16 June 2022
- 5,000,000 options exercisable at \$0.3583 each, expiring on 30 June 2025

## Interests and Resources - Beyondie Sulphate of Potash Project (100% Owned): Tenement Interests

Tenement	Name	Holder	State	Status	Grant Date	Interest
<b>Exploration Licences</b>						
E 52/3956	TBA	KLP	WA	Pending	TBA	100%
E 52/3957	TBA	KLP	WA	Pending	TBA	100%
E69/3306	Yanneri-Terminal	KLP	WA	Granted	17-3-2015	100%
E69/3309	10 Mile Beyondie-	KLP	WA	Granted	17-4-2015	100%
E69/3339	West Central	KLP	WA	Granted	22-6-2015	100%
E69/3340	White	KLP	WA	Granted	22-6-2015	100%
E69/3341	West Yanneri	KLP	WA	Granted	11-8-2015	100%
E69/3342	Aerodrome	KLP	WA	Granted	22-6-2015	100%
E69/3343	T Junction	KLP	WA	Granted	22-5-2015	100%
E69/3344	Northern	KLP	WA	Granted	22-5-2015	100%
E69/3345	Wilderness	KLP	WA	Granted	22-5-2015	100%
E69/3346	NE Beyondie	KLP	WA	Granted	11-8-2015	100%
E69/3347	10 Mile South	KLP	WA	Granted	11-8-2015	100%
E69/3348	North Yanneri-Terminal	KLP	WA	Granted	11-8-2015	100%
E69/3349	East Central	KLP	WA	Granted	22-6-2015	100%
E69/3351	Sunshine	KLP	WA	Granted	31-8-2015	100%
E69/3352	Beyondie Infrastructure	KLP	WA	Granted	31-8-2015	100%
E69/3594	10 Mile West	KLP	WA	Granted	26-07-2019	100%
<b>Miscellaneous Licences</b>						
L52/162	Access Road	KLI	WA	Granted	30-3-2016	100%
L52/186	G N Hwy Access Road	KLI	WA	Granted	30-5-2018	100%
L52/187	Comms Tower 2	KLI	WA	Granted	30-5-2018	100%
L52/193	Kumarina FW 2	KLP	WA	Granted	13-8-2018	100%
L69/28	Access Road Diversion	KLI	WA	Granted	7-8-2018	100%
L69/29	Access Road Village	KLI	WA	Granted	7-8-2018	100%
L69/30	Comms Tower 1	KLI	WA	Granted	30-5-2018	100%
L69/31	Sunshine Access Road	KLP	WA	Granted	7-8-2018	100%
L69/32	10MS FW A	KLP	WA	Granted	14-8-2018	100%
L69/34	10MS FW B	KLP	WA	Granted	14-8-2018	100%
L69/35	10MS FW C	KLP	WA	Granted	17-12-2018	100%
L69/36	10MS FW D	KLP	WA	Granted	17-12-2018	100%
L69/38	Access Road "S" Bend	KLI	WA	Granted	30-1-2019	100%
L69/40	10 Mile Airstrip	KLI	WA	Granted	8-2-2019	100%
L69/46	TBA	KLP	WA	Granted	8-2-2021	100%
L69/47	TBA	KLP	WA	Pending	TBA	100%
L69/48	TBA	KLP	WA	Pending	TBA	100%
L69/41	10 Mile Village	KLI	WA	Granted	8-2-2019	100%
<b>Mining Leases</b>						
M69/145	10 Mile	KLP	WA	Granted	6-6-2018	100%
M69/146	Sunshine	KLP	WA	Granted	6-6-2018	100%
M69/148	10 Mile West	KLP	WA	Pending	TBA	100%
<b>Gas Pipeline</b>						
PL117	Gas Pipeline	KLI	WA	Granted	7-11-2018	100%

### **Dora / Blanche (100% Owned): Tenement Interests**

The Company has applied for exploration licences that could, if granted, introduce the Dora/Blanche Prospect as a new prospective area for potassium exploration.

Tenement	Tenement Name	Holder	State	Status	Grant Date	Interest
E45/4436	Dora	Rachlan	WA	Application	-	100%
E45/4437	Blanche	Rachlan	WA	Application	-	100%

Note: Kalium Lakes Potash Pty Ltd (KLP) entered into a declaration of trust with Rachlan Holdings Pty Ltd (Rachlan) where Rachlan will hold for the benefit of KLP certain exploration licence applications and deal with the applications as directed by KLP (including transferring title).

### **Carnegie Potash Project (Joint Venture): Tenement Interests**

The Carnegie Joint Venture (CJV) which is located approximately 220 kilometres east-north-east of Wiluna. The CJV comprises one granted exploration licence (E38/2995) and five (5) exploration licence applications (E38/2973, E38/2928, E38/3297, E38/5296 and E38/3295) covering a total area of approximately 3,040 square kilometres.

The CJV is a Joint Venture between Kalium Lakes (KLL, 70% Interest) and BCI Minerals (BCI, 30% interest). Under the terms of the agreement BCI can earn up to a 50% interest in the CJV by predominantly sole-funding exploration and development expenditure across several stages. KLL is the manager of the CJV.

Tenement	Tenement Name	Holder	State	Status	Grant Date	Interest
E38/2995	Carnegie East	KLP	WA	Granted	31-7-2015	70%
E38/2973	Carnegie Central	Rachlan	WA	Application	-	70%
E38/2982	Carnegie West	Rachlan	WA	Application	-	70%
E38/3295	Carnegie South West	KLP	WA	Application	-	70%
E38/3296	Carnegie South East	KLP	WA	Application	-	70%
E38/3297	Carnegie North	KLP	WA	Application	-	70%
E38/3547	Burnside	KLP	WA	Application	-	70%

**Beyondie Sulphate of Potash Project (100% Owned): Measured Mineral Resources (inclusive of the ore reserves)**

Aquifer Type	Volume (10 <sup>6</sup> m <sup>3</sup> )	Total Porosity (-)	Brine Volume (10 <sup>6</sup> m <sup>3</sup> )	Specific Yield (-)	Drainable Brine Volume (10 <sup>6</sup> m <sup>3</sup> )	K (mg/L)	K Mass (Mt)	SO <sub>4</sub> (mg/L)	SO <sub>4</sub> Mass (Mt)	Mg (mg/L)	Mg Mass (Mt)	SOP Grade (kg/m <sup>3</sup> )	K <sub>2</sub> SO <sub>4</sub> Mass (Mt)
Lake Surface Sediments	221	0.47	104	0.17	38	7,142	0.27	19,764	0.75	6,667	0.25	15.93	0.61
Alluvium	251	0.31	78	0.12	30	3,125	0.09	10,556	0.32	4,379	0.13	6.97	0.21
Palaeovalley Clay	833	0.36	300	0.06	50	4,491	0.22	14,350	0.72	4,109	0.21	10.01	0.50
Sand and Silcrete	203	0.32	65	0.21	43	5,306	0.23	16,562	0.71	4,905	0.21	11.83	0.51
Fractured and Weathered Sandstone	1,423	0.16	228	0.08	114	6,148	0.70	18,832	2.15	6,532	0.74	13.71	1.56
Fractured / Weathered Bedrock	782	0.24	188	0.10	78	5,368	0.42	15,150	1.18	5,817	0.45	11.97	0.93
<b>Total Resources</b>	<b>3,713</b>		<b>963</b>		<b>353</b>	<b>5,489</b>	<b>1.93</b>	<b>16,504</b>	<b>5.83</b>	<b>5,664</b>	<b>1.99</b>	<b>12.24</b>	<b>4.32</b>

Note: SOP grade calculated by multiplying Potassium (K) by a conversion factor of 2.23. Errors are due to rounding.

**Beyondie Sulphate of Potash Project (100% Owned): Indicated Mineral Resources (inclusive of the ore reserves)**

Aquifer Type	Volume (10 <sup>6</sup> m <sup>3</sup> )	Total Porosity (-)	Brine Volume (10 <sup>6</sup> m <sup>3</sup> )	Specific Yield (-)	Drainable Brine Volume (10 <sup>6</sup> m <sup>3</sup> )	K (mg/L)	K Mass (Mt)	SO <sub>4</sub> (mg/L)	SO <sub>4</sub> Mass (Mt)	Mg (mg/L)	Mg Mass (Mt)	SOP Grade (kg/m <sup>3</sup> )	K <sub>2</sub> SO <sub>4</sub> Mass (Mt)
Lake Surface Sediments	651	0.46	299	0.12	78	7,379	0.58	20,972	1.64	6,521	0.51	16.46	1.28
Alluvium	1,542	0.34	524	0.12	185	4,520	0.84	13,159	2.43	4,068	0.75	10.08	1.86
Palaeovalley Clay	1,455	0.34	495	0.07	102	5,711	0.58	16,577	1.69	5,370	0.55	12.74	1.30
Sand and Silcrete	273	0.32	87	0.21	57	4,811	0.27	14,110	0.80	4,298	0.24	10.73	0.61
Fractured and Weathered Sandstone	4,859	0.16	777	0.08	389	5,960	2.32	17,064	6.64	6,107	2.38	13.29	5.17
Fractured / Weathered Bedrock	4,745	0.23	1,091	0.05	237	5,617	1.33	16,549	3.92	5,113	1.21	12.53	2.97
<b>Total Resources</b>	<b>13,525</b>		<b>3,273</b>		<b>1048</b>	<b>5,647</b>	<b>5.92</b>	<b>16,341</b>	<b>17.12</b>	<b>5,383</b>	<b>5.64</b>	<b>12.59</b>	<b>13.19</b>

Note: SOP grade calculated by multiplying Potassium (K) by a conversion factor of 2.23. Errors are due to rounding.

**Beyondie Sulphate of Potash Project (100% Owned): Inferred Mineral Resources**

Aquifer Type	Volume (10 <sup>6</sup> m <sup>3</sup> )	Total Porosity (-)	Brine Volume (10 <sup>6</sup> m <sup>3</sup> )	Specific Yield (-)	Drainable Brine Volume (10 <sup>6</sup> m <sup>3</sup> )	K (mg/L)	K Mass (Mt)	SO <sub>4</sub> (mg/L)	SO <sub>4</sub> Mass (Mt)	Mg (mg/L)	Mg Mass (Mt)	SOP Grade (kg/m <sup>3</sup> )	K <sub>2</sub> SO <sub>4</sub> Mass (Mt)
Lake Surface Leaching	N/a	N/a	N/a	N/a	80	5,373	0.43	16,986	1.36	3,632	0.29	11.97	0.96
Lake Surface Sediments	272	0.47	128	0.13	35	11,735	0.41	31,405	1.10	7,969	0.28	26.17	0.92
Alluvium	1,352	0.43	581	0.11	149	5,884	0.88	17,939	2.67	5,899	0.88	13.12	1.96
Palaeovalley Clay	14,508	0.35	5,078	0.03	435	5,898	2.57	17,929	7.80	6,171	2.68	13.15	5.72
Sand and Silcrete	608	0.31	188	0.21	128	5,435	0.70	16,611	2.13	5,569	0.71	12.12	1.55
Weathered / Fractured Bedrock	5,350	0.21	1,124	0.03	161	7,791	1.25	24,625	3.96	6,263	1.01	17.37	2.80
<b>Total Resources</b>	<b>22,090</b>		<b>7,099</b>		<b>988</b>	<b>6,309</b>	<b>6.24</b>	<b>19,252</b>	<b>19.02</b>	<b>5,925</b>	<b>5.85</b>	<b>14.07</b>	<b>13.91</b>

Note: SOP grade calculated by multiplying Potassium (K) by a conversion factor of 2.23. Errors are due to rounding.

**Beyondie Sulphate of Potash Project (100% Owned): Exploration Target \***

Geological Layer	Maximum Thickness (m)	Coverage (km <sup>2</sup> )	Sediment Volume (10 <sup>6</sup> m <sup>3</sup> )	Total Porosity (-)	Total Stored Brine (10 <sup>6</sup> m <sup>3</sup> )	Specific Yield (-)	Drainable Brine (10 <sup>6</sup> m <sup>3</sup> )	K Grade (mg/L)	K Mass (Mt)	SO <sub>4</sub> Grade (mg/L)	SO <sub>4</sub> Mass (Mt)	Mg Grade (mg/L)	Mg Mass (Mt)	K <sub>2</sub> SO <sub>4</sub> Mass (Mt)
Alluvium	6	157	942	0.4	377	0.10	94	2,000	0.2	6,100	0.6	2,300	0.2	0.4
Palaeovalley Clay	20	1,148	22,960	0.45	10,332	0.03	689	1,800	1.2	5,500	3.8	2,100	1.4	2.8
Basal Sands	7	108	756	0.35	265	0.18	136	1,600	0.2	5,000	0.7	1,900	0.3	0.5
<b>Total</b>					<b>10,974</b>		<b>919</b>	<b>1,800</b>	<b>1.6</b>		<b>5.1</b>		<b>1.9</b>	<b>3.7</b>
Alluvium	12	157	1,884	0.5	942	0.18	339	3,500	1.2	9,600	3.3	3,900	1.3	2.6
Palaeovalley Clay	50	1,148	57,400	0.55	31,570	0.04	2,296	3,300	7.6	9,100	20.9	3,700	8.5	16.9
Palaeochannel Sand	10	108	1,080	0.45	486	0.28	302	3,200	1.0	8,700	2.6	3,500	1.1	2.2
<b>Total</b>					<b>32,998</b>		<b>2,937</b>	<b>3,300</b>	<b>9.8</b>		<b>26.8</b>		<b>10.9</b>	<b>21.7</b>

\*The BSOPP Exploration Target is based on a number of assumptions and limitations and is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource for the Exploration Target. 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.

Note: SOP grade calculated by multiplying Potassium (K) by a conversion factor of 2.23. Errors are due to rounding.



### Beyondie Sulphate of Potash Project (100% Owned): Proved Ore Reserves

Aquifer Type	Brine Volume (10 <sup>6</sup> m <sup>3</sup> )	K (mg/L)	K Mass (Mt)	SO <sub>4</sub> (mg/L)	SO <sub>4</sub> Mass (Mt)	SOP Grade (kg/m <sup>3</sup> )	SOP Mass (Mt)
Production Bores	119	6,207	0.74	17,945	2.14	13.83	1.65
<b>Total Proved Reserve</b>	<b>119</b>	<b>6,207</b>	<b>0.74</b>	<b>17,945</b>	<b>2.14</b>	<b>13.83</b>	<b>1.65</b>

Note: errors are due to rounding

### Beyondie Sulphate of Potash Project (100% Owned): Probable Ore Reserves

Aquifer Type	Brine Volume (10 <sup>6</sup> m <sup>3</sup> )	K (mg/L)	K Mass (Mt)	SO <sub>4</sub> (mg/L)	SO <sub>4</sub> Mass (Mt)	SOP Grade (kg/m <sup>3</sup> )	SOP Mass (Mt)
Lake Surface Sediments	212	4,755	1.01	13,669	2.90	10.60	2.25
Production Bores	83	6,713	0.56	18,867	1.56	14.96	1.24
<b>Total Probable Reserve</b>	<b>295</b>	<b>5,306</b>	<b>1.57</b>	<b>15,129</b>	<b>4.46</b>	<b>11.82</b>	<b>3.49</b>

Note: errors are due to rounding

### Beyondie Sulphate of Potash Project (100% Owned): Ore Reserves Summary

Level	Drainable Brine Volume (10 <sup>6</sup> m <sup>3</sup> )	K Grade (mg/l)	K (Mt)	SO <sub>4</sub> (Mt)	SOP (Mt)
Proved Ore Reserve	119	6,207	0.74	2.14	1.65
Probable Ore Reserve	295	5,306	1.57	4.46	3.49
<b>Total Ore Reserve</b>	<b>414</b>	<b>5,565</b>	<b>2.30</b>	<b>6.60</b>	<b>5.13</b>

Note: errors are due to rounding

## Compliance Statement and Competent Persons Statements

The information in this ASX announcement that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves 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 Schindler, a Competent Person who is a Member of a RPO, the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1152). The potential quantity and grade of the Exploration Targets is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource in relation to such Exploration Targets and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Certain 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 and the ASX announcements titled "Lower Operating Cost and Increased Production for BSOPP" dated 4 March 2019 and "Major Maiden Ten mile West Resources" dated 1 July 2020, that relates to Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves and is based on and fairly represents information and supporting documentation compiled by Thomas Schicht and Anke Schindler. Kalium Lakes confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Ore Reserve Estimates or Exploration Targets, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Thomas Schicht and Anke Schindler are full-term employees of K-UTEC AG Salt Technologies (K-UTEC). K-UTEC, Thomas Schicht and Anke Schindler are not associates or affiliates of Kalium Lakes or any of its affiliates. K-UTEC has received a fee for their report in accordance with normal professional consulting practices. This fee is not contingent on the conclusions of their report and K-UTEC, Thomas Schicht and Anke Schindler will receive no other benefit for the preparation of their report. Thomas Schicht and Anke Schindler 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 their 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 Schindler 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 Schindler consent to the inclusion in this document of the matters based on their information in the form and context in which it appears.

## 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;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).



## 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.

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- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

\*\*\* ENDS \*\*\*

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

## Kalium Lakes Limited



ABN: 98 613 656 643  
ASX: KLL



### Board of Directors:

Stephen Dennis	Non-Executive Chairman
Mark Sawyer	Non-Executive Director
Brent Smoothy	Non-Executive Director
Sam Lancuba	Non-Executive Director



### Contact Details:

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Unit 1, 152 Balcatta Road  
BALCATT A WA 6021

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BALCATT A WA 6914

Email: [info@kaliumlakes.com.au](mailto:info@kaliumlakes.com.au)  
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### Chief Executive Officer

Rudolph van Niekerk

### Chief Financial Officers:

Antony Beckmand  
Jason Shaw

### Company Secretary:

Gareth Widger

### Share Registry

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace Perth, WA 6000  
Tel: (within Australia): 1300 850 505  
Tel: (outside Australia): +61 3 9415 4000

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Kalium Lakes Limited

ABN

98 613 656 643

Quarter ended ("current quarter")

30 June 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(17,482)	(123,803)
(c) production (capitalised opex)	(513)	(4,256)
(d) staff costs	(2,198)	(8,241)
(e) administration and corporate costs	(639)	(4,422)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	65
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other receipts	104	971
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(20,727)</b>	<b>(139,686)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(54)	(549)
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(54)</b>	<b>(549)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	3,046
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(79)
3.5	Proceeds from borrowings	21,488	117,927
3.6	Repayment of borrowings	(78)	(411)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease repayments)	-	(55)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>21,410</b>	<b>120,428</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	34,187	54,623
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(20,727)	(139,686)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(54)	(549)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	21,410	120,428

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>34,816</b>	<b>34,816</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	34,179	33,564
5.2	Call deposits	27	13
5.3	Bank overdrafts	-	-
5.4	Other (bank guarantees)	610	610
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>34,816</b>	<b>34,187</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
681
-

Directors salaries and wages - \$0.09 million

Construction services - \$0.59 million (Incl. GST). Payments were made to Smoothy Cattle Co Pty Ltd (\$0.33 million) and K19 Mining Pty Ltd (\$0.26 million). Smoothy Cattle Co Pty Ltd and K19 Mining Pty Ltd are related to Brent Smoothy who is a Director of the Company.



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

**7. Financing facilities**

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	179,190 <sup>1,2</sup>	171,192
	-	-
	-	-
	179,190	171,192

7.5 **Unused financing facilities available at quarter end**

7,998

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

<sup>1</sup> EURO denominated loan converted to Australian Dollar at 30 June 2021 spot rate (AUD-EURO:0.63). USD denominated loan converted to Australian Dollar in accordance with hedging arrangements (AUD-USD: 0.69).

<sup>2</sup> Movement in total facility amount at current quarter end from previous quarter is due to movement in spot rate (30 June 2021 AUD-EURO:0.63, 31 March 2020 AUD-EURO:0.65).

Debt Facilities available (all secured):

Lender	Borrower	Facility Limit	Facility Limit AUD	Drawn (Principal & Interest) AUD	Unused Facility AUD	Maturity Date
NAIF	Kalium Lakes Infrastructure	AUD\$48,000,000	AUD \$48,000,000	AUD \$46,291,780	AUD \$1,708,220	14 years after first repayment date
NAIF	Kalium Lakes Potash	AUD\$26,000,000	AUD \$26,000,000	AUD \$25,276,681	AUD \$723,319	9 years after first repayment date
KfW/Euler Hermes	Kalium Lakes Potash	EURO 32,487,268	AUD \$51,567,105	AUD \$47,457,560	AUD \$4,109,545	9 years after first repayment date
KfW	Kalium Lakes Potash	USD\$37,000,000	AUD \$53,623,188	AUD \$52,165,657	AUD \$1,457,531	9 years after first repayment date
			<b>AUD \$179,190,293</b>	<b>AUD \$171,191,678</b>	<b>AUD \$7,998,615</b>	

EURO draw-down converts to USD denominated loan on draw-down date. Upon conversion from EURO to USD on draw-down, loan is denominated in USD and interest accrues in USD.

Interest is charged quarterly on 20 December, 20 March, 20 June, and 20 September, respectively.

Commitment fees are charged quarterly on 20 December, 20 March, 20 June and 20 September, respectively. Commitment fees for the EURO facility from KfW/Euler Hermes are charged to the USD denominated KfW facility.

Amounts agree to loan confirmations from lenders.

**Appendix 5B**

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(20,727)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(20,727)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	34,816
8.5 Unused finance facilities available at quarter end (Item 7.5)	7,998
8.6 Total available funding (Item 8.4 + Item 8.5)	42,814
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>2.07</b>

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A



## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2021.....

Authorised by: By the Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.