

Thursday 30 September 2021

Extended Reporting and Lodgement Deadline - Annual Financial Report

Kalium Lakes Limited (Kalium Lakes or the Company) advises that it will be relying on ASX Class Waiver Decision – Extended Reporting and Lodgement Deadlines dated 3 May 2021 (“ASX Class Waiver”) and ASIC Corporations (Extended Reporting and Lodgement Deadlines – Listed Entities) Instrument 2020/451 as extended by ASIC Corporations (Amended) Instrument 2020/1080 and ASIC Corporations (Amended) Instrument 2021/315 dated 26 April 2021 (the “Amended ASIC Relief”), to extend the lodgement date for its annual financial report required to be lodged with ASIC under section 319 of the *Corporations Act 2001* (Cth).

Under the ASX Class Waiver, the Company is required to release its audited financial accounts for the financial year ended 30 June 2021 at the earlier of:

1. when they are ready to be given to ASX; or
2. when they must be given to ASIC under the Amended ASIC Relief (being within 4 months after the end of the financial year).

The Company's Unaudited Preliminary Financial Statements for 30 June 2021 are enclosed with this announcement.

The Company confirms that it will immediately make a further announcement to ASX if it becomes aware that there will be a material difference between its unaudited financial accounts and its audited financial accounts.

This Announcement was authorised for release by the Board of Kalium Lakes Limited



KALIUM LAKES LIMITED

ABN: 98 613 656 643

and Controlled Entities

UNAUDITED PRELIMINARY FINANCIAL STATEMENTS

**For the Year Ended
30 June 2021**

DIRECTORS

Stephen Dennis	Non-Executive Director
Mark Sawyer	Non-Executive Director
Brent Smoothy	Non-Executive Director
Salvatore Lancuba	Non-Executive Director

COMPANY SECRETARIES

Gareth Widger
Antony Beckmand (24 February 2021 to 30 September 2021)
Chris Achurch (1 July 2020 to 24 February 2021)

CHIEF FINANCIAL OFFICERS

Jason Shaw (5 July 2021 to current)
Antony Beckmand (9 November 2020 to 30 September 2021)
Chris Achurch (Employed: 1 July 2020 to 31 July 2020; Contract: 1 August 2020 to 9 November 2020)

CHIEF EXECUTIVE OFFICER

Rudolph van Niekerk

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Unit 1, 152 Balcatta Road
Balcatta WA 6021
PO Box 610
Balcatta WA 6914
Telephone: +61 8 9240 3200

WEBSITE & EMAIL

www.kaliumlakes.com.au and info@kaliumlakes.com.au

AUDITORS

RSM Australia Partners
Level 32/2 The Esplanade, Perth WA 6000

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace, Perth WA 6000
Telephone: 1300 850 505
Telephone: +61 3 9415 4000

SOLICITORS

DLA Piper Australia
Level 21, 240 St Georges Terrace, Perth WA 6000

Thomson Geer
Level 27, 2 The Esplanade, Perth WA 6831

HOME EXCHANGE

Australian Securities Exchange
Level 40, Central Park, 152-158 St Georges Terrace, Perth WA 6000

ASX CODE

KLL

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	30 June 2021 \$	30 June 2020 \$
Revenue			
Other income	3	7,525,648	638,559
Expenditure			
Accounting fees		(96,230)	(169,724)
Compliance fees		(139,300)	(283,111)
Depreciation		(922,018)	(746,435)
Directors and executive remuneration	24	(1,287,225)	(1,165,851)
Employee expenses		(1,037,607)	(3,226,584)
Site and exploration expenditure		(100,019)	(6,798,079)
Legal fees		(1,002,469)	(4,616,755)
Share based payment expense	4	(93,750)	(243,887)
Travel expenses		(31,616)	(357,957)
Other expenses	5	(3,438,687)	(1,922,793)
Loss before tax		(623,273)	(18,892,617)
Income tax expense	6	-	-
Net loss for the year from operations		(623,273)	(18,892,617)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive loss for the year		(623,273)	(18,892,617)
Loss attributable to:			
Owners of the parent		(623,273)	(18,892,617)
		(623,273)	(18,892,617)
Total comprehensive loss attributable to:			
Owners of the parent		(623,273)	(18,892,617)
		(623,273)	(18,892,617)
Basic and diluted loss per share (cents)	22	(0.07)	(4.71)

The accompanying notes form part of these financial statements.

AS AT 30 JUNE 2021

	Note	30 June 2021 \$	30 June 2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	34,206,120	54,623,007
Trade and other receivables	8	1,245,525	1,594,745
Total Current Assets		35,451,645	56,217,752
Non-Current Assets			
Property, plant and equipment	9	15,956,872	6,828,145
Work in progress	10	258,756,965	118,957,531
Mine in development	11	17,023,986	14,754,721
Collateral for bank guarantees	12	610,000	-
Right-of-use assets	13	96,265	200,541
Total Non-Current Assets		292,444,088	140,740,938
Total Assets		327,895,733	196,958,690
LIABILITIES			
Current Liabilities			
Trade and other payables	14	8,528,610	6,532,453
Provisions	15	337,691	208,809
Borrowings	18	6,238,670	-
Lease liabilities	16	50,000	105,020
Total Current Liabilities		15,154,971	6,846,282
Non-Current Liabilities			
Provisions	17	13,681,710	4,166,074
Borrowings	18	159,152,664	50,472,783
Total Non-Current Liabilities		172,834,374	54,638,857
Total Liabilities		187,989,345	61,485,139
Net Assets		139,906,388	135,473,551
EQUITY			
Contributed equity	19	184,670,756	179,614,646
Reserves	20	8,271,356	8,271,356
Accumulated losses	21	(53,035,724)	(52,412,451)
Total Equity		139,906,388	135,473,551

The accompanying notes form part of these financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



FOR THE YEAR ENDED 30 JUNE 2021

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2019	53,053,533	3,249,635	(33,519,834)	22,783,334
Loss for the year	-	-	(18,892,617)	(18,892,617)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(18,892,617)	(18,892,617)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued during the year	133,671,178	-	-	133,671,178
Security issue expenses	(8,103,560)	-	-	(8,103,560)
Share based payments	993,495	5,021,721	-	6,015,216
Balance at 30 June 2020	179,614,646	8,271,356	(52,412,451)	135,473,551
Balance at 1 July 2020	179,614,646	8,271,356	(52,412,451)	135,473,551
Loss for the year	-	-	(623,273)	(623,273)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(623,273)	(623,273)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued during the year	5,135,535	-	-	5,135,535
Security issue expenses	(79,425)	-	-	(79,425)
Share based payments	-	-	-	-
Balance at 30 June 2021	184,670,756	8,271,356	(53,035,724)	139,906,388

The accompanying notes form part of these financial statements.

FOR THE YEAR ENDED 30 JUNE 2021

	Note	30 June 2021 \$	30 June 2020 \$
Cash flows from operating activities			
Receipts from customers/others		133,491	1,491,660
Payments to suppliers and employees		(7,607,695)	(10,318,880)
Payment for site and exploration expenditure		(131,635)	(7,156,038)
Payment for mine development		(132,785,149)	(108,397,268)
Net cash used in operating activities	23	(140,390,988)	(124,380,526)
Cash flows from investing activities			
Interest received		64,706	362,615
Collateral given for bank guarantee		(610,000)	-
Payments for property, plant and equipment		(430,833)	(1,791,014)
Net cash used in investing activities		(976,127)	(1,428,399)
Cash flows from financing activities			
Proceeds from issue of shares		3,045,811	133,671,178
Share issue transaction costs		(79,424)	(7,415,553)
Proceeds from borrowings		118,645,188	49,671,280
Transaction costs related to borrowings		(194,908)	(10,898,484)
Repayment of borrowings		(411,419)	-
Repayment of lease liabilities		(55,020)	(63,669)
Net cash provided by financing activities		120,950,228	164,964,752
Net (decrease) / increase in cash and cash equivalents		(20,416,887)	39,155,827
Cash and cash equivalents at beginning of the financial year		54,623,007	15,467,180
Cash and cash equivalents at the end of the financial year	7	34,206,120	54,623,007

The accompanying notes form part of these financial statements.

1. Summary of significant accounting policies

These consolidated financial statements and notes cover Kalium Lakes Limited (the “Company”), a Company incorporated in Australia, and the entities it controlled at the end of, or during, the year ended 30 June 2021 (the “Consolidated Entity”). The presentation currency of the Consolidated Entity is Australia Dollars (“\$”). The Company is a for-profit entity limited by shares and incorporated in Australia whose shares are traded under the ASX code “KLL”.

Basic of preparation

The consolidated financial information included in this document for the financial year ended 30 June 2021 is unaudited. The financial information does not constitute the Consolidated Entity’s full financial statements for the year ended 30 June 2021, which will be approved by the directors, reported on by the auditors and lodged with the ASX and ASIC.

The unaudited financial information set out on pages 2 to 5 for the year ended 30 June 2021 has been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australia Accounting Standard Board (‘AASB’) and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (‘IASB’).

2. Operating segments

The Consolidated Entity has considered the requirements of AASB 8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Consolidated Entity operates as a single segment being the exploration for and development of minerals in Australia.

The Consolidated Entity is domiciled in Australia. All revenue from external parties is generated from Australia only and all assets are located in Australia only.

	30 June 2021 \$	30 June 2020 \$
3. Other income		
Foreign exchange gain - realised	842,975	323,322
Foreign exchange gain - unrealised	6,484,476	-
Loss on derivative financial instruments	-	(151,613)
Other income	133,491	104,235
Interest income	64,706	362,615
	7,525,648	638,559

Accounting policy:

Research and development tax offset

Research and development tax offset revenue is recognised when it is received or when the right to receive payment is established. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

	30 June 2021 \$	30 June 2020 \$
4. Share based payment expense		
Issue of performance rights to management ¹	93,750	-
Unlisted options to executive – vesting over next 12 months		43,887
Issue of shares for services ²	-	200,000
	93,750	243,887

¹ The Company issued 2,250,000 performance rights to members of management in during the financial year. 500,000 rights lapsed during the year as a result of the cessation of employment. An amount of \$93,750 was expensed to share based payments and recorded as other payables based on the terms below:

Condition 1 - 50% of the performance rights will convert to shares upon the achievement of first commercial production of Sulphate of Potash (“SOP”) which shall be deemed to have occurred when SOP is delivered to a client under a contract of sale (“First Sales”) on or before 30 September 2021; and

Condition 2 - 50% of the performance rights will convert to shares upon the Company not exceeding the revised capital expenditure budget of A\$280.2 million in respect to the construction of the Beyondie SOP Project, detailed in the Company’s investor presentation and prospectus dated 21 May 2020, when the Company achieves First Sales.

² The Company issued 400,000 shares in August 2019. The fair value per share on grant date was \$0.50 and this resulted in a share-based payment expense of \$200,000.

Other share-based payments which have been capitalised on the Consolidated Statement of Financial Position have been disclosed in notes 19 and 20.

Accounting policy:

Share based payments

The Consolidated Entity provides benefits to employees (including Directors and Consultants) of the Consolidated Entity and other service providers or strategic equity partners in the form of share-based payment transactions, whereby employees or other parties render services or provide goods in exchange for shares or rights over shares (“equity-settled transactions”). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an option pricing method. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (“market conditions”). The cost of equity-settled transactions is recognised in the statement of comprehensive income, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“vesting date”). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects:

FOR THE YEAR ENDED 30 JUNE 2021

- The extent to which the vesting period has expired; and
- The number of awards that, in the opinion of the Directors of the Consolidated Entity, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. Where shares are issued at a discount to fair value either by reference to the current market price or by virtue of the Consolidated Entity providing financing for the share purchase on favourable terms, the value of the discount is considered a share-based payment. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

	30 June 2021 \$	30 June 2020 \$
5. Other expenses		
Bank charges	207,153	4,320
Insurance	1,371,588	929,833
Subscriptions and licenses	254,240	114,035
Other consultants	318,942	98,707
Head office and administration	1,286,764	775,898
	<u>3,438,687</u>	<u>1,922,793</u>

6. Income tax expense

A reconciliation between the income tax expense and the product of accounting profit before income tax multiplied by the Consolidated Entity's applicable income tax rate is as follows:

	30 June 2021 \$	30 June 2020 \$
Loss before Income tax	<u>(623,273)</u>	<u>(18,892,617)</u>
Prima facie benefit on operating loss at 26% (2020: 27.5%)	162,051	5,195,470
Non allowable expenditure	(1,822)	(277,895)
Unrecognised deferred tax assets attributable to tax losses	<u>(156,423)</u>	<u>(4,917,575)</u>
Income tax expenses	-	-
Tax losses available	44,078,556	33,405,913

A potential deferred tax asset, attributable to tax losses carried forward, amounts to approximately \$11,460,424 (2020: \$9,186,626) and has not been brought to account at reporting date because the

Directors do not believe it is appropriate to regard realisation of the deferred tax asset as probable at this point in time. This benefit will only be obtained if:

- the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss incurred;
- the Consolidated Entity continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Consolidated Entity in realising the benefit from the deductions for the loss incurred.

Accounting policy:**Income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are recognised for all taxable temporary differences:

- Except for deferred income tax liabilities arising from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred income tax to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and services and sales tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of the asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

	30 June 2021	30 June 2020
	\$	\$
7. Cash and cash equivalents		
Cash at bank	31,710,582	51,930,432
Cash on deposit	-	13,500
Restricted funds ¹	2,495,538	2,679,075
	34,206,120	54,623,007

¹ Restricted funds relate to cash set aside for future debt service repayments to the senior lenders to the Beyondie SOP Project.

Accounting policy:

Cash and cash equivalents

Cash and cash equivalents include cash on hand and in the bank, and other short-term deposits. Bank overdrafts are shown separately in current liabilities on the Statement of Financial Position. For the purposes of the Statement of Cash Flows, cash and cash equivalents as defined above are net of outstanding bank overdrafts.

	30 June 2021	30 June 2020
	\$	\$
8. Trade and other receivables		
GST refundable	913,826	946,825
Prepayments	211,627	620,178
Fuel rebate	120,072	27,742
	1,245,525	1,594,745

Accounting policy:

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Allowance for expected credit losses

The Consolidated Entity has not recognised any loss (2020: \$Nil) in respect of expected credit losses for the year ended 30 June 2021.

	30 June 2021 \$	30 June 2020 \$
9. Property, plant and equipment		
Carrying value		
Exploration & mining equipment	1,709,295	2,082,229
Office equipment	61,903	49,222
Motor vehicles	404,240	408,734
Rehabilitation asset	13,681,710	4,166,074
Computer software	99,724	121,886
	15,956,872	6,828,145

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Exploration & mining equipment \$	Office equipment \$	Motor Vehicles \$	Rehabilitation asset \$	Computer software \$	Total \$
Balance at 01 Jul 2019	1,246,808	11,181	148,730	553,347	101,359	2,061,425
Additions	1,352,764	54,930	334,400	3,612,727	48,920	5,403,741
Depreciation expense	(517,343)	(16,889)	(74,396)	-	(28,393)	(637,021)
Balance at 30 Jun 2020	2,082,229	49,222	408,734	4,166,074	121,886	6,828,145
Additions	384,143	42,607	112,420	9,515,636	9,440	10,064,246
Disposal	(117,777)	-	-	-	-	(117,777)
Depreciation expense	(639,300)	(29,926)	(116,914)	-	(31,602)	(817,742)
Balance at 30 June 2021	1,709,295	61,903	404,240	13,681,710	99,724	15,956,872

Accounting policy:**Property, plant and equipment**

Property, plant and equipment is recorded at historical cost less accumulated depreciation and any impairment. The carrying value of assets are reviewed for impairment at the reporting date. An asset is immediately written down to its recoverable amount if the carrying value of the asset exceeds its estimated recoverable amount. The depreciation rates per annum for each class of fixed asset are as follows:

Exploration and mining equipment 20%

FOR THE YEAR ENDED 30 JUNE 2021

Office equipment	33%
Motor vehicles	20%
Computer software	20%

Rehabilitation asset and the corresponding provision is undiscounted and has not been depreciated. Depreciation and corresponding finance charges incurred in the unwinding of the provision will be recognised from the commencement of production.

Subsequent expenditure relating to an item of property, plant and equipment, that has already been recognised, is added to the carrying amount of the asset if the recognition criteria are met. All assets are depreciated over their anticipated useful lives, up to their residual values using a straight-line depreciation basis. These useful lives are determined on the day of capitalisation and are re-assessed annually by Management.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable or at least on an annual basis. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash generating units are written down to their recoverable amount.

	30 June 2021 \$	30 June 2020 \$
10. Work in progress		
Brine supply and ponds	47,261,101	37,247,365
Purification facility	72,468,500	38,332,187
Village accommodation	10,129,146	8,445,751
Access road	5,579,460	2,872,911
Gas pipeline & power station	37,603,718	18,166,630
Owner's costs	69,111,616	5,152,390
Non process infrastructure	15,175,111	7,503,279
Other infrastructure	1,428,313	1,237,018
	<u>258,756,965</u>	<u>118,957,531</u>
	30 June 2021 \$	30 June 2020 \$
11. Mine in development		
Mine in development	<u>17,023,986</u>	<u>14,754,721</u>
	<u>17,023,986</u>	<u>14,754,721</u>

Accounting policy:**Work in progress and Mine in development**

When proven mineral reserves are determined and development is sanctioned, capitalised exploration and evaluation expenditure is reclassified as assets under construction within property, plant and equipment. All subsequent development expenditure is capitalised and classified as assets under construction, provided commercial viability conditions continue to be satisfied.

The Consolidated Entity may use funds sourced from external parties to finance the acquisition and development of assets and operations. Finance costs are expensed as incurred, except where they relate to the financing of construction or development of qualifying assets. Borrowing costs directly attributable to acquiring or constructing a qualifying asset are capitalised during the development phase. Development expenditure is net of proceeds from the saleable material extracted during the development phase. On completion of development, all assets included in assets under construction are reclassified as either plant and equipment or other mineral assets and depreciation commences.

	30 June 2021	30 June 2020
	\$	\$
12. Collateral for bank guarantees ¹		
Collateral for bank guarantees	<u>610,000</u>	-
	<u>610,000</u>	-

¹ Collateral for Bank guarantees is cash set aside to cover bank guarantees issued by the Consolidated Entity's bankers in relation to energy access service contracts.

	30 June 2021	30 June 2020
	\$	\$
13. Right-of-use assets		
Head office space - right-of-use	200,541	309,955
Less: Accumulated depreciation	<u>(104,276)</u>	<u>(109,414)</u>
	<u>96,265</u>	200,541

Accounting policy:**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over the estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

FOR THE YEAR ENDED 30 JUNE 2021

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

	30 June 2021	30 June 2020
	\$	\$
14. Trade and other payables		
Accounts payable	5,582,672	6,084,266
Derivative financial instruments	-	151,613
Other payables	125,964	256,574
Accrued expenses	2,819,974	40,000
	8,528,610	6,532,453

Accounting policy:**Trade and other payables**

Trade and other payable amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

	30 June 2021	30 June 2020
	\$	\$
15. Current provisions		
Employee entitlements	337,691	208,809
	337,691	208,809

Accounting policy:**Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

	30 June 2021	30 June 2020
	\$	\$
16. Lease liabilities		
Head office space - lease liabilities	<u>50,000</u>	<u>105,020</u>
	<u>50,000</u>	<u>105,020</u>

Accounting policy:**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

	30 June 2021	30 June 2020
	\$	\$
17 Non-Current provisions		
Opening balance	4,166,074	553,347
Additions	<u>9,515,636</u>	<u>3,612,727</u>
Closing balance	<u>13,681,710</u>	4,166,074

Accounting policy:**Provisions**

A provision has been made for the anticipated costs for future rehabilitation of land explored or mined. Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

	30 June 2021 \$	30 June 2020 \$
18. Borrowings		
<i>Current borrowings</i>		
Loan from KfW	2,234,800	-
Loan from KfW/Euler Hermes	2,026,670	-
Loan from NAIF	1,977,200	-
	<u>6,238,670</u>	<u>-</u>
<i>Non-Current borrowings</i>		
Loan from KfW	43,698,522	13,467,527
Loan from KfW/Euler Hermes	43,140,295	16,603,829
Loan from NAIF	68,104,883	19,599,924
	<u>154,943,700</u>	<u>49,671,280</u>
Interest on loan from KfW	1,273,007	52,695
Interest on loan from KfW/Euler Hermes	812,459	186,053
Interest on loan from NAIF	1,486,378	120,544
Commitment fees on loan from KfW/Euler Hermes	637,120	442,211
	<u>4,208,964</u>	<u>801,503</u>
	<u>159,152,664</u>	<u>50,472,783</u>

The total Debt facilities are as follows (all secured and pledged against the assets of the Consolidated Entity):

Lender	Borrower	Facility Limit	Maturity
NAIF	Kalium Lakes Infrastructure	AUD 48,000,000	14 years ¹
NAIF	Kalium Lakes Potash	AUD 26,000,000	9 years ¹
KfW/Euler Hermes	Kalium Lakes Potash	EUR 32,487,268	9 years ¹
KfW	Kalium Lakes Potash	USD37,000,000	9 years ¹

¹The maturity dates are 14 and 9 years after the first repayment date.

The first repayment date means the earlier of:

- a) the date falling six months after the starting point of credit¹; and
- b) the long stop date²

¹The date of issue of the Provisional Acceptance Certificate by the Borrower in accordance with the EPS Contract.

²The date falling 30 months after Financial Close (Financial Close was achieved 9 December 2019).

On the basis of the above the first principal repayments on the loans are expected to commence on 31 March 2022 and continue on a quarterly basis thereafter.

The company made prepayments of USD 311,069 to KfW/Euler Hermes as a result of closing out hedging agreements in relation to drawdowns on this facility during the year.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

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	30 June 2021 \$	30 June 2020 \$
Total facilities		
Bank loans ¹	174,580,433	179,156,779
Used at the reporting date		
Bank loans	165,391,334	50,472,783
Unused at the reporting date		
Bank loans	7,351,720	128,683,996

¹ Converted using AUD-EUR at 0.6320 and AUD-USD at 0.7523. Total facilities available include principal, commitment fees and interest. The reduction of total facilities in AUD terms was a result of the AUD strengthening against the USD (and to a lesser extent against the EUR) between 30 June 2020 and 30 June 2021 and as a result the USD and EUR facilities converted to a lower AUD facility size as at 30 June 2021.

Accounting policy:**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

19. Contributed equity

	2021 Shares	2020 Shares	2021 \$	2020 \$
Ordinary shares – fully paid	839,161,349	802,257,785	184,670,756	179,614,646

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 Jul 2019	238,966,103		53,053,533
Placement	02 Aug 2019	76,248,464	0.50	38,124,232
Issue of shares for goods/services	02 Aug 2019	470,000	0.50	235,000
Issue of shares for services	02 Aug 2019	400,000	0.50	200,000
Placement	22 Aug 2019	65,398,806	0.50	32,699,403
Placement	03 Sep 2019	2,444,590	0.50	1,222,295
Exercise of options	07 Oct 2019	1,500,000	0.25	375,000
Placement	18 Nov 2019	500,000	0.50	250,000
Conversion of performance rights	13 Dec 2019	5,000,000	-	-
Exercise of options	13 Dec 2019	938,203	-	-
Placement and entitlement offer	01 Jun 2020	325,226,468	0.15	48,783,970
Entitlement offer	16 Jun 2020	81,441,851	0.15	12,216,278

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Issue of shares to contractors	09 Jun 2020	720,000	0.15	108,000
Issue of shares to contractors	09 Jun 2020	666,667	0.15	100,000
Issue of shares to contractors	09 Jun 2020	1,303,300	0.15	195,495
Issue of shares to advisors	09 Jun 2020	1,033,333	0.15	155,000
Share issue costs	-	-	-	(8,103,560)
Balance	30 Jun 2020	802,257,785		179,614,646
Issue of shares to contractors ¹	09 Jul 2020	13,931,488	0.15	2,089,724
Issue of shares under the Contingent Placement	09 Jul 2020	20,305,408	0.15	3,045,811
Exercise of options by contractors	04 Sep 2020	2,666,667	-	-
Share issue costs				(79,425)
Balance	30 Jun 2021	839,161,348		184,670,756

¹ Shares issued to contractors for work performed on the Beyondie SOP Project have been capitalised on the Consolidated Statement of Financial Position as non-current assets

Ordinary shares

Ordinary shares have no par value and have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Capital management

Management controls the capital of the Consolidated Entity in order to maintain a capital structure that ensures the lowest cost of capital available to the Consolidated Entity. Management's objective is to ensure the Consolidated Entity continues as a going concern as well as to maintain optimal returns to shareholders.

Accounting policy:**Share capital**

Share capital represents the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits. Accumulated losses include all current and prior period retained profits. Dividend distributions payable to equity shareholders are included in 'other liabilities' when the dividends have been approved in a general meeting prior to the reporting date. All transactions with owners of the parent are recorded separately within equity.

	30 June 2021	30 June 2020
	\$	\$
20. Reserves		
Performance rights reserve	1,200,000	1,200,000
Options reserve	7,071,356	7,071,356
	8,271,356	8,271,356

Movements in performance rights reserve

	Number	\$
Balance 1 July 2020	10,000,000	1,200,000
Conversion of performance rights	-	-
Balance at 30 June 2020	<u>10,000,000</u>	<u>1,200,000</u>
Issue performance rights	2,250,000	-
Balance at 30 June 2021	<u>12,250,000</u>	<u>1,200,000</u>

The Company issued 2,250,000 performance rights to members of management during the financial year. 500,000 rights lapsed during the year as a result of the cessation of employment. An amount of \$93,750 was expensed to share based payments and recorded as other payables based on the terms of those particular performance rights.

Movements in options reserve

	Number	\$
Balance at 1 July 2019	10,674,818	2,049,635
Unlisted options issued in a prior year vesting over multiple periods ¹⁰	-	43,887
Exercise of options by Directors on 13 December 2019 ¹	(2,000,000)	-
Exercise of options by Adviser on 16 December 2019 ¹	(1,500,000)	-
Options lapsed on 16 January 2020 ¹	(843,936)	-
Issue of options to contractors on 16 June 2020 ^{2,8&11}	12,218,987	1,832,848
Issue of options to contractors on 16 June 2020 ^{3,8&11}	17,677,493	2,651,624
Issue of options to contractors on 16 June 2020 ^{4,8&11}	1,666,667	250,000
Issue of options to contractors on 16 June 2020 ^{5,8&11}	1,000,000	150,000
Issue of options to advisors on 16 June 2020 ^{6&9}	1,182,639	40,160
Issue of options to advisors on 16 June 2020 ^{7&9}	1,750,000	53,202
Balance at 30 June 2020	<u>41,826,668</u>	<u>7,071,356</u>
Exercise of options by contractors on 07 September 2020 ¹	(2,666,667)	-
Cancellation of CFO options	(1,000,000)	-
Balance at 30 June 2021	<u>38,160,001</u>	<u>7,071,356</u>

¹ The Company has elected not to transfer the fair value from the exercise and lapse of options from the options reserve to contributed equity.

For the options granted during the prior financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

	Grant date	Expiry date	Share price at grant date	Exercise price	Expected Volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
²	15/05/20	16/06/23	0.15	0.00	100%	0%	0.24%	0.15
³	15/05/20	16/06/23	0.15	0.00	100%	0%	0.24%	0.15
⁴	15/05/20	16/06/23	0.15	0.00	100%	0%	0.24%	0.15
⁵	15/05/20	16/06/22	0.15	0.00	100%	0%	0.22%	0.15
⁶	15/05/20	16/06/22	0.15	0.55	100%	0%	0.22%	0.0340
⁷	15/05/20	16/06/22	0.15	0.625	100%	0%	0.22%	0.0304

⁸ Options issued to contractors for work performed on the Beyondie SOP Project have been capitalised on the Consolidated Statement of Financial Position as non-current assets, within work in progress and mine in development assets.

⁹ Options issued to advisors have been capitalised on the Consolidated Statement of Financial Position as equity (share issue costs).

¹⁰ Options issued to key management personnel have been expensed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

¹¹ Probability of vesting conditions being met associated with the options issued to contractors used in the valuation model was 100%.

	30 June 2021	30 June 2020
	\$	\$
21. Accumulated losses		
Accumulated losses at the beginning of the financial year	(52,412,451)	(33,519,834)
Loss after income tax expense for the year	(623,273)	(18,892,617)
Accumulated losses at the end of the financial year	<u>(53,035,724)</u>	<u>(52,412,451)</u>
	30 June 2021	30 June 2020
	\$	\$
22. Earnings/(loss) per share		
Loss after income tax	(623,273)	(18,892,617)
Loss after income tax attributable to the owners of Kalium Lakes Limited used in calculating diluted earnings per share	(623,273)	(18,892,617)
Basic loss per share	(0.07)	(4.71)
Diluted loss per share	(0.07)	(4.71)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	837,950,677	400,814,955

Accounting policy:**Earnings per share**

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted earnings per share is calculated as net profit or loss attributable to members of the parent divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element. The diluted EPS was not calculated as the consolidated entity has incurred a net loss for the current and prior year. The weighted average number of shares was based on the consolidated weighted average number of shares in the reporting period. The net profit or loss attributable to members of the parent is adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares.

	30 June 2021	30 June 2020
	\$	\$
23. Reconciliation of cashflows from operating activities		
Loss after income tax expense for the year	(623,273)	(18,892,617)
Adjustments for:		
Depreciation	922,018	746,435
Share based payment expense	93,750	243,887
(Gain)/Loss on derivative financial instruments	-	151,613
Unrealised currency translation losses/(gains)	(6,484,476)	-
Change in operating assets and liabilities:		
Trade & other receivables	349,220	1,086,191
Trade & other payables	2,125,040	2,564,349
Work in progress	(134,504,002)	(96,169,388)
Mine development	(2,269,265)	(14,110,996)
Net cash used in operating activities	(140,390,988)	(124,380,526)

24. Key management personnel disclosure

The aggregate compensation made to directors and other members of key management personnel of the Consolidated Entity is set out below:

	30 June 2021	30 June 2020
	\$	\$
Short-term employee benefits	1,217,269	1,089,478
Post-employment benefits	69,956	76,373
	1,287,225	1,165,851
Share-based payments	-	43,887
	1,287,225	1,209,738

25. Related party transactions**Parent entity**

Kalium Lakes Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 26.

Key management personnel

Disclosures relating to key management personnel are set out in note 24.

The following transactions occurred with related parties:

	30 June 2021	30 June 2020
	\$	\$
Payment for services:		
Payment for employee services from Tanya Hazelden (Director related entity of Brett Hazelden)	40,608	90,820
Payment for construction services from Smoothy Cattle Co Pty Ltd (Director related entity of Brent Smoothy) ^{2 & 3}	5,455,602	4,323,731
Payment for construction services from FIRM Construction Pty Ltd ³	-	4,901,101
Payment for construction services from K19 Mining Pty Ltd (Director related entity of Brent Smoothy) ¹	3,031,106	
	8,527,316	9,315,652

¹ K19 mining Pty Ltd and Smoothy Cattle Co Pty Ltd are Director related entities of Brent Smoothy. The companies were engaged in the construction works, harvesting and haulage of harvested and waste salts for the Beyondie SOP Project.

² Smoothy Cattle Co Pty Ltd were engaged in the construction and maintenance works of pond roads and the airstrip.

³ Smoothy Cattle Co Pty Ltd (Director related entity of Brent Smoothy) was awarded the sub-contractor works under the FIRM Construction Pty Ltd contract. Amounts paid during the prior year to FIRM Construction Pty Ltd disclosed above relate to work performed by Smoothy Cattle Co Pty Ltd.

Receivables from and payables to related parties

	30-Jun 2021 \$	30-Jun 2020 \$
Current payables:		
Payment for construction services from K19 Mining Pty Ltd (Director related entity of Brent Smoothly)	644,396	-
Payment for construction services and haulage of harvested and waste sale from Smoothy Cattle Co Pty Ltd (Director related entity of Brent Smoothy)	261,996	2,089,723 ¹
	906,392	2,089,723

¹ On 9 July 2020, the Company issued 13,931,488 shares at \$0.15 in lieu of cash payment for the outstanding invoices owing (\$2,089,723) in respect of construction services provided by Smoothy Cattle Co Pty Ltd.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

26. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in the notes to the financial statements.

	Incorporation	% of Equity Interest	
		30 June 2021 %	30 June 2020 %
Kalium Lakes Potash Pty Ltd	Australia	100	100
Kalium Lakes Infrastructure Pty Ltd	Australia	100	100
Carnegie Potash Pty Ltd	Australia	100	100
Magnesium Lakes Pty Ltd ¹	Australia	100	100

¹ Magnesium Lakes Pty Ltd was dormant at the reporting date.

27. Contingent liabilities and assets

The Consolidated Entity has no contingent liabilities and assets as at 30 June 2021 (2020: Nil).

28. Commitments

	30 June 2021	30 June 2020
	\$	\$
Committed at the reporting date but not recognised as liabilities, payable:		
Rental, rates and expenditure commitments relating to tenements	2,696,232	1,124,496
Construction of the Beyondie SOP Project	42,848,243	155,186,218
	45,544,475	156,310,714

29. Interests in joint operations

On 1 March 2017, the Consolidated Entity and BC Potash Pty Ltd announced that the companies had entered into a joint operation over Kalium's 100% owned Carnegie Project.

The Carnegie Joint Operation (CJO) is focussed on the exploration and development of the Carnegie Potash Project (CPP) in Western Australia, which is located approximately 220 kilometres east-north-east of Wiluna. The CJO comprises one granted exploration licence and five exploration licence applications, covering a total area of approximately 3,081 square kilometres.

Under the terms of the agreement BC Potash Pty Ltd can earn up to a 50% interest in the CJO by predominantly sole-funding exploration and development expenditure across several stages.

Kalium Lakes Potash Pty Ltd is the manager of the CJO and will leverage its existing Intellectual Property to fast-track work. The CJO Companies have endorsed proceeding to a staged Pre-Feasibility Study, with an initial focus on securing tenure and access to all required tenements.

The Consolidated Entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Kalium Lakes Limited ownership interest is set out below:

	Incorporation	% of Interest	
		30 June 2021	30 June 2020
		%	%
Carnegie Joint Operation	Australia	70%	70%

30. Events after reporting date

No matter or circumstance has arisen since the end of the financial year, which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods other than the following:

In August 2021:

- Kalium Lakes announced that more than 90,000 tonnes of potassium salt, that meets the plant feed cut-off grade, had been harvested and delivered to the ROM stockpile. Harvesting operations and potassium salt stockpiling continued, with several other ponds ready and available for harvest. The potassium salt, both harvested and ready for harvest, accounted for approximately the first six months of SOP production during the ramp-up period.
- The Company advised:
 - That a Feasibility Study had been completed for a production increase to 120ktpa as a new base case (33% increase over the original 90ktpa production target). Key highlights included:
 - Incremental capital expenditure of \$45m, lower capital cost intensity of A\$1,513/t for the incremental 30ktpa production.
 - 120ktpa production throughput achieved by October quarter 2022.
 - Unlevered project pre-tax NPV (8%, nominal) of \$484m
 - The expansion is subject to approval and funding, for which the Company is in the process of exploring equity and debt funding options.
 - Improved economies of scale from expansion to offset sector wide and macroeconomic cost pressures (Kalium Lakes remains a global first quartile low-cost producer).
 - K+S offtake agreement extended to cover increased production at 120ktpa level and improved payment terms for the first three years to reduce working capital needs.
 - That it is working with its senior lenders to restructure its existing debt arrangements and is in the process of negotiating the provision of an additional liquidity facility of A\$20m (to replace the existing A\$15m working capital facility provided by Westpac) which will be available for six months, with the potential to extend for another six months at the discretion of the senior lenders. The debt restructuring includes a deferral of principal repayments for the first two years of production and a two-year extension to the maturity of senior loans owed by its wholly owned subsidiary, Kalium Lakes Potash Pty Ltd and, combined with the expansion to the 120ktpa SOP production rate, will enable the Company to meet its debt service obligations. The liquidity facility will be used as short-term working capital, allowing the Project to commence production at 90ktpa in the event that the additional funding for the capital expenditure to expand production to 120ktpa is delayed.
 - First SOP production and ramp-up remains targeted for October 2021.
 - Commissioning risk regarded as low with:
 - The support of experienced German engineer and manufacturer (Ebttec GbR).
 - Start-up salts and brine equivalent to 113,000 tonnes of SOP already in production (as at end July 2021), including plant feed salts equivalent to 9,000 tonnes of SOP “harvested” and on the ROM pad ready for SOP production.
 - Favourable timing with first production and start-up into a rising SOP price environment (2022 forecast average price for standard grade SOP (CFR Aust) up to US\$617/t based on forecasts provided to the Company by CRU/Argus in July 2021).
 - Significant opportunity for further expansion beyond 120ktpa with further studies in progress.
- Kalium Lakes announced that commissioning activities for the Beyondie SOP Project were continuing, with completed plant modules progressively handed over by the construction

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contractor in accordance with the agreed commissioning plan. Key commissioning milestones included:

- Hydro and vacuum tests on cooling crystalliser successfully completed.
- Hydro testing through flotation successfully completed.
- Water commissioning of process loop circuits was underway - fire, raw, gland, potable and process water headers had been successfully commissioned.
- The gas power station was operating continuously, with all switchrooms and transformers energised.
- Harvesting of potassium salts was continuing on schedule.
- Construction activities and parallel commissioning activities remained within the capital expenditure budget.
- Several key equipment vendors had attended site to support commissioning activities.

In September 2021:

- The Company advised that operational readiness for the Beyondie SOP Project was ramping up as planned and included:
 - Commencement of production ramp-up remains on track for October 2021.
 - Operations team in place with on-site training of plant operators continuing.
 - 108,000 tonnes of “plant feed specification” potassium salts harvested and been delivered to the ROM pad.
 - Harvested ponds were being immediately placed back into operation for next round of salt production.
 - Pre-concentrator ponds were full (to maximum capacity) in preparation for high evaporation rate summer period.
- Kalium Lakes announced that the Beyondie SOP Project had entered the final phases of commissioning, which included the following key milestones:
 - Construction of standard grade SOP plant was substantially complete other than punch-list items that were not critical to progressing commissioning.
 - Water commissioning was nearing completion.
 - Product storage shed and product materials handling infrastructure were almost complete.
 - The commencement of production ramp-up remained on track for October 2021.
 - Construction activities and commissioning activities remained within the capital expenditure budget.
- In September 2021, the Company significantly progressed negotiations with its lenders to restructure its existing senior debt arrangements with its two senior lenders, as announced to the market in August 2021 in addition to its plan to expand its SOP production target to 120ktpa. The debt restructure, combined with the expansion to the 120ktpa SOP production rate, will enable the Company to meet its future debt service obligations. The Company considers it has reasonable grounds for expecting that, following the execution of the debt restructure, the additional funding for the expansion to 120 ktpa can be secured based on the ore reserves and mineral resources defined at the Beyondie SOP Project and the various assumptions made in the 120ktpa feasibility study.

Issued Securities as at 30 June 2021

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	802,257,785	-	802,257,785
\$0.425 unlisted options expiring 29-Sep-20	-	330,882	330,882
\$0.55 unlisted options expiring 16-Jun-22	-	1,182,639	1,182,639
\$0.625 unlisted options expiring 16-Jun-22	-	1,750,000	1,750,000
\$0.00 unlisted options expiring 16-Jun-23	-	12,218,987	12,218,987
\$0.00 unlisted options expiring 16-Jun-23	-	17,677,493	17,677,493
\$0.3583 unlisted options expiring 30-Jun-25	-	5,000,000	5,000,000
Performance rights	-	10,000,000	10,000,000
\$0.00 unlisted options expiring 30-Nov-25	-	1,000,000	1,000,000
\$0.00 unlisted options expiring 26-Oct-25	-	1,250,000	1,250,000
Exercise of options by contractors	2,666,667	-	2,666,667
\$0.15 shares issued for services 09-Jul-20	13,931,488	-	13,931,488
\$0.15 shares issued to directors and executives 09-Jul-20	20,305,409	-	20,305,409
Total	839,161,349	50,410,001	889,571,350

Distribution of Listed Ordinary Fully Paid Shares as at 30 June 2021

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1	-	1,000	233	101,651	0.01
1,001	-	5,000	1,605	4,951,480	0.59
5,001	-	10,000	1,068	8,632,924	1.03
10,001	-	100,000	2,734	104,361,202	12.44
100,001	-	and over	841	721,114,092	85.93
Total			6,481	839,161,349	100.00

Top 20 Listed Ordinary Fully Paid Shareholders as at 30 June 2021

Rank	Shareholder	Shares Held	% Issued Capital
1.	GREENSTONE RESOURCES II (AUSTRALIA) HOLDINGS L P	93,570,874	11.15
2.	GREENSTONE MANAGEMENT (DELAWARE) II LLC	78,673,124	9.38
3.	MR VINCENT MARTIN SMOOTHY	40,339,800	4.81
4.	BIGA NOMINEES PTY LTD <EXECUTIVE SUPER FUND A/C>	23,922,679	2.85
5.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,023,646	2.74
6.	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	21,727,585	2.59
7.	KUMARINA HOLDINGS PTY LTD <SMOOTHY INVESTMENT A/C>	20,598,155	2.45
8.	THOMAS CHUTE ELLIS + SALLY ANNE ELLIS <T C ELLIS FAMILY A/C>	19,199,159	2.29
9.	MR PHILIPPUS RUDOLPH VAN NIEKERK + MRS JEAN-MARIE VAN NIEKERK <R & J VAN NIEKERK A/C>	15,831,741	1.89
10.	CITICORP NOMINEES PTY LIMITED	11,843,115	1.41
11.	MR STACEY RADFORD	10,230,323	1.22
12.	VALDARNO PTY LTD <VALDARNO A/C>	10,123,055	1.21
13.	KUMARINA HOLDINGS PTY LTD <SMOOTHY INVESTMENT A/C>	8,450,142	1.01
14.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	7,331,407	0.87
15.	KUMARINA HOLDINGS PTY LTD <TOM SMOOTHY INVESTMENT A/C>	6,000,000	0.71
16.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,971,453	0.71
17.	THOMAS ELLIS + SALLY ELLIS <COOLA STATION S/F 1982 A/C>	5,000,000	0.60
18.	COOLA STATION PTY LTD <TC ELLIS FAMILY A/C>	4,935,028	0.59
19.	HISHENK PTY LTD	4,700,000	0.56
20.	KUMARINA HOLDINGS PTY LTD <THE LANCE SMOOTHY INVEST A/C>	4,531,460	0.54
Total		416,002,746	49.57