

QUARTERLY ACTIVITIES REPORT PERIOD ENDING 31 MARCH 2023

Kalium Lakes Limited (ASX:KLL) (**Kalium Lakes** or the **Company**) provides its quarterly activities report for the period ending 31 March 2023, including a summary of its operational activities at the Beyondie Sulphate of Potash (**SOP**) Mine (**Beyondie** or **BSOPM**).

- **SOP production for March quarter of 1,784 tonnes, highest quarterly production to date**
 - April's MTD production to 26 April 2023 over 900 tonnes, surpassing March 2023.
- **Identified objectives of Plant Performance Improvement Plant (PIIP) advanced:**
 - Flotation circuit achieving in excess of 70% recoveries intermittently during March and April. Main focus areas progressing as follows:
 - Conditioning: Static mixer has improved conditioning leading to higher flotation recoveries. Conditioning tanks & agitators delivered to site with optimal install configuration being determined. Life of mine solutions also being engineered.
 - Froth mobility: Froth launder ring installed on 2 of 4 flotation cells, also contributed to improved recoveries.
 - Aeration: trials on flotation cells continued during March quarter to determine optimal settings, further trials to be scheduled in June quarter.
 - Temperature: current cooler season will assist throughput rates, ahead of second heat exchanger equipment install targeted for July.
- **Upstream operations performing well, supported by positive brine production and KTMS harvesting output:**
 - Brine production and grade remain satisfactory.
 - Harvest output for March 2023 quarter was 90kt of KTMS (16% above previous quarter) and 248kt of waste salt.
 - Wet weather mitigation plan successfully handled over 150mm of local rainfall at the end of the March, with harvesting recommenced shortly after the rains.
- **Production rate target for 60ktpa SOP now July 2023**
- **Cash balance at 27 April 2023 was approximately \$8.7 million**
 - Facility amendments executed with Senior Lenders during the quarter enabled drawdown of \$10 million of the liquidity facility, plus the deferral of quarterly interest cash payments and debt service reserve account payments totalling approximately \$16.3 million due in CY2023.
 - In discussion with Senior Lenders in relation to availability of the \$10 million undrawn balance of the liquidity facility (subject to Senior Lender discretion following assessment of the ramp up performance of Beyondie in the March and June 2023 quarters).

Kalium Lakes acting Chief Executive Officer, Jason Morin, said:

“We have previously identified what needs fixing at Beyondie through the plant performance improvement plant (PPIP), which includes improving flotation performance in three key areas, and implementing temperature control within the schoenite conversion circuit. I am pleased to say we have been able to continue our progress in fixing these items during the quarter, with the proof being delivery of our largest quarterly production figures to date. This momentum continues into April.

Brine extraction and primary evaporation operations continue to perform satisfactorily, and our improved operational procedures and activities have been demonstrated by our rapid response to the significant rain event at the end of the quarter with the implementation of our wet-weather mitigation plan. This plan is proving effective and allowed us to recommence harvesting quickly after the rains.

While the March quarterly production rate is modest compared to our design goal, we are confident in reaching an interim production rate target of 60ktpa in July this year as a result of the identification of the factors hindering the ramp up of the plant, subsequent findings and improvements made and being undertaken during the PPIP.

Our Senior Lenders have continued to demonstrate their support for Kalium Lakes by executing the facility amendments with the Company in February, to deliver greater liquidity during the on-going ramp-up of Beyondie.

Finally, I would like to thank all shareholders, employees and other stakeholders for the support they have provided me in my first weeks as acting Chief Executive. The entire Kalium Lakes team and I remain committed to realising the full potential of the Beyondie operation.”



Beyondie Sulphate of Potash Mine

Health and safety

No lost time injuries were recorded during the March 2023 quarter. For the 9 months ended 31 March 2023 the Company reported a Total Recordable Injury Frequency Rate (**TRIFR**) of 15.3 and a Lost Time Injury Frequency Rate (**LTIFR**) of 0.0 for the same period.

Key operating statistics

SOP Production and Sales	Mar 2023 Qtr	Dec 2022 Qtr
SOP produced (t)	1,784	780
SOP sold (t)	1,351	1,244

SOP Inventory	Mar 2023 Qtr	Dec 2022 Qtr
SOP in transit for sale (t)	208	171
SOP inventory on site (t)	500	104
Total SOP inventory (t)	708	275

KTMS Output and Plant Feed	Mar 2023 Qtr	Dec 2022 Qtr
KTMS harvested (t)	90,100	77,700
KTMS fed into SOP plant (t)	40,700	40,600

KTMS ROM Stockpiles	Mar 2023 Qtr	Dec 2022 Qtr
KTMS ROM stockpile – design (or above) grade (t)	56,000	38,600
KTMS ROM stockpile – lower grades for blending (t)	75,800	43,800
Total KTMS stockpile (t)	131,800	82,400

Waste Salt Harvesting	Mar 2023 Qtr	Dec 2022 Qtr
Waste salt harvested (t)	247,700	224,600

SOP product sales

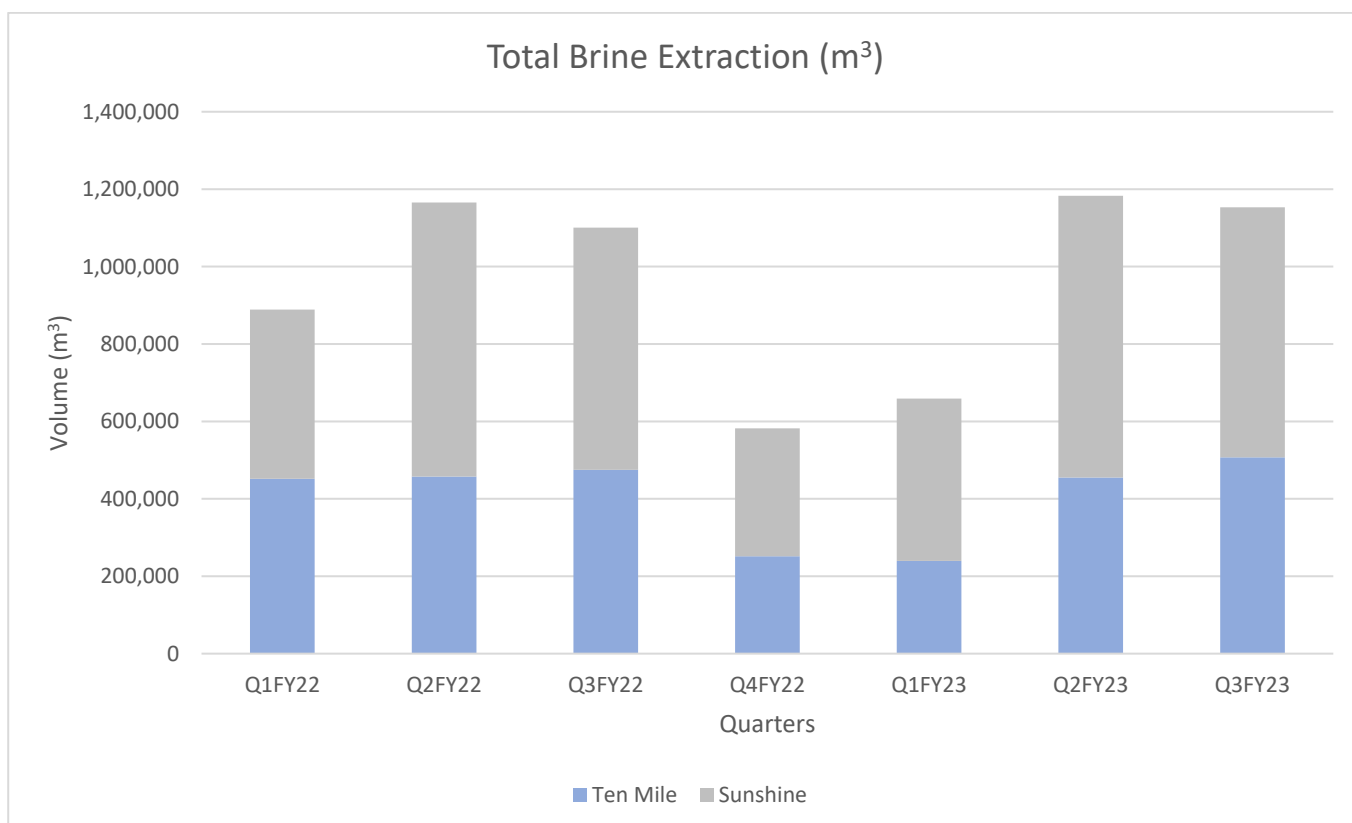
All sales in the March 2023 quarter were made via exports through the Company's offtake partner, K+S Asia Pacific (**K+S**). Total SOP sales for the quarter amounted to 1,351 tonnes (Dec-22 quarter: 1,244 tonnes), resulting in provisional receipts from customers of \$1.37 million (Dec-22 quarter: \$1.64 million). The average realised price for the quarter was \$1,016/tonne FOB (Dec-22 quarter: \$1,350/tonne FOB) reflecting market price trends".



Bulk bags of SOP awaiting collection in the Beyondie product shed.

Borefield & trenching operations

Flow rates for the March 2023 quarter averaged approximately 153 L/s, producing around 1.15 million cubic metres of brine at an average K grade 8,369 mg/L, in line with expectations.



A significant rainfall event occurred in late March and early April, producing more than 150mm of rain over a 7-10 day period. As a result, all trenches at Ten Mile and Sunshine were filled. As the trench levels reduce, natural superficial ground water is expected to improve the grade. Measures are in place to manage blending of trenches and deep groundwater bores to manage the grades in the pre-concentrator ponds which had naturally depleted following high evaporation from the summer months.



Lake Sunshine trenches, March 2023

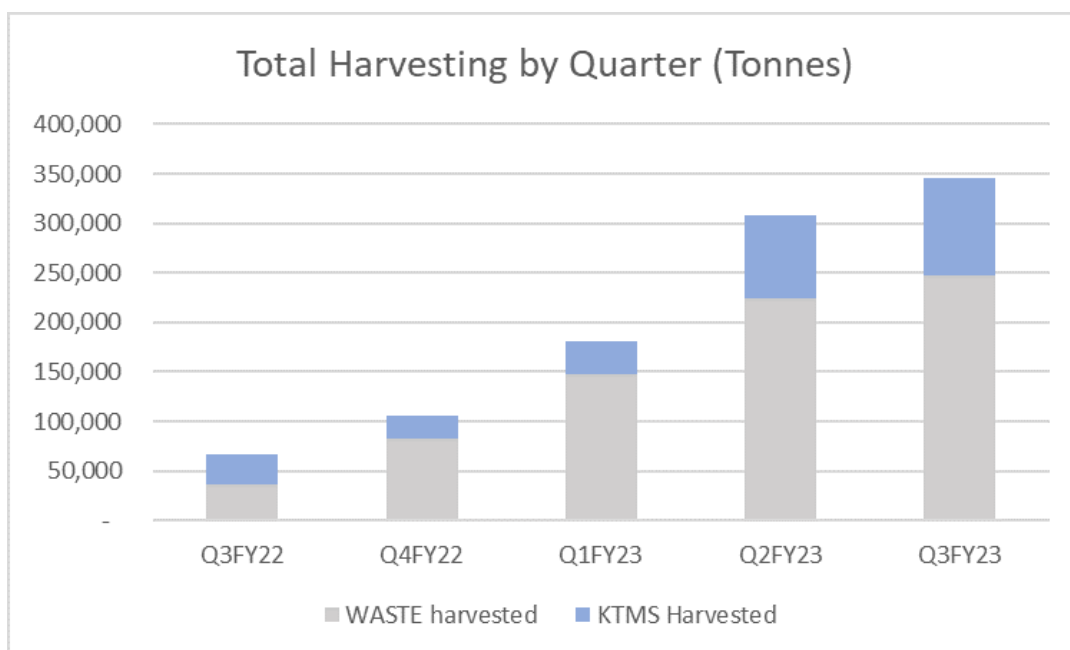


Lake Sunshine pre-concentrator pond, March 2023

Pond operations

The harvest for the March 2023 quarter was 91kt of KTMS and 248kt of waste salt, ahead of expectations for the quarter. As of 31 March 2023, the inventory of KTMS on the ROM pad had increased to 132kt.

Following the precipitation event referred to above, the wet-weather mitigation plan for the evaporation ponds was activated by the Beyondie team. These countermeasures and controls were enacted to preserve the KTMS in the ponds and drain-off surface (fresh) rainwater, accelerating the return to harvesting (which has now recommenced). This plan was developed following the significant rain event in May and June 2022, and has been effective in mitigating delay impacts from the recent heavy rainfall.



Evaporation pond "1A", February 2023

SOP plant operations

SOP production for the March 2023 quarter was 1,784 tonnes, comprising increasing monthly SOP production amounts of 413 tonnes in January, 659 tonnes in February, and 712 tonnes in March. The March 2023 quarter production rates represent a significant increase in the average run rate from prior quarters, and the highest quarter of SOP production to date. This included a planned 4-day shutdown of the plant that was undertaken at the beginning of March 2023 to enable regular maintenance. April 2023's month to date (MTD) production has already improved upon March with over 900 tonnes having been produced to 26 April 2023.

As reported previously, implementation of the PPIP remains in progress at Beyondie with the aim of unlocking a step change in performance by way of systematic investigation and trials on three main focus areas in the flotation circuit, being conditioning, froth mobility, and aeration, as follows:

- Conditioning:
 - The static mixer has improved the pre-flotation conditioning step leading to higher flotation recoveries during the quarter.
 - Conditioning tanks and agitators were delivered to site at the end of March / early April. The optimal installation configuration for these tanks is being determined; in the meantime, the static mixer continues to perform well during April as evidenced by the April MTD production of SOP.
 - The conditioning tanks are expected to be a short to medium term installation; life of mine conditioning solutions are also being engineered.
- Froth mobility:
 - Froth launder rings have been installed on 2 of 4 flotation cells and have contributed to improved recoveries.
- Aeration:
 - Various trials on flotation cells continued during the March quarter to determine optimal settings.
 - Trials of various technologies are to be scheduled during the June quarter.

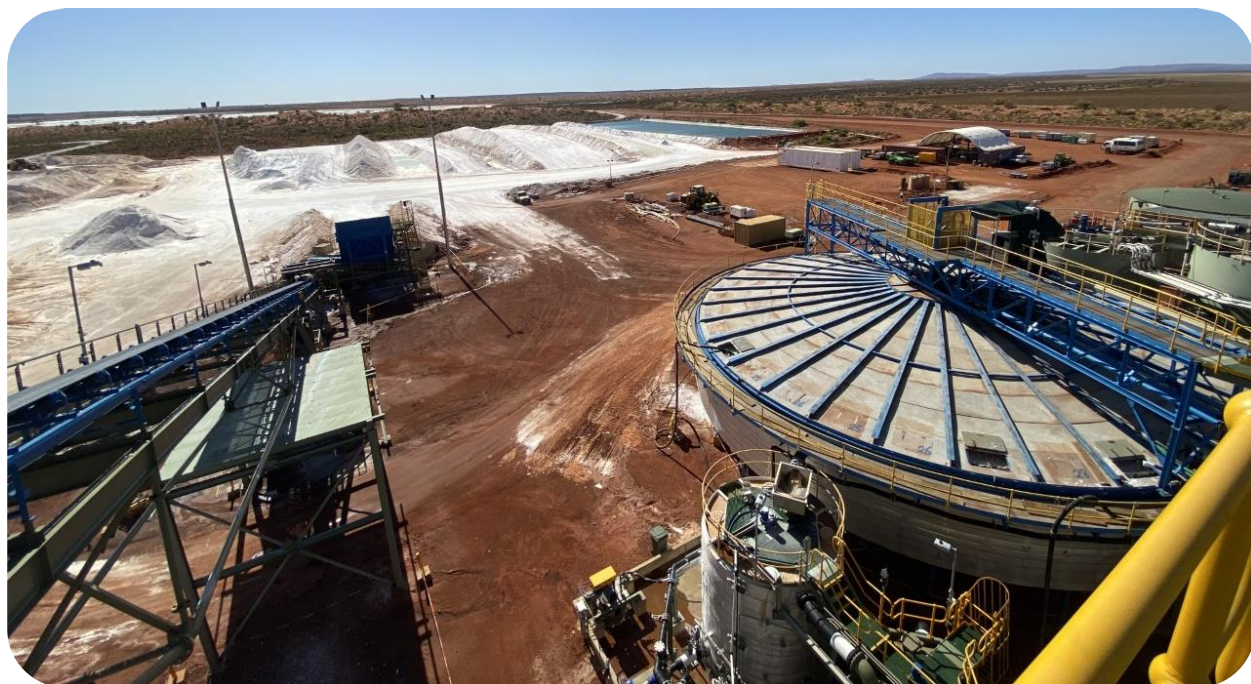
Flotation recovery rates through March 2023 quarter were slightly better than forecast with the performance of the static mixer improving the conditioning prior to flotation. Recoveries have gone from the 20% range in the December 2022 quarter to levels in excess of 70% being achieved intermittently during March 2023, versus design flotation recovery rates of 85-90%.

Temperature control in the schoenite circuit remains a significant focus with plant operating hours restricted to incorporate cooling cycles whilst warmer ambient temperatures are present. Whilst the plant will be assisted by cooler temperatures with the approach of the winter months, a second heat exchanger for additional cooling capacity is being progressed with assistance of technical partner Ebtec and is targeted for installation on a modular basis in July 2023. This will complement the existing heat exchanger in the schoenite conversion tanks and is intended to eliminate the requirement for cooling cycles and increase plant utilisation in future summer periods.

As a result of the continued requirement for plant cooling cycles, Kalium Lakes is now targeting an interim production rate of 60ktpa of SOP in July 2023.

Kalium Lakes expects to update the market on further production ramp-up targets once the 60ktpa production target has been reached. As previously announced, no significant expenditure on the proposed 120ktpa expansion is planned until production ramp-up targets beyond 60ktpa are determined.

Further improvements are expected to be achieved through operational experience in running the plant and optimisation, in conjunction with Ebtec, who are providing full technical support both from Germany and on site.



ROM Pad and Plant Feed, February 2023

Potash market update

Market SOP prices in the March 2023 quarter were approximately twice the long term level seen prior to the geopolitical situation in Belarus and Russia that contributed to the significant escalation in prices.

During the March 2023 quarter, an easing in the Muriate of Potash (MOP) supply disruptions from Belarus and Russia saw global MOP prices decline from the peak prices in 2022, especially in Asia. As a consequence, Asian SOP prices also fell by approximately 25% quarter-on-quarter and the average price realised by Kalium Lakes fell from \$1,350/tonne FOB in the December 2022 quarter to \$1,016/tonne FOB in the March 2023 quarter. Nevertheless, Asian SOP prices remained approximately 50% higher than their long term average (Source: Argus). Further price softening for both MOP and SOP has been observed in April 2023.

Mineral Resources and Ore Reserve Estimate

On 14 October 2022, Kalium Lakes released its Mineral Resource and Ore Reserve Estimates as at 30 June 2022 for Beyondie, which reported:

- an overall increase in Mineral Resources, including a 5.6% increase in Measured SOP Resources and a 1.4% increase in Indicated SOP Resources as at 30 June 2022 (relative to the prior year and after abstraction depletion); and
- a decrease in Ore Reserves as at 30 June 2022 by 2.75% over the preceding 12 months following incorporation of abstraction depletion.

The Mineral Resource and Ore Reserve Estimates as at 30 June 2022 were included in the Company's 2022 Annual Report which was released to the ASX on 25 October 2022.

Kalium Lakes confirms that it is not aware of any new information or data that materially affects the Mineral Resource and Ore Reserve information included in the Company's 2022 Annual Report which was released to the ASX on 25 October 2022 and, in the case of the Mineral Resource estimate, Ore Reserve estimate and Exploration Target, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Corporate and Financial

Chief Executive Officer

Kalium Lakes advised that Mr Len Jubber resigned as Chief Executive Officer (**CEO**) of Kalium Lakes, effectively 3 April 2023.

Mr Jason Morin, the Company's General Manager Operations has been appointed as acting CEO. Jason is an experienced mining professional with deep understanding of the Company's culture, its strategy, markets, and customers having been in his current role since August 2022.

Jason holds a Master of Business Administration, qualifications in mining and minerals engineering and was most recently WA Manager of Mines for Alcoa and prior to that General Manager Operations at St Barbara where he championed a transformation at the Leonora Operations. Mr Morin is Canadian-born and has worked in several countries including Canada, France, USA, Indonesia, Ireland, and Australia, having made Perth his home for the past few years.

Kalium Lakes' Non-Executive Chair, the Hon. Cheryl Edwardes, said: *"Jason is an exceptional leader, and combined with his extensive and detailed experience across Kalium Lakes' operations, risk management and corporate functions, he is the ideal person to lead the Company. It is pleasing to have appointed an internal successor which demonstrates the talent within the leadership team."*

Liquidity and Funding

On 28 February 2023, Kalium Lakes announced that it had executed formal documentation with its senior lenders, Northern Australia Infrastructure Facility (**NAIF**) and KfW IPEX-Bank GmbH (**KfW**) (**Senior Lenders**), to amend select terms of its financing facilities (**Facility Amendments**).

The Facility Amendments allowed the Company to drawdown the first \$10 million tranche of the \$20 million Liquidity Facility in March 2023.

The Facility Amendments also defer interest payments due in CY2023 in respect of both the senior project term facilities (**Senior Facilities**) and the Liquidity Facility (**Deferred Interest**), in total estimated to be approximately \$12 million for CY2023.

The deferred interest on the Liquidity Facility is to be repaid as a priority payment under the existing Liquidity Facility repayment mechanism from cash balances in excess of \$10 million at each quarterly interest payment date. The repayment of deferred interest on the Senior Facilities will commence by way of the cash sweep which begins in March 2025 with the final repayment of any outstanding balance required to be made in December 2026.

In addition, under the Facility Amendments the requirement to make quarterly debt service reserve account payments has been deferred by 12 months, with the first payment now scheduled for December 2024, delivering additional cash relief of approximately \$4.3 million during CY2023.

At 27 April 2023, the Company had available cash of \$8.7 million.

Drawn senior debt facilities as at 31 March 2023 were \$194.9 million (including the capitalisation of the March 2023 quarterly interest).

Undrawn debt capacity under the Senior Facility "A" provided by KfW, is \$2.5 million, which has been set aside for final commissioning payments.

The Company is continuing to review its funding position, including present discussions with the Senior Lenders in relation to the availability of the \$10 million undrawn balance of the Liquidity Facility (which, as previously announced, is subject to Senior Lender discretion following assessment of the ramp-up performance of Beyondie during the March and June 2023 quarters).

Payments to related parties

During the quarter, the Company paid salaries and wages of \$0.125 million to its directors. Further, payments totalling \$2.58 million were made during the quarter to a company related to non-executive director, Mr Brent Smoothy, for construction and salt harvesting and haulage services under contracts previously awarded following arm's length tender processes. Additionally, a payment of A\$0.04 million was made to Greenstone Resources II (Australia) Holdings LP, which is related to non-executive director, Mr Mark Sawyer, for the reimbursement of flights costs for travel between London and Perth.

Securities on issue

The Company had the following securities on issue as at 31 March 2023:

- 2,031,712,214 ordinary shares
- 42,374,884 performance rights
- 17,677,493 nil exercise price options, expiring 16 June 2023
- 5,000,000 options exercisable at A\$0.50 each, expiring on 30 June 2025

On 26 April 2023, the Company cancelled 2,319,767 performance rights in relation to employees whose employment with the Company terminated during the March 2023 quarter, bringing the total number of performance rights on issue at that date to 40,055,117.

Tenement interests

Beyondie Sulphate of Potash Mine (100% owned)

Tenement	Name	Holder	State	Status	Application/ Grant Date	Interest
Exploration Licences						
E52/3956	Access Rd FW A	KLP	WA	Pending	24-5-2021	100%
E52/3957	Access Rd FW B	KLP	WA	Pending	24-5-2021	100%
E52/4038	Access Rd FW C	KLP	WA	Pending	7-Jan-2022	100%
E69/4052	Kendenura Hill	KLP	WA	Pending	15-6-2022	100%
E69/4098	Ten Mile Lake	KLP	WA	Pending	5-9-2022	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	22-6-2015	100%
E69/3344	Northern	KLP	WA	Granted	22-6-2015	100%
E69/3345	Wilderness	KLP	WA	Granted	22-6-2015	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%
Miscellaneous Licences						
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%
L69/41	10 Mile Village	KLI	WA	Granted	8-2-2019	100%
L69/46	10MS FW E	KLP	WA	Granted	8-2-2021	100%

Tenement	Name	Holder	State	Status	Application/ Grant Date	Interest
L69/47	10MS FW F	KLP	WA	Granted	27-7-2021	100%
L69/48	10MS FW G	KLP	WA	Granted	27-7-2021	100%
L69/52	Ten Mile Expansion 1	KLP	WA	Granted	31-3-22	100%
L69/53	Ten Mile Expansion 2	KLP	WA	Granted	31-3-22	100%
L69/54	Sunshine Expansion 1	KLP	WA	Granted	31-3-22	100%
L69/55	Sunshine Expansion 2	KLP	WA	Granted	31-3-22	100%
L69/59	Sunshine Access Rd A	KLP	WA	Granted	15-7-22	100%
L69/60	Sunshine Access Rd B	KLP	WA	Granted	15-7-22	100%
L69/61	Sunshine Access Rd C	KLP	WA	Granted	15-7-22	100%
Mining Leases						
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	Granted	10-11-21	100%
Gas Pipeline						
PL117	Gas Pipeline	KLI	WA	Granted	7-11-2018	100%

Dora / Blanche (100% Owned)

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	Pending	13-8-2014	100%
E45/4437	Blanche	Rachlan	WA	Pending	13-8-2014	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)

The Carnegie Joint Venture (CJV) is located approximately 220 kilometres east-north-east of Wiluna. The CJV comprises one granted exploration licence and five (5) exploration licence applications (set out in the table below) 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	Carnegie Potash	WA	Granted	31-7-2015	70%
E38/2973	Carnegie Central	Rachlan	WA	Pending	22-8-2014	70%
E38/2982	Carnegie West	Rachlan	WA	Pending	1-9-2014	70%
E38/3295	Carnegie South West	KLP	WA	Pending	10-1-2018	70%
E38/3296	Carnegie South East	KLP	WA	Pending	10-1-2018	70%
E38/3297	Carnegie North	KLP	WA	Pending	10-1-2018	70%

Note: Carnegie Potash Pty Ltd (Carnegie Potash) is a wholly owned subsidiary of Kalium Lakes Limited and is the entity which holds Kalium Lakes' interest in the CJV.

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).

*** ENDS ***

This announcement was approved and authorised for release by the Board of Kalium Lakes Limited.

Kalium Lakes Limited



ABN: 98 613 656 643
ASX: KLL



Board of Directors:

Hon. Cheryl Edwardes	Non-Executive Chairperson
Mark Sawyer	Non-Executive Director
Brent Smoothy	Non-Executive Director
Sam Lancuba	Non-Executive Director
Robert Adam	Non-Executive Director
Simon Wandke	Non-Executive Director



Contact Details:

Kalium Lakes Limited
Unit 1, 152 Balcatta Road
BALCATT A WA 6021

PO Box 610
BALCATT A WA 6914

Email: info@kaliumlakes.com.au
Web: www.kaliumlakes.com.au
Tel: +61 (0)8 9240 3200



Acting Chief Executive Officer

Jason Morin

Chief Financial Officer:

Jason Shaw

Company Secretaries:

Loren King
Jason Shaw

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")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1.086	4.435
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(323)	(4,623)
(c) production (including capitalised opex)	(8,245)	(27,903)
(d) staff costs	(4,146)	(11,523)
(e) administration and corporate costs	(738)	(3,255)
1.3 Dividends received (see note 3)	-	
1.4 Interest received	72	244
1.5 Interest and other costs of finance paid	-	(4,514)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(12,294)	(47,139)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(30)	(2,564)
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)	-	-
2.6	Net cash from / (used in) investing activities	(30)	(2,564)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	35,558
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	-	(2,329)
3.5	Proceeds from borrowings	10,000	10,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(284)	(3,877)
3.8	Dividends paid	-	-
3.9	Other	(0)	(9)
3.10	Net cash from / (used in) financing activities	9,716	39,343

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,807	21,513
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(12,294)	(47,139)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(30)	(2,564)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,716	39,343

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	45
4.6	Cash and cash equivalents at end of period	11,198	11,198

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	11,198	13,807
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Restricted cash)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11,198	13,807

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

Current quarter \$A'000
2,745
-

Included in item 6.1 are the following payments:

Directors fees, salaries & wages - A\$0.125 million.

Payments for construction, harvesting and haulage of harvested & waste salt services made to K19 Mining Pty Ltd, which is related to non-executive director, Mr Brent Smoothy - A\$2.58 million (incl. GST).

Reimbursement of travel costs made to Greenstone Resources II (Australia) Holdings LP, which is related to non-executive director, Mr Mark Sawyer - A\$0.04 million.

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**

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	207,435	194,903
	207,435	194,903

7.5 **Unused financing facilities available at quarter end**2,532⁵

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.

¹ Debt Facilities available (all secured):

Lender	Borrower	Facility Limit ⁶ '000	Facility Limit ⁶ \$A'000	Drawn (Principal & Capitalised Interest) ⁶ \$A'000	Unused Facility \$A'000	Maturity Date
KfW/Euler Hermes	Kalium Lakes Potash (KLP) (Facility A) ²	EUR €33,054	AUD \$56,151	AUD \$53,619	AUD \$2,532	31 March 2040
KfW	Kalium Lakes Potash (Facility B) ³	USD \$37,772	AUD \$56,274	AUD \$56,274	-	31 March 2040
NAIF	Kalium Lakes Potash (Facility C)	AUD \$26,315	AUD \$26,315	AUD \$26,315	-	31 March 2040
NAIF	Kalium Lakes Infrastructure (KLI)	AUD \$48,355	AUD \$48,355	AUD \$48,355	-	31 March 2040
KfW	Kalium Lakes Potash (Liquidity Facility A) ^{4, 5}	USD \$8,069	AUD \$10,318	AUD \$5,318	AUD \$5,000	1 January 2026
NAIF	Kalium Lakes Potash (Liquidity Facility B) ^{4, 5}	AUD \$10,021	AUD \$10,021	AUD \$5,021	AUD \$5,000	1 January 2026
			AUD \$207,435	AUD \$194,903	AUD \$12,532	

² Facility A has an EUR denominated facility limit. When a loan is drawn down it is immediately converted into USD at the EUR:USD spot rate in existence at the time of the drawdown, with interest accruing in USD. The USD drawn loan balance is the aggregate amount of all EUR drawdowns converted into USD at the respective EUR:USD spot rates at the date of drawing. The USD drawn loan balance and unused facility have been converted into AUD using the AUD:USD 31 March 2023 spot rate of 0.67. The AUD facility limit has been calculated as the sum of the AUD drawn loan balance and unused amounts at 31 March 2023, and is different to the conversion of the EUR facility limit to AUD at the AUD:EUR spot rate, due primarily to foreign exchange rate fluctuations between EUR, USD and AUD as drawdowns were made over the life of the facility.

³ Facility B is a USD denominated loan facility. The USD facility limit and drawn loan balance have been converted to AUD at the 31 March 2023 AUD:USD spot rate of 0.67.

⁴ The liquidity facility is divided into Liquidity Facility A provided by KfW for USD \$8 million, and Liquidity Facility B provided by NAIF for A\$10 million. The KfW Liquidity Facility A, whilst a USD denominated facility, is subject to being drawn for the same AUD equivalent as the NAIF Liquidity Facility B. The USD drawn loan balance has been converted into AUD using the AUD:USD 31 March 2023 spot rate of 0.67. Its AUD equivalent total facility limit is stated above at the sum of the AUD equivalent of the USD drawn loan balance and a maximum unused amount of A\$5 million as at 31 March 2023 shown in the table above.

⁵ The availability of the aggregate A\$10 million unused amount of the liquidity facility is subject to senior lender discretion following assessment of the SOP plant performance in the March and June 2023 quarters. As a result the "unused financing facilities available at quarter end" as shown in Item 7.5 above does not include the A\$10 million unused liquidity facility.

⁶ Following the Facility Amendments which were announced to the ASX on 28 February 2023, the interest payments in CY2023 for all of the facilities have been deferred and will be capitalised into the drawn loan balance each quarter. The amount of the capitalised interest for the March 2023 quarter has been reflected in the drawn loan balance and the total facility amount in the table above as at 31 March 2023.

The current weighted average interest rate on drawn amounts across all facilities is 6.13% per annum.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(12,294)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(12,294)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	11,198
8.5 Unused finance facilities available at quarter end (Item 7.5)	2,532
8.6 Total available funding (Item 8.4 + Item 8.5)	13,730
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.12

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?

Answer: No. The Company is targeting a higher level of receipts from customers and improved net operating cash flow as a result of the targeted production ramp up at Beyondie in the coming quarter.

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?

Answer: Yes. The Company is in discussion with its senior lenders in respect of the availability of the aggregate A\$10 million undrawn amount of the liquidity facility, which is subject to senior lender discretion following assessment of the SOP plant performance in the March and June 2023 quarters.

The Company is also pursuing a number of additional commercial initiatives to support cash flow including the submission of a research and development incentive claim in respect of the financial year ended 30 June 2022.

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

Answer: Yes. The Company expects to be able to continue its operations and to meet its business objectives based on its response to items 1 and 2 above.

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: **28 April 2023**

Authorised by: **The Board of Directors**
(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.