



## Pre-Quotation Disclosure

Kali Metals Limited (ASX:KM1) (“**Kali**” or “**the Company**”) provides the following pre-quotation disclosures and confirmations to ASX to satisfy the conditions for official quotation on ASX of the Company’s fully paid ordinary shares.

Unless otherwise defined, capitalised terms in this announcement have the same meaning given to them in the prospectus issued by the Company and lodged with ASIC on 3 November 2023 (“**Prospectus**”).

### 1. Completion of the Offer and Acquisition Agreements

The Company confirms that:

- (a) the Offer made under the Prospectus has closed and was fully subscribed up to the Maximum Subscription;
- (b) the conditions precedent to the Acquisition Agreements, as outlined in section 7.1(a) of the Prospectus, have been satisfied without waiver and completion of the Acquisition Agreements has occurred;
- (c) the conditions precedent to the Mansen Tenement Sale Agreement, as outlined in section 7.1(d) of the Prospectus, have been satisfied without waiver and completion of the Mansen Tenement Sale Agreement has occurred;
- (d) it has completed the issue of the following securities:
  - the issue of 2,000,000 Founder Shares to Kalamazoo and Karora pursuant to the Pre-IPO Shareholder’s Deed, and
  - the issue of 37,862,900 Shares to Kalamazoo pursuant to the Tenement Sale Agreement (of which approximately 9,715,750 Shares were distributed in-specie to Kalamazoo Shareholders);
  - the issue of 30,863,345 Shares to Karora Resources Pty Ltd (as Avoca Mining’s nominee) pursuant to the Share Sale Agreement (being the 30,797,000 Karora Group Consideration Shares plus the 66,345 additional Shares that Avoca Mining had the right to subscribe for on completion of the Share Sale Agreement);
  - the issue of 300,000 Shares to Mansen pursuant to the Mansen Tenement Sale Agreement;
  - the issue of 13,120,000 Shares to sophisticated, institutional and professional investors at an issue price of \$0.125 per Share pursuant to the Pre-IPO Seed Raising;
  - the issue of 60,000,000 Shares at an issue price of \$0.25 per Share pursuant to the Offer;
  - the issue of 3,990,321 Options to the Joint Lead Managers; and
  - the grant of 11,476,162 Performance Rights to the Directors and certain key management personnel; and
- (e) the loans from Kalamazoo and Avoca Mining to the Company have each been repaid in full and the loan agreements terminated.



## 2. Capital Structure

The Company's capital structure is as follows.

Security	Number
Shares	144,146,345
Options	3,990,321
Performance Rights	11,476,162

Note: the terms of the Performance Rights and Options are set out in sections 6.17 and 6.18 (respectively) of the Prospectus.

## 3. Restricted Securities

The Company confirms that the following securities are subject to ASX imposed restrictions in accordance with the ASX Listing Rules for the periods outlined below:

Security	Restriction period	Number
Shares	24 months from the date of quotation of the Shares <sup>1</sup>	62,664,250
	12 months from the date of issue of the Shares <sup>2</sup>	5,140,000
Options	24 months from the date of quotation of the Shares <sup>1</sup>	3,990,321
Performance Rights	24 months from the date of quotation of the Shares <sup>1</sup>	11,476,162

Notes:

1. The Company confirms that restriction deeds have been entered into with the entities holding these securities.
2. The Company confirms that restriction notices have been provided to the relevant holders of these securities.

## 4. Securities subject to voluntary escrow

The Company confirms that the following securities are subject to voluntary escrow for the periods outlined below:

Security	Restriction period	Number
Shares	3 months from the date of quotation of the Shares <sup>1</sup>	7,967,925
	12 months from the date of quotation of the Shares	1,407,925

Notes:

1. The voluntary escrow will be released if the daily volume weighted average price of Shares is greater than or equal to \$0.50 for a period of ten consecutive Trading Dates.



## 5. Statement of Commitments

The Company confirms that there are no legal, regulatory, statutory, or contractual impediments to the Company entering the sites/tenements associated with the DOM's Hill Project, Marble Bar Project, Pear Creek Project and Higginsville Project and carrying out exploration activities such that the Company will be able to spend its cash in accordance with its commitments for the purposes of ASX Listing Rule 1.3.2(b).

The following table shows the intended use of funds following admission to the Official List based on the actual amount of funds raised under the Prospectus, being the Maximum Subscription:

Use of Funds (separated into Projects)	Maximum Subscription			
	Year 1 \$	Year 2 \$	Total \$	%
<b>Marble Bar Project and DOM's Hill Project<sup>1</sup></b>				
Marble Bar	-	-	-	0%
DOM's Hill	-	-	-	0%
<b>Sub-total</b>	-	-	-	<b>0%</b>
<b>Higginsville Project (WA)<sup>2</sup></b>				
Permitting/Desktop Reviews	250,000	250,000	500,000	3.45%
Mapping/Ground Surveys	100,000	100,000	200,000	1.38%
Geochemical Surveys (Soil and Rock Chip)	100,000	100,000	200,000	1.38%
Drilling	2,000,000	3,050,000	5,050,000	34.83%
Assaying and test work	475,000	650,000	1,125,000	7.76%
<b>Sub-total</b>	<b>2,925,000</b>	<b>4,150,000</b>	<b>7,075,000</b>	<b>48.79%</b>
<b>Jingellic Project (NSW)<sup>2</sup></b>				
Permitting/Desktop Reviews	50,000	50,000	100,000	0.69%
Mapping/Ground Surveys	50,000	50,000	100,000	0.69%
Geochemical Surveys (Soil and Rock Chip)	50,000	50,000	100,000	0.69%
Option Fee for EL8958 (If executed) <sup>3</sup>	225,000	-	225,000	1.55%
Drilling	-	1,150,000	1,150,000	7.93%



Assaying and test work	50,000	250,000	300,000	2.07%
<b>Sub-total</b>	<b>425,000</b>	<b>1,550,000</b>	<b>1,925,000</b>	<b>13.62%</b>
<b>Tallangatta Project (VIC)<sup>2</sup></b>				
Permitting/Desktop Reviews	50,000	50,000	100,000	0.69%
Mapping/Ground Surveys	50,000	50,000	100,000	0.69%
Geochemical Surveys (Soil and Rock Chip)	50,000	50,000	100,000	0.69%
Drilling	-	800,000	800,000	5.52%
Assaying and test work	50,000	150,000	200,000	1.38%
<b>Sub-total</b>	<b>200,000</b>	<b>1,100,000</b>	<b>1,300,000</b>	<b>8.97%</b>
<b>Pear Creek Project (WA)<sup>2</sup></b>				
Permitting/Desktop Reviews	25,000	25,000	50,000	0.34%
Mapping/Ground Surveys	50,000	50,000	100,000	0.69%
Geochemical Surveys (Soil and Rock Chip)	50,000	50,000	100,000	0.69%
Drilling	-	-	-	0.00%
Assaying and test work	25,000	25,000	50,000	0.34%
<b>Sub-total</b>	<b>150,000</b>	<b>150,000</b>	<b>300,000</b>	<b>2.07%</b>
<b>Total Exploration Expenditure</b>	<b>3,700,000</b>	<b>6,950,000</b>	<b>10,650,000</b>	<b>73.45%</b>
<b>Administration</b>				
Exploration management and staff	950,000	1,100,000	2,050,000	14.14%
Administration	800,000	1,000,000	1,800,000	12.41%
<b>Total Administration</b>	<b>1,750,000</b>	<b>2,100,000</b>	<b>3,850,000</b>	<b>26.55%</b>
<b>Total Exploration and Administration</b>	<b>5,450,000</b>	<b>9,050,000</b>	<b>14,500,000</b>	<b>100%</b>

Notes:

1. Exploration activities on the DOM's Hill Project and Marble Bar Project are solely funded by SQM.
2. In the event Kali elects not to exercise the option to earn a 100% interest in the MEG Lithium Rights at EL8958, the \$225,000 will be redeployed to other exploration activities within the Jingellic Project.



The above table is a statement of current intentions as at the date of this document. Prospective investors should note that, as with any budget, the allocation of the funds may change depending on various intervening events and new circumstances, including the outcome of exploration activities (including, exploration success or failure), regulatory developments and market and general economic conditions. Accordingly, the Board reserves the right to alter the way funds are applied on this basis. The use of further debt or equity funding may be considered by the Board where appropriate. To the extent funds raised through the Offer are not sufficient for the Company's objectives, the Company expects to source additional equity and debt, with the funding mix and amount to be determined at the appropriate time.

## 6. Pro-Forma Statement of Financial Position

The pro-forma statement of financial position based on the actual amount of funds raised under the Prospectus, being the Maximum Subscription, is set out below:

	Audited as at 30 June 2023 \$	Subsequent events \$	Pro-forma adjustments \$	Pro-forma after Offer \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	91,931	1,565,000	13,208,761	14,865,692
Trade and other receivables	13,077	-	-	13,077
Other current assets	4,284	-	-	4,284
<b>TOTAL CURRENT ASSETS</b>	<b>109,292</b>	<b>1,565,000</b>	<b>13,208,761</b>	<b>14,883,053</b>
<b>NON-CURRENT ASSETS</b>				
Exploration and evaluation assets	717,218	17,331,561	-	18,048,779
<b>TOTAL NON-CURRENT ASSETS</b>	<b>717,218</b>	<b>17,331,561</b>	<b>-</b>	<b>18,048,779</b>
<b>TOTAL ASSETS</b>	<b>826,510</b>	<b>18,896,561</b>	<b>13,208,761</b>	<b>32,931,832</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	347,732	-	-	347,732
Borrowings	1,581,365	(1,581,365)	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,929,097</b>	<b>(1,581,365)</b>	<b>-</b>	<b>347,732</b>
<b>TOTAL LIABILITIES</b>	<b>1,929,097</b>	<b>(1,581,365)</b>	<b>-</b>	<b>347,732</b>
<b>NET ASSETS/(LIABILITIES) EQUITY</b>	<b>(1,102,587)</b>	<b>20,477,926</b>	<b>13,208,761</b>	<b>32,584,100</b>
Contributed equity	100	18,996,561	14,287,500	33,284,161
Accumulated losses	(1,102,687)	1,481,365	(4,350,802)	(3,972,124)
Reserves	-	-	3,272,063	3,272,063
<b>TOTAL EQUITY</b>	<b>(1,102,587)</b>	<b>20,477,926</b>	<b>13,208,761</b>	<b>32,584,100</b>

Note: The pro-forma statement of financial position does not represent the Company's actual or prospective financial position or financial performance. Please refer to the Independent Limited Assurance Report contained in Attachment C of the Prospectus for further information and notes to the pro-forma statement of financial position of the Company.



## 7. ASX Waivers Granted

ASX has granted the Company a waiver from ASX Listing Rule 1.1 Condition 12 to the extent necessary to permit the Company to have on issue 11,476,162 Performance Rights with a nil exercise price on the condition that the full terms and conditions of the Performance Rights are clearly disclosed in the Prospectus.

This announcement has been authorised for release by the Board of Kali Metals Limited.

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## About Kali Metals Limited

Kali's portfolio of assets represents one of the largest and most prospective exploration packages across Australia's world leading hard-rock lithium fields. Kali's ~3,854 km<sup>2</sup> exploration tenure is located near existing, emerging, and unexplored lithium and critical minerals regions in WA including the Pilbara and Eastern Yilgarn and the Lachlan Fold Belt in NSW and Victoria.

Kali has a team of well credentialed professionals who are focused on exploring and developing commercial lithium resources from its highly prospective tenements and identifying new strategic assets to add to the portfolio. Lithium is a critical component in the production of electric vehicles and renewable energy storage systems. With the rapid growth of these industries, the demand for lithium is expected to increase significantly in the coming years. Kali is committed to playing a key role in meeting this demand and powering the global clean energy transition.