

26 September 2024

QUARTERLY ACTIVITIES REPORT PERIOD ENDING 30 SEPTEMBER 2023

Kalium Lakes Limited (ASX:KLL) (**KLL** or the **Company**) provides its quarterly activities report for the period ending 30 September 2023, including a summary of its activities at the Beyondie Sulphate of Potash (**SOP**) Mine (**Beyondie**).

Operational and Corporate Update

During the financial year ended 30 June 2023 and in the September 2023 quarter, challenges arose with the operational ramp up of Beyondie, which resulted in the Company not meeting its production targets and consequently resulted in funding issues. On 6 June 2023 KLL's shares were suspended from trading on the Australian Securities Exchange ("ASX") whilst it conducted a strategic process with the assistance of its advisers. On 3 August 2023, the Directors formed the view that due to the Company's senior lenders declining to provide financial funding to continue with the strategic process, Martin Jones, Matthew Woods and Clint Joseph were appointed Administrators of KLL and two of its wholly owned subsidiaries, Kalium Lakes Potash Pty Ltd (Liquidators Appointed) (Receivers and Managers Appointed) (**KLP**) and Kalium Lakes Infrastructure Pty Ltd (Liquidators Appointed) (Receivers and Managers Appointed) (**KLI**). Immediately afterwards, on 3 August 2023, the senior lenders appointed Mr Robert Michael Kirman, Mr Jason Preston and Mr Robert Conry Brauer of McGrathNicol, as Receivers and Managers of KLL, KLP and KLI.

The Receivers and Managers operated the Consolidated Entity under normal business conditions from their appointment on 3 August 2023 until the end of September 2023, during which time they continued the strategic process initiated by the Board of Directors to sell or recapitalise the Company. The Beyondie mine operation was eventually placed into care and maintenance at the end of September 2023 in order to reduce costs, at which time approximately 90% of the employees of the consolidated entity were made redundant.

A proposal by Alt Finance Pty Ltd, for the restructure and recapitalisation of KLL via a Deed of Company Arrangement (**DOCA**) and Creditors Trust, was submitted to the Voluntary Administrators (**Recapitalisation Proposal**) in late January 2024 and accepted by creditors on 16 February 2024. The DOCA was signed on 11 March 2024. The Deed Administrators are Martin Jones, Matthew Woods and Clint Joseph. The Recapitalisation Proposal was subject to, various approvals being obtained from the shareholders, and accordingly, the Deed Administrators called a general meeting of the Company which was held on 6 June 2024, at which the shareholders voted to approve the resolutions put forward to approve the Recapitalisation Proposal and effectuate the DOCA.

The resolutions approved by the shareholders at the general meeting were:

1. the consolidation of the Company's existing ordinary shares and options on a "1 for 291" basis;
2. the allotment and issue of 90 million ordinary shares in the Company at \$0.0018 per Share to ST Holding 1 Pty Ltd to raise \$162,000 and allow ST Holding Pty Ltd to acquire a 90% interest in the Company;
3. the allotment and issue of 3 million ordinary shares in the Company at \$Nil per Share to the Kalium Lakes Creditors Trust; and
4. the appointment of Richard Campbell Brien, George Terpens and Gregory Barry Starr as Directors of the Company;

the implementation of the above resolutions being the **Recapitalisation**).

Following the approval by the shareholders of the resolutions put forward at the general meeting, the Deed Administrators gave notice on 29 June 2024 that the DOCA had been effectuated.

On 9 July 2024, the Company announced that it had appointed Richard Campbell Brien and Gregory Barry Starr as Directors of the Company. On 17 July 2024, the Company announced that the Receivers and Managers of the Company, Rob Brauer, Jason Preston and Rob Kirman from McGrathNicol had retired. On the same day the Company announced that it had appointed George Terpens as Director of the Company and Louisa Ho as the Company Secretary, and that it had changed its registered office and principal place of business, which is now Level 2, 350 Kent Street, Sydney NSW 2000.

On 19 July 2024 the Company announced the issue of 93,000,000 ordinary shares which were issued as part of the Recapitalisation. On 22 July 2024 the Company made an application to the ASX for quotation of these shares, and advised that the revised number of securities in the Company was 99,977,536 ordinary shares, 108,294 performance rights and 17,182 options.

KLP and KLI, the main operating subsidiaries of KLL for the Beyondie operation, were the subject of their own deeds of company arrangement entered into on 22 December 2023 in relation to share sale agreements entered into between the Receivers and Managers and third party purchasers to purchase the shares of KLP and KLI from KLL. However, these share sale agreements failed to proceed due to the inability of the purchasers to raise the necessary purchase consideration funding. As a result, the deeds of company arrangements for KLP and KLI were terminated and KLP and KLI placed into liquidation on 18 March 2024, at which time Martin Jones, Matthew Woods and Clint Joseph of KPMG were appointed as Liquidators of KLP and KLI.

Funding

On 24 July 2023, the Company announced that as part of the settlement arrangements agreed with Ebtec GbR (**Ebtec**), that it had drawn down approximately EUR €1.217 million (equivalent to \$2.0 million) from the secured loan Facility A provided by KfW IPEX-Bank GmbH (**KfW**). As part of the settlement agreement and revised arrangements with Ebtec, the Company received net cash of approximately EUR €1.74 million (equivalent to ~\$2.8 million) during the quarter.

During the quarter, and following KLL, KLP and KLI entering into administration and receivership and management, the Receivers and Managers agreed with the senior lenders, Northern Australia Infrastructure Facility (**NAIF**) and KfW (together, the **Lenders**), to drawdown funds from the remaining \$5 million of the \$20 million liquidity facility (**Liquidity Facility**) to fund the operational requirements of Company and Beyondie while the Receivers and Managers continued with the strategic process.

Following the drawdowns referred to above, the senior loan facilities provided by the Lenders were considered fully utilised with no available unutilised facilities remaining.

During the quarter, and subsequent to quarter end, the Company also continued to progress its research and development (R&D) tax incentive application in relation to its FY22 and FY23 activities, with the Receivers and Managers assuming control of and responsibility for these applications upon the Company entering into administration and receivership and management. Following the retirement of the Receivers and Managers from the Company announced on 17 July 2024, the applications continue to be progressed by the Receivers and Managers under agreement with the Company, with all monies that may be paid by the ATO in relation to these applications to be paid to the Receivers and Managers.

Payments to related parties

During the quarter, the Company made payments totalling \$1.322 million to a company related to Mr Brent Smoothy (a non-executive director up until his resignation on 3 August 2023), for construction, salt harvesting, and haulage services under contracts previously awarded following arm's length tender processes.

Securities on issue

The Company had the following securities on issue as at 30 September 2023:

- 2,031,712,214 ordinary shares;
- 31,514,929 performance rights; and
- 5,000,000 options exercisable at A\$0.50 each, expiring on 30 June 2025.

On 24 July 2023 the Company announced the issue of 17,677,493 performance rights to Ebtec, bringing the total number of performance rights on issue at that date to 31,514,929.

As set out in the **Operational and Corporate Update** section, the Company announced to the ASX on 19 July 2024 and 22 July 2024 the issue and reorganisation of the Company's securities following the implementation of the Recapitalisation.

Suspension from Trading

The Company's shares remained in suspension from trading on the ASX for the duration of the quarter and as at the date of this report remain suspended from trading. The Board of Directors are currently taking steps to progress a potential return to trading of the Company's shares on the ASX in due course.

Changes in Directors and Officers

Immediately following the appointment of Administrators and Receivers to the Company on 3 August 2023, the Directors of the Company resigned. Following the effectuation of the Deed of Company Arrangement approved by the Company's shareholders at a general meeting of the Company held on 6 June 2024, the Company announced it had appointed new Directors, Richard Brien and Gregory Starr (on 9 July 2024) and George Terpens (on 17 July 2024).

The joint Company Secretary, Ms Loren King, resigned as Company Secretary on 31 August 2023. The acting Chief Executive Officer, Mr Jason Morin, and the Chief Financial Officer and Company Secretary, Mr Jason Shaw, were each given notice of redundancy during the quarter and their employment terminated by the Receivers and Managers on a "without cause" basis on 3 October 2023.

Change of Registered Address and Principal Place of Business

The Company advised during the quarter that, effective 31 July 2023, it changed the address of its registered office and principal place of business to Unit 1A, 146 Balcatta Road, Balcatta WA 6021, Australia .

As set out in the **Operational and Corporate Update** section, the Company announced to the ASX on 17 July 2024 a change of its registered office and principal place of business, which is now:

Level 2, 350 Kent Street
Sydney NSW 2000, Australia
Telephone: +61 2 9299 2289

Tenement interests

Beyondie Sulphate of Potash Mine (100% owned)

Tenement	Tenement Name	Holder	State	Status	Application /Grant Date	KLL 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%

Tenement	Tenement Name	Holder	State	Status	Application /Grant Date	KLL Interest
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%
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%

Tenement	Tenement Name	Holder	State	Status	Application /Grant Date	KLL Interest
Gas Pipeline						
PL117	Gas Pipeline	KLI	WA	Granted	7-11-2018	100%

Dora / Blanche (100% Owned)

The Company has applications for exploration licences known as the Dora/Blanche Prospect as per the table below.

Tenement	Tenement Name	Holder ¹	State	Status	Application/ Grant Date	KLL Interest
E45/4436	Dora	Rachlan	WA	Pending	13-8-2014	100%
E45/4437	Blanche	Rachlan	WA	Pending	13-8-2014	100%

1. Kalium Lakes Potash Pty Ltd (**KLP**) entered into a declaration of trust with Rachlan Holdings Pty Ltd (**Rachlan**) whereby 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) was a Joint Venture between Kalium Lakes, through its 100% subsidiary Carnegie Potash Pty Ltd (**CP**, 70% Interest) and BCI Minerals Limited (**BCI**, 30% interest) (together the **CJV Partners**). The CJV comprised 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, approximately 220 kilometres east-north-east of Wiluna. CP is the manager of the CJV.

On 5 May 2023, the Western Australian Government announced that a new nature reserve had been created at Lake Carnegie. The location of the new nature reserve overlaps with a large part of the exploration licence applications that were held by the CJV per the table below and were expected to have a significantly detrimental impact on the potential development of the Carnegie Potash Project. As a result, on 28 July 2023, the CJV Partners agreed to surrender its one granted exploration licence, effective immediately, and take steps to eventually withdraw from the five pending tenements in application and wind up the CJV.

Tenement	Tenement Name	Holder ^{1,2}	State	Status	Application/ Grant Date	KLL 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%

1. CP is a wholly owned subsidiary of Kalium Lakes and is the entity which holds the Company's interest in the CJV.
2. KLP entered into a declaration of trust with Rachlan whereby Rachlan will hold, for the benefit of KLP, certain exploration licence applications and deal with the applications as directed by KLP.

As of the date of this report, all of the tenements (granted and pending) listed in the table above have been surrendered or withdrawn from application by the CJV, following which, on 13 March 2024, the CJV Partners terminated the CJV. Subsequent to the termination of the CJV, CP entered into members' voluntary liquidation, appointing Martin Jones of KPMG as liquidator on 10 July 2024.

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

Richard Brien, Director
Gregory Starr, Director
George Terpens, Director

Company Secretary

Louisa Ho

Registered Office & Principal Place of Business

Level 2, 350 Kent Street
Sydney NSW 2000

Postal Address

Level 2, 350 Kent Street
Sydney NSW 2000

Telephone

+61 2 9299 2289

Share Registry

Computershare Limited
Level 8, 22 Pitt Street
Sydney NSW 2000

Appendix 5B

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

Name of entity

Kalium Lakes Limited

ABN

98 613 656 643

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	931	931
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production (including capitalised opex)	(8,770)	(8,770)
	(d) staff costs	(993)	(993)
	(e) administration and corporate costs	(895)	(895)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	29	29
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	3,443 ¹	3,443
1.9	Net cash from / (used in) operating activities	(6,255)	(6,255)

¹ Other receipts include the receipt by the Company in July 2023 of EUR €1.74 million (approximately A\$2.8 million) under the terms of a settlement arrangement reached with engineering and design firm Ebtec GbR (Ebtec) in relation to the purification plant at the Beyondie mine.

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1,866)	(1,866)
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)	75	75
2.6	Net cash from / (used in) investing activities	(1,791)	(1,791)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	-
3.5	Proceeds from borrowings	5,000	5,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(8)	(8)
3.8	Dividends paid	-	-
3.9	Other	17	17
3.10	Net cash from / (used in) financing activities	5,009	5,009

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,235	3,235
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,255)	(6,255)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,791)	(1,791)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,009	5,009

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(12)	(12)
4.6	Cash and cash equivalents at end of period	186	186

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	186	186
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)	186	186

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
1,322
-

Included in item 6.1 are the following payments:

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\$1,322 million (incl. GST).

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
(209,145)	(209,145)
-	-
-	-
(209,145)	(209,145)

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

-

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 (all secured):

Lender	Borrower	Facility Limit ⁶ '000	Drawn (Principal & Capitalised Interest) ⁶ \$A'000	Unused Facility ⁶ \$A'000	Maturity Date ⁶
KfW/Euler Hermes	Kalium Lakes Potash (KLP) (Facility A) ^{2, 5, 6}	EUR €33,741	AUD \$57,308	-	31 March 2040
KfW	Kalium Lakes Potash (Facility B) ^{3, 5, 6}	USD \$38,600	AUD \$58,207	-	31 March 2040
NAIF	Kalium Lakes Potash (Facility C) ^{5, 6}	AUD \$26,885	AUD \$26,885	-	31 March 2040
NAIF	Kalium Lakes Infrastructure (KLI) ^{5, 6}	AUD \$48,889	AUD \$48,889	-	31 March 2040
KfW	Kalium Lakes Potash (Liquidity Facility A) ^{4, 5, 6}	USD \$8,169	AUD \$8,899	-	1 January 2026
NAIF	Kalium Lakes Potash (Liquidity Facility B) ^{4, 5, 6}	AUD \$10,207	AUD \$8,957	-	1 January 2026
			AUD \$209,145	-	

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 have been converted into AUD using the AUD:USD 30 September 2023 spot rate of 0.65. This facility had no unused facility amounts available as at 30 September 2023.

³ Facility B is a USD denominated loan facility. The USD facility limit and drawn loan balance have been converted to AUD at the 30 September 2023 AUD:USD spot rate of 0.65. This facility had no unused facility amounts available as at 30 September 2023.

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 30 September 2023 spot rate of 0.65. These facilities both had no unused facility amounts available as at 30 September 2023.

⁵ On 28 February 2023, the Company announced that it had agreed further facility amendments with its senior lenders, in which the interest payments in CY2023 for all of the facilities are to be deferred and capitalised into the drawn loan balance each

quarter. Interest has been capitalised and reflected in the drawn loan balance and the total facility amounts in the table above up until 3 August 2023 when the Company entered external administration, receivership and management..

⁶ On 3 August 2023, the Directors formed the view that due to the Company's senior lenders declining to provide financial funding to continue with its strategic process, Martin Jones, Matthew Woods and Clint Joseph were appointed Administrators of the Kalium Lakes Limited ("KLL") and two of its wholly owned subsidiaries, Kalium Lakes Potash Pty Ltd (Liquidators Appointed) (Receivers and Managers Appointed) ("KLP") and Kalium Lakes Infrastructure Pty Ltd (Liquidators Appointed) (Receivers and Managers Appointed) ("KLI"). Immediately afterwards, on 3 August 2023, the senior lenders declared the above facilities to be in default and immediately due and payable, and appointed Mr Robert Michael Kirman, Mr Jason Preston and Mr Robert Conry Brauer of McGrathNicol, as Receivers and Managers of KLL, KLP and KLI.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(6,255)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(6,255)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	186
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	186
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.03

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

- 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 entered external administration, receivership and management on 3 August 2023, following which, in late September 2023 the Receivers and Managers placed the Beyondie mine operation into care and maintenance in order to reduce costs, at which time approximately 90% of the employees of the consolidated entity were made redundant.

- 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: A proposal by Alt Finance Pty Ltd, for the restructure and recapitalisation of the Company via a Deed of Company Arrangement ("DOCA") and Creditors Trust, was submitted to the administrators ("Recapitalisation Proposal") in late January 2024 and accepted by creditors on 16 February 2024. The DOCA was signed on 11 March 2024. The Deed Administrators are Martin Jones, Matthew Woods and Clint Joseph.

The Recapitalisation Proposal was subject to, various approvals being obtained from the shareholders, and accordingly, the Deed Administrators called a general meeting of the Company which was held on 6 June 2024, at which the shareholders voted to approve the resolutions put forward to approve the Recapitalisation Proposal and effectuate the DOCA. The resolutions included a consolidation of existing shares and options on issue, the issuance of 90 million new ordinary shares to raise \$162,000, the issue of a further 3 million new ordinary shares to the Kalium Lakes Creditors Trust and the appointment of three new Directors to the Company (together the "Recapitalisation").

Following the approval by the shareholders, the Deed Administrators gave notice on 29 June 2024 that the DOCA had been effectuated.

On 9 July 2024, the Company announced that it had appointed Richard Campbell Brien and Gregory Barry Starr as Directors of the Company. On 17 July 2024, the Company announced that the Receivers and Managers of the Company, Rob Brauer, Jason Preston and Rob Kirman from McGrathNicol had retired. On the same day the Company announced that it had appointed George Terpens as Director of the Company and Louisa Ho as the Company Secretary.

On 19 July 2024 the Company announced the issue of 93,000,000 ordinary shares which were issued as part of the Recapitalisation. On 22 July 2024 the Company made an application to the ASX for quotation of these shares, and advised that the revised number of securities in the Company was 99,977,536 ordinary shares, 108,294 performance rights and 17,182 options.

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: As a result of the Company's DOCA and Recapitalisation which took place after the quarter end, the Directors believe that it is reasonably foreseeable that the Recapitalisation has provided the Company with sufficient funding to enable it to carry out its business plan over the next 12 months.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 Due to the external administration, receivership and management of the Company, although the financial information has been prepared to the best of the knowledge of the Board of Directors based on the information made available to them, they are of the opinion that it is not possible to state that this statement gives a true and fair view of the matters disclosed.

Date:26 September 2024.....

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

Notes

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