

31 October 2024

## QUARTERLY ACTIVITIES REPORT PERIOD ENDING 30 SEPTEMBER 2024

Kalium Lakes Limited (ASX:KLL) (**KLL** or the **Company**) provides its quarterly activities report for the period ending 30 September 2024.

### Operational and Corporate Update

#### Background

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.

#### During the Quarter

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. As a result of the above events impacting upon KLL, KLP and KLI, the Directors of KLL expect that that for the financial statements for the year ended 30 June 2024, both KLP and KLI will be deconsolidated from the accounts of KLL with effect from 18 March 2024.

## Funding

During the quarter, the Company entered into 2 loan arrangements (unsecured) with ST Holding 1 Pty Ltd (**ST1**) (major shareholder) towards the working capital needs of the Company. The terms of the loans are:

### ST1 Loan 1

- Borrowed amount is \$46,791.01.
- Loan agreement is dated 19 August 2024,
- Interest free shareholder loan.

### ST1 Loan 2

- Borrowed amount is \$58,439.24.
- Loan agreement is dated 6 September 2024,
- Interest free shareholder loan.

The Company's major shareholder will continue funding the Company through arm's length loans.

Also during the quarter the Company announced the issue of 93,000,000 ordinary shares raising \$162,000 as part of its recapitalisation. After expenses this resulted in the company receiving \$10,000.

## Securities on issue

The Company had the following securities on issue as at 30 June 2024:

- 99,977,536 ordinary shares;
- 108,294 performance rights; and
- 17,182 options exercisable at A\$145.50 each, expiring on 30 June 2025.

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.

**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 2024

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date (3<br>months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                       |
| 1.1 Receipts from customers                               | -                          | -                                     |
| 1.2 Payments for  |                            |                                       |
| (a) exploration & evaluation                              | -                          | -                                     |
| (b) development   | -                          | -                                     |
| (c) production (including capitalised opex)               | -                          | -                                     |
| (d) staff costs   | -                          | -                                     |
| (e) administration and corporate costs                    | (261)                      | (261)                                 |
| 1.3 Dividends received (see note 3)                       | -                          | -                                     |
| 1.4 Interest received                                     | -                          | -                                     |
| 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)                   | -                          | -                                     |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(261)</b>               | <b>(261)</b>                          |

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

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

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date (3<br>months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2                                  | Proceeds from the disposal of:  |                            |                                       |
|                                      | (a) entities  | -                          | -                                     |
|                                      | (b) tenements   | -                          | -                                     |
|                                      | (c) property, plant and equipment   | -                          | -                                     |
|                                      | (d) investments   | -                          | -                                     |
|                                      | (e) other non-current assets  | -                          | -                                     |
| 2.3                                  | Cash flows from loans to other entities   | -                          | -                                     |
| 2.4                                  | Dividends received (see note 3)   | -                          | -                                     |
| 2.5                                  | Other (provide details if material)   | -                          | -                                     |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b>                                   | -                          | -                                     |
| <b>3.</b>                            | <b>Cash flows from financing activities</b>   |                            |                                       |
| 3.1                                  | Proceeds from issues of shares  | 162                        | 162                                   |
| 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  | 105                        | 105                                   |
| 3.6                                  | Repayment of borrowings   | -                          | -                                     |
| 3.7                                  | Transaction costs related to loans and borrowings                                       | -                          | -                                     |
| 3.8                                  | Dividends paid  | -                          | -                                     |
| 3.9                                  | Other   | -                          | -                                     |
| <b>3.10</b>                          | <b>Net cash from / (used in) financing activities</b>                                   | <b>267</b>                 | <b>267</b>                            |
| <b>4.</b>                            | <b>Net increase / (decrease) in cash and cash equivalents for the period</b>            |                            |                                       |
| 4.1                                  | Cash and cash equivalents at beginning of period  | -                          | -                                     |
| 4.2                                  | Net cash from / (used in) operating activities (item 1.9 above)                         | (261)                      | (261)                                 |
| 4.3                                  | Net cash from / (used in) investing activities (item 2.6 above)                         | -                          | -                                     |
| 4.4                                  | Net cash from / (used in) financing activities (item 3.10 above)                        | 267                        | 267                                   |

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

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (3<br/>months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 4.5   | Effect of movement in exchange rates on cash held | -                                  | -  |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b> | <b>6</b>                           | <b>6</b>                                       |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|------------|---|------------------------------------|-------------------------------------|
| 5.1        | Bank balances   | 6                                  | -                                   |
| 5.2        | Call deposits   | -                                  | -                                   |
| 5.3        | Bank overdrafts   | -                                  | -                                   |
| 5.4        | Other (Restricted cash)   | -                                  | -                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>6</b>                           | <b>-</b>                            |

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

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

| <b>Current quarter<br/>\$A'000</b> |
|------------------------------------|
| 9                                  |
| -                                  |

## 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.*

|                                       | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|---------------------------------------|---|--|
| 7.1 Loan facilities                   | 115   | 115  |
| 7.2 Credit standby arrangements       | -   | -  |
| 7.3 Other (please specify)            | -   | -  |
| <b>7.4 Total financing facilities</b> | <b>115</b>  | <b>115</b>   |

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.

During the quarter, the Company entered into 2 loan arrangements (unsecured) with ST Holding 1 Pty Ltd (**ST1**) (major shareholder) towards the working capital needs of the Company. The terms of the loans are:

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**ST1 Loan 2**

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- Loan agreement is dated 6 September 2024,
- Interest free shareholder loan.

| <b>8. Estimated cash available for future operating activities</b>                | <b>\$A'000</b> |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9)                     | (271)          |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d))                            | -              |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2)                                | (271)          |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6)                           | 6              |
| 8.5 Unused finance facilities available at quarter end (Item 7.5)                 | -              |
| 8.6 Total available funding (Item 8.4 + Item 8.5)                                 | 6              |
| 8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b> | 0.02           |

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?

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

Answer: No. \$152k of the above \$271k related to the Deed of Company Arrangement (DOCA) costs.

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?

Yes: The company's major shareholder will continue funding the company through arm's length loans.

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

**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: .....31 October 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.