KALIUM
LAKES

KALIUM LAKES LIMITED

ABN: 98 613 656 643

and Controlled Entities

CONSOLIDATED ANNUAL REPORT

For the Year Ended
30 June 2019

DIRECTORS

Malcolm Randall	Non-Executive Chairman
Brett Hazelden	Managing Director
Rudolph van Niekerk	Executive Director
Stephen Dennis	Non-Executive Director

JOINT SECRETARY
Gareth Widger
Chris Achurch

CHIEF FINANCIAL OFFICER
Chris Achurch

REGISTERED OFFICE
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Balcatta WA 6914
Telephone: +61 8 9240 3200

PRINCIPAL PLACE OF BUSINESS
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AUDITORS
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Level 32/2 The Esplanade, Perth WA 6000

SHARE REGISTRY
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Telephone: 1300 850 505
Telephone: +61 3 9415 4000

SOLICITORS
DLA Piper Australia
Level 31, Central Park, 152-158 St Georges Terrace, Perth WA 6000

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

ASX CODE
KLL

Your Directors submit the financial report of the Consolidated Entity for the year ended 30 June 2019.

DIRECTORS

The names of Directors who held office during or since the end of the year:

Malcolm Randall	Non-Executive Chairman
Brett Hazelden	Managing Director
Rudolph van Niekerk	Executive Director
Brendan O'Hara	Non-Executive Director (resigned 26 April 2019)
Stephen Dennis	Non-Executive Director (appointed 26 April 2019)

DIRECTORS' QUALIFICATIONS AND EXPERIENCE

The Directors' qualifications and experience are set out below:

Malcolm Randall
Non-Executive Chairman

Malcolm Randall, (Bachelor of Applied Chemistry; Fellow of the Australian Institute of Company Director), has more than 45 years of extensive experience in corporate, management and marketing in the resources sector, including more than 25 years with the Rio Tinto group of companies.

With many roles as a company director and a chairman Malcolm Randall's experience extends over a broad range of commodities including iron ore, base metals, uranium, mineral sands and coal, both in Australia and overseas.

Malcolm Randall's list of previous ASX listed company directorships comprises Consolidated Minerals Limited, Titan Resources Limited, Northern Mining Limited, Iron Ore Holdings Limited, MZI Resources Limited, Summit Resources Limited and United Minerals Corporation NL.

Malcolm Randall is also a director on the Boards of Ora Gold Limited, Argosy Minerals Limited, Hastings Technology Metals and Magnetite Mines Limited.

Brett Hazelden
Managing Director

Brett Hazelden (B.Sc. MBA GAICD) is a Metallurgist who brings more than 20 years' experience in project management, engineering design and operations servicing the Australasian resources industry. His previous responsibilities include project management, feasibility study evaluation, engineering and design, estimating, financial evaluation, cost control, scheduling, contracts and procurement, business risk and strategic development.

Brett Hazelden has studied, managed and executed projects from small scale works up to multi-billion-dollar complex developments. He has been responsible for environmental permitting and approvals, heritage, native title negotiations, external relations, as well as tenure management. Brett has also been involved in numerous mergers, acquisitions and due diligence reviews in recent years.

Rudolph van Niekerk
Executive Director

Rudolph van Niekerk (B.Eng. Mechanical GAICD) is a professional in the mining and resources industry with more than 15 years' experience in project and business management.

During his career Rudolph van Niekerk has held a range of different roles in the management of projects and operations. His various responsibilities have included financial evaluation, risk review and management, project management, development of capital and operating cost estimates, budget development and cost control, design management, planning, reporting, contract administration, quality control, expediting, construction, commissioning, production ramp-up and project hand-over to operations.

Brendan O'Hara
Non-Executive Director (resigned 26 April 2019)

Brendan O'Hara (BJuris, LLB) holds a Bachelor of Jurisprudence (Hons) and Bachelor of Laws. He is a former Senior Fellow of FINSIA, a former legal practitioner of the Supreme Court of WA and former member of the Business Law Section of the Law Council of Australia.

Brendan O'Hara has many years' experience as a director of Australian listed companies, including eight years as Executive Chairman of an ASX listed company (Summit Resources Limited).

His earlier roles with the ASX (as State Director and Manager – Listings), underpin a wealth of experience involving international transactions, corporate governance, risk management systems, contract negotiation / execution and government relations.

Stephen Dennis
Non-Executive Director (appointed 26 April 2019)

Mr Stephen Dennis (B Com, LLB GDipAppFin (FINSIA)) has a career spanning more than 30 years as an experienced and well regarded company director and has been appointed on a number of senior boards in the Australian and international resources sector.

Mr Dennis was the Managing Director and Chief Executive Officer of CBH Resources Limited and is currently the non-executive chairman of several ASX listed resource companies, including Heron Resources Limited, Rox Resources Limited, EHR Resources Limited and Graphex Mining Limited.

He has also held senior operational and commercial positions in MIM Holdings Limited, Minara Resources Limited, and Brambles Australia Limited.

Chris Achurch
Chief Financial Officer and Joint Company Secretary

Chris Achurch (B Com, CA) has worked with a number of major businesses across the exploration, mining and agricultural sectors. Having spent 10 years in public practice with RSM Australia based in Perth, with transfers to Dallas and New York, Chris has a comprehensive understanding of commercial accounting, audit functions and corporate finance.

Gareth Widger
Joint Company Secretary and Corporate Affairs Manager

Gareth (BA, GIA (Cert)) has over 30 years' experience in senior roles managing corporate administration and strategic communication activities for public and private companies within the agriculture, industrial chemical, mining, civil engineering, retail and wholesale sectors. His responsibilities have included corporate/investor relations, stakeholder engagement, marketing and media liaison.

MEETINGS OF DIRECTORS

The number of meetings for Kalium Lakes Limited held during the year and the number of meetings attended by each Director was as follows:

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of Meetings Held	**10**	**2**	**2**	**3**
Number of Meetings Attended:				
Malcolm Randall	9	2	2	3
Brett Hazelden	10	2	2	3
Rudolph van Niekerk	9	2	1	1
Brendan O'Hara	9	2	1	2
Stephen Dennis	1	-	1	1

All Directors were eligible to attend all Board Meetings held.

SHARE OPTIONS

As at the date of this report the following unlisted options were on issue:

- 3,500,000 unlisted options for ordinary shares at an exercise price of $0.25 each (expiring 16 December 2019)
- 330,882 unlisted options for ordinary shares at an exercise price of $0.425 each (expiring 29 September 2020)
- 843,936 unlisted options for ordinary shares at an exercise price of $0.525 each (expiring 16 January 2020)
- 1,000,000 unlisted options for ordinary shares at an exercise price of $0.525 (expiring 17 May 2021)
- 5,000,000 unlisted options for ordinary shares at an exercise price of $0.50 (expiring 30 June 2025 and escrowed until 26 October 2019)

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

- 2,059,641 shares were issued to directors of the Company as a result of the exercise of options during the financial year (Note 15), and
- 1,350,000 shares were issued to directors of the Company as a result of the exercise of performance rights during the financial year (Note 15).

There were no options or performance rights exercised into shares by directors, subsequent to the reporting date.

DIRECTORS' INTERESTS AND BENEFITS

The relevant interest of each Director in the shares, options over shares and performance rights issued by the Company at the date of this report is as follows:

	Number of Ordinary Shares		Number of Options			
			Listed		Unlisted	
	Directly	Indirectly	Directly	Indirectly	Directly	Indirectly
Malcolm Randall*	-	1,713,207	-	-	2,000,000	-
Brett Hazelden	-	14,719,066	-	-	-	-
Rudolph van Niekerk	-	3,615,600	-	-	-	-
Brendan O'Hara **	-	1,025,618	-	-	-	-
Stephen Dennis ***	-	-	-	-	-	-

	Number of Performance Rights	
	Directly	Indirectly
Malcolm Randall	-	-
Brett Hazelden	-	3,150,000
Rudolph van Niekerk	-	900,000
Brendan O'Hara **	-	-
Stephen Dennis ***	-	-

* This includes 200,000 shares issued subsequent to the reporting date in accordance with the Entitlement Offer and Placement, which raised a total of A$72,000,000 before costs as announced to the market on the 19 August 2019.
** Brendan O'Hara resigned as Director on 26 April 2019. Totals represent the holdings of Ordinary Shares and Options on the date of resignation.
*** Stephen Dennis was appointed as Director on 26 April 2019.

REMUNERATION REPORT

Introduction

The Directors present the Remuneration Report for the Consolidated Entity for the year ended 30 June 2019. This Remuneration Report forms part of the Directors' Report in accordance with the requirements of the *Corporations Act 2001* and its regulations. For the purposes of this report, Key Management Personnel ("KMP") of the Consolidated Entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the Parent Entity.

Remuneration Policy

The remuneration policy has been designed to align KMP objectives with Shareholders' interests and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Consolidated Entity's financial results. The Board believes that the remuneration policy is appropriate and effective in its ability to attract and retain the best KMP to run and manage the Consolidated Entity, as well as create goal congruence between Directors, Executives and Shareholders.

Executive Directors and Key Management Personnel

The Board's policy for determining the nature and amount of remuneration for Executive Directors and KMP of the Consolidated Entity was in place for the financial year ended 30 June 2019.

Non-Executive Directors

The Board's policy is to remunerate Non-Executive Directors based on market practices, duties and accountability. Independent external advice is sought when required. The fees paid to Non-Executive Directors are reviewed annually. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by Shareholders at the Annual General Meeting ("AGM") or any other General Meeting of Shareholders. The maximum aggregate amount of fees payable is currently $500,000.

Use of Remuneration Consultants

To ensure the Remuneration Committee is fully informed when making remuneration decisions, it may seek external remuneration advice. The Board did seek external remuneration advice in 2019.

Remuneration Report Approval at FY2019 AGM

The remuneration report for the year ended 30 June 2019 will be put to shareholders for approval at the Company's AGM.

Share Trading and Margin Loans by Directors and Executives

Directors, executives and employees are prohibited from:

a. Short term trading: trading in securities (or an interest in securities) on a short-term trading basis other than when a director, employee or executive exercises employee options or performance rights to acquire shares at the specified exercise price. Short-term trading includes buying and selling securities within a 3-month period and entering into other short-term dealings (e.g. forward contracts).
b. Hedging unvested awards: trading in securities which operate to limit the economic risk of an employee's holdings of unvested securities granted under an employee incentive plan; or
c. Short positions: trading in securities which enable an employee to profit from or limit the economic risk of a decrease in the market price of shares.

KMP may not include their securities in a margin loan portfolio or otherwise trade in securities pursuant to a margin lending arrangement without first obtaining the consent of the Chairman. Such dealing would include:

a. Entering into a margin lending arrangement in respect of securities;
b. Transferring securities into an existing margin loan account; and
c. Selling securities to satisfy a call pursuant to a margin loan except where they have no control over such sale.

The Company may, at its discretion, make any consent granted in accordance with the above paragraph conditional upon such terms and conditions as the Company sees fit (for example, in regard to the circumstances in which the securities may be sold to satisfy a margin call).

A. Details of Remuneration

Table 1: Details of remuneration of the Directors and KMP of the Consolidated Entity (as defined by AASB 124 Related Party Disclosures) and specified executives are set out below:

		Short-term benefits	Post-employment benefits	Share-based payments		
	Year	Cash salary, fees and other benefits $	Superannuation[1] $	Performance rights $	Equity-settled options $	Total $
Non-Executive Directors						
Malcolm Randall	**2019**	**65,000**	**6,175**	**-**	**-**	**71,175**
	2018	75,000	5,700	-	-	80,700
Brendan O'Hara	**2019*** **	**39,583**	**3,761**	**-**	**-**	**43,344**
	2018	56,249	4,394	-	-	60,643
Stephen Dennis	**2019**** **	**8,840**	**840**	**-**	**-**	**9,680**
	2018	-	-	-	-	-
Executive Directors						
Brett Hazelden	**2019**	**290,000**	**25,254**	**-**	**-**	**315,254**
	2018	306,125	25,000	-	-	331,125
Rudolph van Niekerk	**2019**	**267,366**	**25,000**	**-**	**-**	**292,366**
	2018	275,000	23,750	-	-	298,750
KMP						
Chris Achurch	**2019**	**165,000**	**15,675**	**-**	**115,659**	**296,334**
Chris Achurch	2018**	20,731	1,969	-	13,942	36,642
Frederick Kotzee	2018*	132,196	12,001	-	-	144,197
Total	**2019**	**835,789**	**76,705**	**-**	**115,659**	**1,028,153**
Total	2018	865,301	72,814	-	13,942	952,057

(*) Chief Financial Officer - Appointed on 13 November 2017, resigned 17 May 2018.
(**) Chief Financial Officer - Appointed on 17 May 2018. On 17 May 2018 1,000,000 options with an 18-month vesting period and a total value of $173,488 were issued to the incoming Chief Financial Officer. The amount recognised is a representation of the vesting period elapsed during the reporting period.
(***) Brendan O'Hara resigned as Director on 26 April 2019.
(****) Stephen Dennis was appointed as Director on 26 April 2019.

[1] *Includes superannuation payment in Australia and any voluntary fee sacrifice to superannuation.*

B. Service Agreements

The Company has entered into executive service agreements with the Managing Director, Chief Development Officer and Chief Financial Officer as detailed below:

Brett Hazelden in respect to his employment as the Managing Director of the Company. The principal terms are as follows:

- An annual salary of $290,000 excluding superannuation for the financial year ended 30 June 2019;
- Brett may terminate the agreement by giving 6 months' notice in writing to the Company;
- The Company may terminate the agreement (without cause) by giving 12 months' notice in writing to Brett (or make payment in lieu of notice), unless the Company is terminating as a result of a serious misconduct (or on other similar grounds by Brett, in which case no notice is required). During this 12-month period, Brett cannot seek alternative employment, unless permission is granted by the Board; and
- If Brett's employment ends due to the position being made redundant, Brett will be entitled to a minimum of 12 months of base salary.

Rudolph van Niekerk in respect to his employment as the Chief Development Officer and Executive Director of the Company. The principal terms are as follows:

- An annual salary of $265,000 excluding superannuation for the financial year ended 30 June 2019;
- Rudolph may terminate the agreement by giving 3 months' notice in writing to the Company;
- The Company may terminate the agreement (without cause) by giving 3 months' notice in writing to Rudolph (or make payment in lieu of notice), unless the Company is terminating as a result of a serious misconduct (or on other similar grounds by Rudolph, in which case no notice is required); and
- Rudolph is subject to non-compete restrictions during his employment and for a maximum period of 9 months following termination of his employment.

Chris Achurch in respect to his employment as the Chief Financial Officer of the Company. The principal terms are as follows:

- An annual salary of $165,000 excluding superannuation for the financial year ended 30 June 2019;
- Chris may terminate the agreement by giving 3 months' notice in writing to the Company;
- The Company may terminate the agreement (without cause) by giving 3 months' notice in writing to Chris (or make payment in lieu of notice), unless the Company is terminating as a result of a serious misconduct (or on other similar grounds by Chris, in which case no notice is required);
- If Chris's employment ends due to the position being made redundant, Chris will be entitled to a minimum of 6 months of base salary; and
- Chris is subject to non-compete restrictions during his employment and for a maximum period of 9 months following termination of his employment.

C. Share Based Payments

The following table sets out the details of unlisted share option movements during the year ended: **30 June 2019.**

	Balance at 30 June 2018	Grant Date	Exercise Price	Expiry Date	Granted as Remuneration	Fair Value per Option at Grant Date	Exercised	Expired	Balance at 30 June 2019
Non-Executive Directors									
Malcolm Randall	**4,000,000**	16-Dec-16	$0.25	16-Dec-19	-	$0.089	(2,000,000)	-	**2,000,000**
Brendan O'Hara	**2,000,000**	16-Dec-16	$0.25	16-Dec-19	-	$0.089	(2,000,000)	-	**
Stephen Dennis***	-	-	-	-	-	-	-	-	-
Executive Directors									
Brett Hazelden	-	-	-	-	-	-	-	-	-
Rudolph van Niekerk	-	-	-	-	-	-	-	-	-
KMP									
Chris Achurch (CFO)*	**1,000,000**	17-May-18	$0.525	17-May-21	1,000,000	$0.173	-	-	**1,000,000**
Total	**7,000,000**						**(4,000,000)**		**3,000,000**

(*) On 17 May 2018 1,000,000 options with an 18-month vesting period and a total value of $173,488 were issued to the incoming Chief Financial Officer. The amount recognised is a representation of the vesting period elapsed during the reporting period.
(**) Brendan O'Hara resigned on 26 April 2019. On his date of resignation, Brendan had exercised all his options.
(***) Stephen Dennis was appointed on 26 April 2019.

The following table sets out the details of unlisted share option movements during the year ended: **30 June 2018.**

	Balance at 30 June 2017	Grant Date	Exercise Price	Expiry Date	Granted as Remuneration	Fair Value per Option at Grant Date	Exercised	Expired	Balance at 30 June 2018
Non-Executive Directors									
Malcolm Randall	**4,000,000**	16-Dec-16	$0.25	16-Dec-19	-	$0.089	-	-	**4,000,000**
Brendan O'Hara	**2,000,000**	16-Dec-16	$0.25	16-Dec-19	-	$0.089	-	-	**2,000,000**
Executive Directors									
Brett Hazelden	-	-	-	-	-	-	-	-	-
Rudolph van Niekerk	-	-	-	-	-	-	-	-	-
KMP									
Chris Achurch (CFO)	**-**	17-May-18	$0.525	17-May-21	1,000,000	$0.173	-	-	**1,000,000**
Total	**6,000,000**				**1,000,000**				**7,000,000**

The following table sets out the details of performance rights movements during the year ended: **30 June 2019.**

	Balance at 30 June 2018	Grant Date	Expiry Date	Granted as Remuneration	Fair Value of Performance Right at Grant Date	Exercised	Balance at 30 June 2019
Non-Executive Directors							
Malcolm Randall	-	-	-	-	-	-	-
Brendan O'Hara	-	-	-	-	-	-	-
Stephen Dennis	-	-	-	-	-	-	-
Executive Directors							
Brett Hazelden	**4,200,000**	02-Sep-16	02-Sep-21	-	$0.15	(1,050,000)	**3,150,000**
Rudolph van Niekerk	**1,200,000**	02-Sep-16	02-Sep-21	-	$0.15	(300,000)	**900,000**
KMP							
Chris Achurch	-	-	-	-	-	-	-
Total	**5,400,000**	**-**	**-**	**-**	**-**	**(1,350,000)**	**4,050,000**

The following table sets out the details of performance rights movements during the year ended: **30 June 2018.**

	Balance at 30 June 2017	Grant Date	Expiry Date	Granted as Remuneration	Fair Value of Performance Right at Grant Date	Exercised	Balance at 30 June 2018
Non-Executive Directors							
Malcolm Randall	-	-	-	-	-	-	-
Brendan O'Hara	-	-	-	-	-	-	-
Executive Directors							
Brett Hazelden	**4,200,000**	02-Sep-16	02-Sep-21	-	$0.15	-	**4,200,000**
Rudolph van Niekerk	**1,200,000**	02-Sep-16	02-Sep-21	-	$0.15	-	**1,200,000**
KMP							
Frederick Kotzee	-	-	-	-	-	-	-
Chris Achurch	-	-	-	-	-	-	-
Total	**5,400,000**	**-**	**-**	**-**	**-**	**-**	**5,400,000**

D. Interest in Shares

The following table sets out the details of ordinary share movements during the year ended: **30 June 2019.**

	Balance at 30 June 2018 (No. of Shares)	Additions	Disposals	Performance Rights/Options Exercised (No. of Shares)	Received Remuneration (No. of Shares)	Balance at 30 June 2019 (No. of Shares)
Malcolm Randall	**479,184**	-	-	1,034,023	-	**1,513,207**
Brendan O'Hara *	**-**	-	-	1,025,618	-	*****
Stephen Dennis **	**-**	-	-	-	-	**-**
Brett Hazelden	**13,669,066**	-	-	1,050,000	-	**14,719,066**
Rudolph van Niekerk	**3,315,600**	-	-	300,000	-	**3,615,600**
Chris Achurch	**-**	2,000	-	-	-	**2,000**
Total	**17,463,850**	**2,000**	**-**	**3,409,641**	**-**	**19,849,873**

(*) Brendan O'Hara resigned as Director on the 26 April 2019. The above table represents holdings and movements up to the date of resignation.

(**) Stephen Dennis was appointed as Director on 26 April 2019.

The following table sets out the details of ordinary share movements during the year ended: **30 June 2018.**

	Balance at 30 June 2017 (No. of Shares)	Additions	Disposals	Performance Rights/Options Exercised (No. of Shares)	Received Remuneration (No. of Shares)	Balance at 30 June 2018 (No. of Shares)
Malcolm Randall	**445,375**	33,809	-	-	-	**479,184**
Brendan O'Hara	**-**	-	-	-	-	**-**
Brett Hazelden	**13,609,543**	59,523	-	-	-	**13,669,066**
Rudolph van Niekerk	**3,315,600**	-	-	-	-	**3,315,600**
Total	**17,370,518**	**93,332**	**-**	**-**	**-**	**17,463,850**

Other Director and KMP Transactions

There were no other transactions relating to Directors and KMP's during the FY2019 period.

Additional Information

The earnings of the Consolidated Entity for the five years to 30 June 2019 are summarised below:

	2019 $	2018 $	2017 $	2016 $	2015 $
Revenue	1,705,960	4,261,759	2,519,040	849,748	849,765
EBITDA	**(11,469,093)**	(10,696,683)	(5,917,009)	(3,645,685)	(1,464,114)
EBIT	**(11,885,909)**	(10,900,473)	(5,952,926)	(3,647,069)	(1,464,114)
Loss after income tax	**(11,762,018)**	(10,757,324)	(5,889,309)	(3,647,069)	(1,464,114)
The factors that are considered to affect total shareholders return ("TSR") are summarised below:					
Share price at financial year end ($)	**$0.59**	**$0.54**	**$0.36**	**#**	**-**
Total dividends declared (cents per share)	**-**	**-**	**-**	**-**	**-**
Basic and diluted earnings per share (cents per share)	**(6.15)**	**(6.95)**	**(5.40)**	(4.30)	**-**

Kalium Lakes Limited was admitted to the official List of the Australian Securities Exchange (ASX), on the 21st of December 2016.

End of Audited Remuneration Report.

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity is the exploration and mining of mineral resources.

REVIEW OF RESULTS

The loss after tax for the year ended 30 June 2019 was $11,762,018 (2018: $10,757,324 loss), primarily as a result of exploration and development of the Beyondie Project.

CORPORATE

In late July 2018 Kalium Lakes Limited and BCI Minerals Limited (BCI), the owners of the Carnegie Potash Project (CPP) via the Carnegie Joint Venture (CJV), announced the completion of the Scoping Study and a maiden Resource and Exploration Target for the CPP in Western Australia.

The results of the Beyondie Sulphate of Potash Project (BSOPP), Bankable Feasibility Study with an updated Ore Reserve were released on 18 September 2018, confirming the project is technically and financially robust, with production anticipated in 2020.

In late October 2018, Kalium Lakes entered into an agreement with AIC Resources Limited (AIC) to acquire a portion of AIC's tenement E69/3247 and lodged a new tenement application in respect of the land acquired, being the application for 10 Mile Lake West (E69/3594). The new tenement is located adjacent to the BSOPP tenements and the grant of the new tenement was subject to the usual statutory processes. The consideration paid to AIC for the new area was 5 million fully paid ordinary Shares and 5 million Options to acquire Shares in KLL. The Shares and Options issued to AIC are subject to a 12-month escrow period from the date of issue. The Options have an exercise price of $0.50 each and will expire on 30 June 2025.

During November 2018 the company received confirmation that the Department of Mines, Industry Regulation and Safety (DMIRS), under delegation from the Minister for Mines and Petroleum (under section 10(1) of the Petroleum Pipelines Act 1969), had granted licence PL117 to construct and operate a pipeline for the conveyance of petroleum and for associated purposes along the authorised route. The Company then held its Annual General Meeting on 21 November 2018, having released its Annual Report to shareholders one month earlier in October 2018.

On 17 December 2018 KLL announced that it had successfully completed a bookbuild for its placement of 9,053,083 new fully paid ordinary shares in the Company at an issue price of $0.31 per Share to both new and existing, domestic and overseas institutional, sophisticated and professional investors to raise $2,806,456.

January 2019 saw the Company announce it had identified Front End Engineering and Design (FEED) optimisation and improvements, followed by the advice that it had received approval in accordance with Part 9 of the Environment Protection and Biodiversity Conservation Act 1999 from the Commonwealth Department of the Environment and Energy.

The following month, in February 2019, Kalium Lakes announced that all of the required Mining Tenure for the BSOPP had been granted by the Department of Mines, Industry Regulation and Safety; the Board of the Northern Australia Infrastructure Facility (NAIF) had made an Investment Decision to support the development of the Project by providing long-term debt facilities totalling up to A$74 million; and the passing of all resolutions at the General Meeting held on 27 February 2019.

An announcement advising the FEED works had been completed was made on 4 March 2019 and two weeks later, on 19 March 2019, KLL announced that it had agreed a non-binding term sheet with German bank (KfW IPEX-Bank) to provide approximately A$102 million of senior debt funding for the development of the BSOPP.

On 26 March 2019, Kalium Lakes then announced the latest in a series of global associations by entering into a Binding Offtake Agreement with K+S. The Agreement included the important fact that there will be an initial 10-year term to provide K+S with 90,000tpa of SOP products, representing 100% of the anticipated production from Phase 1 of the Beyondie Sulphate of Potash Project.

Greenstone Resources agreed to make a $20.8 million cornerstone investment in the Company which was announced on 3 April 2019 and the Environmental Protection Authority of Western Australia recommended that the BSOPP receive ministerial approval on 8 April 2019.

Later in April 2019, KLL announced the appointment of Mr Stephen Dennis as a Non-Executive Director of the Company and following the completion of the formal process to appoint Mr Dennis, Mr Brendan O'Hara advised of his decision to step down from his role as a Director.

The results of a General Meeting ratifying the issue of shares to Greenstone Resources and the re-election of Mr Stephen Dennis to the Board were announced following the 21 May 2019 General Meeting.

On 23 May 2019, Kalium Lakes announced that a number of key purification plant contracts had been awarded, then in mid-June the Company advised that the Western Australian Environment Minister had approved the implementation of the Project.

In the last two weeks of the financial year, on 20 June and 28 June 2019 respectively, the Company announced the award of the key haulage and port contract to Toll Mining Services, which was then followed by the award of two contracts, the first being the gas supply contract to Shell Energy Australia Pty Ltd and the second the award of the gas transport and delivery contract to the APA Group.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs.

LIKELY DEVELOPMENTS AND EXPECTECTED RESULTS OF OPERATIONS

The Consolidated Entity intends to continue its development of the Beyondie Sulphate of Potash Project (BSOPP), of which early works construction continues as at the date of this report. In addition, the Consolidated Entity will continue to progress the development of the Carnegie Project, in accordance with the terms of the joint venture agreement.

ENVIRONMENTAL REGULATIONS

The Consolidated Entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The directors are not aware of any environmental law that is not being complied with.

DIVIDENDS

No dividends were paid during the financial year and no recommendation has been made as to payment of dividends.

EVENTS SUBSEQUENT TO REPORTING DATE

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

- As announced to the market on the 6 September 2019, the Company was granted Major Project Status, by the Australian Federal Government, recognising the Beyondie Sulphate of Potash Projects strategic significance to Australia;

- As announced to the market on the 27 August 2019, a credit approved offer was received from Westpac for a A$15 million working capital and hedging facility;

- Entitlement offer and Placement, raising a total of approximately A$72 million before costs was successfully completed by the Company, as announced to the market on the 19 August 2019;

- 10 Mile Lake West tenement granted, with the consent of the traditional owners of the area, the Gingirana People. Strategically located next to the Company's granted Mining Lease, processing facilities and infrastructure, allowing future potential to extend trench and bore network for brine extraction. The new tenement is contiguous with the current delineated lake surface and paleochannel mineral resources and ore reserves, with SOP concentrations increasing into the new tenement, as announced to the market on the 1 August 2019;

- Credit approved offer of finance received from German KfW IPEX-Bank for A$102 million of senior debt funding for the Beyondie SOP Project. These facilities are in addition to the A$74 million NAIF loan package approved earlier in February 2019, and

- As announced to the market on the 19 July 2019, the German Government export credit agency, Euler Hermes, reached a positive decision regarding the Company's application for project finance export credit cover. Approximately A$50 million of the A$176 million credit approval loan package will be guaranteed by Euler Hermes.

INDEMNITY AND INSURANCE OF OFFICERS

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 7 to the financial statements. The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 7 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the company who are former partners of RSM Australia Partners.

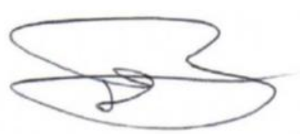
AUDITOR'S DECLARATION OF INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.



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Brett Hazelden
Managing Director

12 September 2019

The Board of Directors is responsible for the corporate governance of Kalium Lakes Limited (the Company). The Board of Directors has established a corporate governance framework which follows the recommendations as set out in the ASX Corporate Governance Council's Principles and Recommendations 3rd edition ("Principles and Recommendations").

The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for the Company's corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where the Company's corporate governance practices do not follow a recommendation, the Board explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The Company's corporate governance framework can be viewed on the Company's website: www.kaliumlakes.com.au

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Kalium Lakes Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, Western Australia
12 September 2019

D J WALL
Partner

	Note	30 June 2019 $	30 June 2018 $
Revenue			
Other income	3	**1,705,960**	4,261,759
Expenditure			
Accounting fees		**(135,214)**	(134,321)
Compliance fees		**(116,890)**	(73,173)
Depreciation		**(416,816)**	(203,790)
Directors and executive remuneration	22	**(912,494)**	(938,115)
Employee expenses		**(1,141,245)**	(1,402,405)
Exploration expenditure		**(4,976,077)**	(10,589,212)
Legal fees		**(1,209,522)**	(83,008)
Share based payment expense	5	**(2,954,557)**	(13,942)
Travel expenses		**(441,189)**	(702,561)
Other expenses	4	**(1,163,974)**	(878,556)
Loss before tax		**(11,762,018)**	(10,757,324)
Income tax expense	6	**-**	-
Net loss for the year from operations		**(11,762,018)**	(10,757,324)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		**-**	-
Total comprehensive loss for the year		**(11,762,018)**	(10,757,324)
Loss attributable to:			
Owners of the parent		**(11,762,018)**	(10,757,324)
		(11,762,018)	(10,757,324)
Total comprehensive loss attributable to:			
Owners of the parent		**(11,762,018)**	(10,757,324)
		(11,762,018)	(10,757,324)
Basic and diluted loss per share (cents)	8	**(6.15)**	(6.95)

The accompanying notes form part of these financial statements.

	Note	30 June 2019 $	30 June 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	9	**15,467,180**	7,671,286
Trade and other receivables	10	**2,717,996**	4,230,158
Total Current Assets		**18,185,176**	11,901,444
Non-Current Assets			
Property, plant and equipment	11	**2,061,425**	1,865,404
Work in progress	12	**6,947,206**	-
Mine in development		**643,725**	-
Total Non-Current Assets		**9,652,356**	1,865,404
Total Assets		**27,837,532**	13,766,848
LIABILITIES			
Current Liabilities			
Trade and other payables	13	**4,372,422**	3,751,621
Provisions	14	**681,776**	337,438
Total Current Liabilities		**5,054,198**	4,089,059
Total Liabilities		**5,054,198**	4,089,059
Net Assets		**22,783,334**	9,677,789
EQUITY			
Contributed equity	15	**53,053,533**	29,265,527
Reserves	16	**3,249,635**	2,170,078
Accumulated losses	17	**(33,519,834)**	(21,757,816)
Total Equity		**22,783,334**	9,677,789

The accompanying notes form part of these financial statements.

	Contributed Equity $	Reserves $	Accumulated losses $	Total $
Balance at 1 July 2017	**15,667,451**	**2,008,500**	**(11,000,492)**	**6,675,459**
Loss for the year	-	-	(10,757,324)	(10,757,324)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(10,757,324)	(10,757,324)
Transactions with owners in their capacity as owners:				
Shares issued during the year	14,600,654	-	-	14,600,654
Security issue expenses	(1,002,578)	-	-	(1,002,578)
Share based payments	-	161,578	-	161,578
Balance at 30 June 2018	**29,265,527**	**2,170,078**	**(21,757,816)**	**9,677,789**
Balance at 1 July 2018	**29,265,527**	**2,170,078**	**(21,757,816)**	**9,677,789**
Loss for the year	-	-	(11,762,018)	(11,762,018)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(11,762,018)	(11,762,018)
Transactions with owners in their capacity as owners:				
Shares issued during the year	23,620,913	-	-	23,620,913
Security issue expenses	(1,707,907)	-	-	(1,707,907)
Share based payments	1,875,000	1,079,557	-	2,954,557
Balance at 30 June 2019	**53,053,533**	**3,249,635**	**(33,519,834)**	**22,783,334**

The accompanying notes form part of these financial statements.

	Note	**30 June 2019 $**	30 June 2018 $
Cash flows from operating activities			
Receipts from operations		**3,994,886**	2,201,604
Payments to suppliers and employees		**(5,180,615)**	(4,170,410)
Payment for exploration and evaluation assets		**(8,250,977)**	(9,019,369)
Payment for Mine Development		**(4,500,000)**	-
Net cash (used in) operating activities	19	**(13,936,706)**	(10,988,175)
Cash flows from investing activities			
Interest received		**123,462**	130,341
Payments for plant and equipment		**(303,868)**	(1,358,383)
Net cash (used in) investing activities		**(180,406)**	(1,228,042)
Cash flows from financing activities			
Proceeds from equity issues		**23,620,376**	14,600,654
Payment for costs of equity issues		**(1,707,370)**	(854,942)
Net cash provided by financing activities		**21,913,006**	13,745,712
Net increase in cash held		**7,795,894**	1,529,495
Cash and cash equivalents at beginning of the financial year		**7,671,286**	6,141,791
Cash and cash equivalents at year end	9	**15,467,180**	7,671,286

The accompanying notes form part of these financial statements.

1. *Corporate information*

This annual report covers Kalium Lakes Limited (the "Company"), a company incorporated in Australia, and the entities it controlled at the end of, or during, the year ended 30 June 2019 (the "Consolidated Entity"). The presentation currency of the Consolidated Entity is Australian Dollars ("$"). A description of the Consolidated Entity's operations is included in the review and results of operations in the Directors' report. The Directors' report is not part of the financial statements. The Company is a for-profit entity limited by shares and incorporated in Australia whose shares are traded under the ASX code "KLL".

2. *Accounting policies*

Significant accounting policies
The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Company.

AASB 9 Financial Instruments
The Company has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime

2. Accounting policies (continued)

ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The Company has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption
AASB 9 and AASB 15 were adopted using modified retrospective approach an as such comparatives have not been restated. There was no impact on adoption.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense

2. Accounting policies (continued)

and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Consolidated Entity has made an assessment and determined that the impact of this standard will not be material to the financial statements.

Basis of preparation
The consolidated general-purpose financial statements of the Consolidated Entity have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial report has also been prepared on a historical cost base. It is recommended that the annual financial report be considered together with any public announcements made by the Company during the year ended 30 June 2019 and up to the issue date of this report, which the Consolidated Entity has made in accordance with its continuous disclosure obligations arising under the *Corporations Act 2001.*

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2(a).

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 20.

Basis of consolidation
The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Company at the end of the reporting period. A controlled entity is any entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from the entity’s activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries more than half of the voting power of the entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. The Company and its controlled entities together are referred to as the Consolidated Entity. The effects of all transactions between entities in the Consolidated Entity are

2. Accounting policies (continued)

eliminated in full. Where control of an entity is obtained during a financial year, its results are included in the consolidated income statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Consolidated Entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Exploration, evaluation and development expenditure
Exploration and evaluation are written off as incurred. The Consolidated Entity’s policy is that such costs will only be carried forward when development of the area indicates that recoupment will occur or where activities in the area have reached an advanced stage which permits reasonable assessment of the existence of economically recoverable reserves.

Exploration, evaluation and development costs comprise acquisition costs, direct exploration and evaluation costs and an appropriate portion of related overhead expenditure but do not include general overhead expenditure which has no direct connection with a particular area of interest.

Revenue received from the sale or disposal of product, materials or services during the exploration and evaluation phase of operation is offset against expenditure in respect of the area of interest concerned.

When an area of interest is abandoned or the Directors decide that it is not commercially viable, any accumulated costs in respect of that area are written off in the financial period the decision

2. Accounting policies (continued)

is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Restoration costs arising from exploration activities are provided for at the time of the activities which give rise to the need for restoration.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward exploration, evaluation and development costs are amortised on a units of production basis over the life of the economically recoverable reserves.

Mine in Development
Costs will be carried forward when development of the area indicates that recoupment will occur or where activities in the area have reached an advanced stage which permits reasonable assessment of the existence of economically recoverable reserves. Upon the satisfaction of either of these limbs, mine development expenditure incurred by, or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a mine and related infrastructure.

2(a). Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Research & Development tax rebate
The receivable and corresponding revenue recognised at the reporting date for R&D is based on estimates made by R&D tax specialists from the utilisation of historical cost data.

2(a). Critical accounting judgements, estimates and assumptions (continued)

Rehabilitation provision
A provision has been made for the anticipated costs for future rehabilitation of land explored or mined. The Consolidated Entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Consolidated Entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations could affect the carrying amount of this provision.

Mine in development & Work in progress
These costs are capitalised to the extend they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs are transferred to property, plant and equipment and mine properties, as relevant.

	30 June 2019 $	30 June 2018 $
3. *Other income*		
Foreign exchange gain	**35,331**	68,425
Other income	**159,313**	182,176
Interest income	**123,891**	143,149
Research and development tax offset - International	**281,094**	1,660,634
Research and development tax offset - Domestic	**1,106,331**	2,207,375
	1,705,960	4,261,759

Accounting policy:

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

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

	30 June 2019 $	30 June 2018 $
4. *Other expenses*		
Bank charges	**4,245**	3,978
Insurance	**122,622**	33,826
Subscriptions	**16,125**	62,813
Other consultants	**397,989**	350,803
Head office and administration	**622,993**	427,136
	1,163,974	878,556

	30 June 2019 $	30 June 2018 $
5. *Share based payment expense*		
Unlisted options to executive – vesting over multiple periods *	**115,659**	13,942
Acquisition of tenements (options) **	**963,898**	-
Acquisition of tenements (shares) **	**1,875,000**	-
	2,954,557	13,942

Year ended 30 June 2019: Entity issued the following Options:

- * 1,000,000 Options issued to KMP (CFO) in the prior year, with a fair value of $173,488 and a vesting period of 18 months. Amount recognised as an expense during the financial year ended 30 June 2019 was $115,659 (2018: $13,942). The total fair value will continue to be recognised over the remaining vesting period.
- ** Issue of 5,000,000 fully paid ordinary shares and 5,000,000 unlisted options for acquisition of tenements adjacent to the Consolidated Entity's existing tenements, from AIC Resources, as announced to the market on the 29 October 2018. The unlisted options had a grant date of 26 October 2018 and are escrowed until 26 October 2019, each with an exercise price of $0.50 and expiring on 30 June 2025. These options vested immediately.

Year ended 30 June 2018: Entity issued the following Options:

- 29 September 2017: 330,882 Options issued to advisors with a fair value of $57,276.
- 9 January 2018: 843,936 Options issued to advisors with a fair value of $90,360.
- 17 May 2018: 1,000,000 Options issued to KMP (CFO) with a fair value of $173,488 and a vesting period of 18 months. Amount recognised as an expense during the financial year ended 30 June 2018 was $13,942. The total fair value will be recognised over the remaining vesting period.

5. *Share based payment expense (continued)*

(i) Set out below are summaries of options granted and outstanding at 30 June 2019:

Options	Grant Date	Expiry Date	Granted	Exercised	Expired	Balance at the end of the period
1 July 2016						
Director *	16-12-16	16-12-19	6,000,000	(4,000,000)*	-	2,000,000
Officers	16-12-16	16-12-19	1,500,000	(1,500,000)*	-	-
Advisors	16-12-16	16-12-19	1,500,000	-	-	1,500,000
30 June 2017			**9,000,000**	**-**	**-**	**3,500,000**
Advisors	29-09-17	29-09-20	330,882	-	-	330,882
Advisors	09-01-18	09-01-20	843,936	-	-	843,936
KMP	17-05-18	17-05-21	1,000,000	-	-	1,000,000
30 June 2018			**11,174,818**	**-**	**-**	**5,674,818**
AIC Resources	29-10-18	30-06-25	5,000,000	-	**-**	5,000,000
30 June 2019			**16,174,818**	**(5,500,000)**	**-**	**10,674,818**

(*) See Note 15 for unlisted options exercised into ordinary shares during the financial year ended 30 June 2019.

Options issued 1 July 2018 to 30 June 2019:

	AIC Resources
Stock Price	$0.375
Exercise Price	$0.50
Expiry Period	6.67 Years
Expected future volatility	58%
Risk free rate	2.20%
Dividend yield	0%
Amount of Options	5,000,000
Fair value of Options	$963,898 *

* Note 16

5. *Share based payment expense (continued)*

Options issued 1 July 2017 to 30 June 2018:

Assumptions	Directors	Officers	KMP
Stock Price	$0.420	$0.410	$0.460
Exercise Price	$0.425	$0.525	$0.525
Expiry Period	3 Years	2 Years	3 Years
Expected future volatility	60%	60%	60%
Risk free rate	2.12%	1.94%	2.24%
Dividend yield	0%	0%	0%
Amount of Options	330,882	843,936	1,000,000
Fair value of Options	$57,276*	$90,360*	$173,488

* Fair value of Options issued to advisors were treated as share issue costs in the consolidated statement of changes in equity (Note 16).

Accounting policy:

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

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

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. However, if a new award is substituted for the cancelled

5. *Share based payment expense (continued)*

award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. Where shares are issued at a discount to fair value either by reference to the current market price or by virtue of the Consolidated Entity providing financing for the share purchase on favourable terms, the value of the discount is considered a share-based payment. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

6. *Income tax expense*

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

	30 June 2019 $	30 June 2018 $
Loss before Income tax	**(11,762,018)**	(10,757,324)
Prima facie benefit on operating loss at 27.5% (2018: 27.5%)	**3,234,555**	2,958,264
Non allowable expenditure	**(1,195,872)**	(1,257,604)
Unrecognised deferred tax assets attributable to tax losses	**(2,038,683)**	(1,700,660)
Income tax expenses	**-**	-
Tax losses available	**15,523,825**	8,110,433

A potential deferred tax asset, attributable to tax losses carried forward, amounts to approximately $4,269,052 (2018: $2,230,369) and has not been brought to account at reporting date because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as probable at this point in time. This benefit will only be obtained if:

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

6. *Income tax expense (continued)*

Accounting policy:

Income tax

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

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

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

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

Goods and services and sales tax

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

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

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

	30 June 2019 $	30 June 2018 $
7. *Auditor's remuneration*		
Audit and review of the financial report	**40,250**	38,000
Research and development tax	**53,503**	29,464
Taxation and technical advice services	**41,461**	61,067
	135,214	128,531

8. *Earnings/(loss) per share*

The following reflects the earnings/(loss) and number of shares used in the calculation of the basic and diluted earnings/(loss) per share.

	30 June 2019
Basic loss per share (cents per share)	(6.15)
Diluted loss per share (cents per share)	(6.15)
Net loss attributable to ordinary shareholders ($)	**(11,762,018)**
Weighted average number of ordinary shares used in the calculation of basic loss per share	191,370,743
Weighted average number of ordinary shares used in the calculation of diluted loss per share	191,370,743

Accounting policy:

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element. The diluted earnings per share is calculated as net profit or loss attributable to members of the parent divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element. The weighted average number of shares was based on the consolidated weighted average number of shares in the reporting period. The net profit or loss attributable to members of the parent is adjusted for:

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

	30 June 2019 $	30 June 2018 $
9. *Cash and cash equivalents*		
Cash at bank *	**10,454,090**	4,157,744
Cash on deposit	**5,013,090**	3,513,542
	15,467,180	7,671,286

(*) Includes EURO 520,918; AUD $844,927 (2018: EURO 671,450; AUD $1,061,632)

Accounting policy:

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

	30 June 2019 $	30 June 2018 $
10. *Trade and other receivables*		
Current		
GST refundable	**803,095**	306,434
Prepayments	**419,947**	16,382
Research and development tax offset	**1,387,425**	3,868,009
Accrued interest	**26,100**	25,671
Fuel rebate	**81,429**	13,662
	2,717,996	4,230,158

Allowance for expected credit losses
The Consolidated Entity has not recognised any loss (Nil 2018) in respect of expected credit losses, for the year ended 30 June 2019

10. *Trade and other receivables (continued)*

Accounting policy:

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

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

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

11. *Property, plant and equipment*

	Exploration Equipment $	Office Equipment $	Motor Vehicles $	Leasehold Improvements	Rehabilitation asset	Computer Software	Total $
Carrying value 30 June 2017	350,798	14,140	101,606	-	-	-	466,544
Additions	1,300,726	7,037	43,677	6,832	244,378	-	1,602,650
Depreciation	(169,298)	(6,856)	(27,636)	-	-	-	(203,790)
Carrying value 30 June 2018	1,482,226	14,321	117,647	6,832	244,378	-	1,865,404
Additions	125,722	4,976	71,811	-	308,969	101,359	612,837
Depreciation	(361,140)	(8,116)	(40,728)	(6,832)	-	-	(416,816)
Carrying value 30 June 2019	**1,246,808**	**11,181**	**148,730**	**-**	**553,347**	**101,359**	**2,061,425**

11. *Property, plant and equipment (continued)*

Accounting policy:

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

Exploration equipment:	20%
Office equipment:	33%
Motor vehicles:	20%
Leasehold Improvements:	50%
Computer Software	33%
Rehabilitation asset:	*

(*) Rehabilitation asset and the corresponding provision (Note 14), is undiscounted and has not been depreciated. Depreciation and corresponding finance charges incurred in the unwinding of the provision will be recognised from the commencement of production.

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

Impairment

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

	30 June 2019 $	30 June 2018 $
12. Work in progress		
Brine supply and ponds	**2,702,415**	-
Purification facility	**2,302,125**	-
Village accommodation	**1,152,135**	-
Access road	**332,621**	-
Other infrastructure	**457,910**	**-**
	6,947,206	**-**

12. Work in progress (continued)

Greenstone Resources made a A$20.8 million cornerstone equity investment in the Consolidated Entity, as announced to the market on the 3 April 2019. This investment allowed the Consolidated Entity to expand its early works program and include the purchase of long lead items, pond construction and key infrastructure. The investment by Greenstone was undertaken in two tranches, with the transaction being completed on the 23 April 2019. After the successful completion of the Greenstone investment in the Consolidated Entity, and as a result of the purpose of the funds being to fast track early works, the Consolidated Entity used this as a trigger to commence capitalising costs into two key categories, Mine Development Expenditure and Work in Progress.

	30 June 2019 $	30 June 2018 $
13. *Trade and other payables*		
Current		
Accounts payable	**3,472,370**	3,285,903
Other payables	**21,531**	117,683
Accrued expenses	**878,521**	348,035
	4,372,422	3,751,621

Accounting policy:

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

14. *Provisions*

Current		
Employee entitlements	**128,429**	93,060
Rehabilitation	**553,347**	244,378
	681,776	337,438

Accounting policy:

Short-term employee benefits

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

14. *Provisions (continued)*

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions

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

	30 June 2018/2019 No.	$
15. *Contributed equity*		
Balance at 1 July 2017	**135,030,035**	**15,667,451**
Share Issue: 29-Nov-17	29,471,793	12,378,154
Share Issue: 01-Dec-17	476,191	200,000
Share Issue: 19-Dec-17	1,005,922	422,500
Share Issue: 22-Jan-18	3,809,524	1,600,000
Share Issue Costs	-	(1,002,578)
Balance at 30 June 2018	**169,793,465**	**29,265,527**
Conversion of Performance rights: 17-Oct-18 (i)	5,000,000	-
Issue of shares for tenement acquisition: 26-Oct-18	5,000,000	1,875,000
Placement: 21-Dec-18	7,440,179	2,306,455
Placement: 01-Mar-19	1,612,904	500,000
Exercise of options - Directors: 14-Mar-19 (ii)	254,110	-
Exercise of options - Directors: 21-Mar-19 (iii)	240,017	-
Exercise of options - Directors: 04-Apr-19 (iv)	704,036	-
Exercise of options - Officers: 04-Apr-19 (iv)	754,326	-
Placement: 09-Apr-19	18,904,487	8,317,974
Exercise of options - Directors: 18-Apr-19 (v)	861,478	-
Placement: 23-Apr-19	28,401,101	12,496,484
Share issue costs	-	(1,707,907)
Balance at 30 June 2019	**238,966,103**	**53,053,533**

(i) 1,350,000 of the 5,000,000 performance rights were exercised by Directors of the Company.
(ii) 550,000 options exercised by a Director of the Company.
(iii) 500,000 options exercised by a Director of the Company.
(iv) 1,400,000 options exercised by Directors and 1,500,000 by Officers of the Company.
(v) 1,550,000 options exercised by Directors of the Company.

15. *Contributed equity (continued)*

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

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

Accounting Policy:

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

	30 June 2019 $	30 June 2018 $
16. *Reserves*		
Options reserve **(i)**	**2,049,635**	**970,078**
Performance rights reserve **(ii)**	**1,200,000**	**1,200,000**
	3,249,635	**2,170,078**

Movements in reserves

(i) Options reserve	**No of Options**	**Value $**
Balance at 1 July 2017	**9,000,000**	808,500
New options issued and vested		
Unlisted advisor options – security issue expenses	**330,882**	**57,276**
Unlisted advisor options – security issue expenses	**843,936**	**90,360**
New options issued and vesting over 18 months		
Unlisted KMP options *	**1,000,000**	**13,942**
Balance at 30 June 2018	**11,174,818**	**970,078**
Options issued in prior year and vesting over 18 months		
Unlisted KMP options	**-**	**115,659**
New options issued and vested		
Issue of options for tenement acquisition: 26-Oct-18 **	**5,000,000**	**963,898**
Options exercised		
Exercise of options into shares by a Director: 14-Mar-19	**(550,000)**	**-**
Exercise of options into shares by a Director: 21-Mar-19	**(500,000)**	**-**
Exercise of options into shares by Directors: 4-Apr-19	**(1,400,000)**	**-**
Exercise of options into shares by Officers: 4-Apr-19	**(1,500,000)**	**-**
Exercise of options into shares by Directors: 18-Apr-19	**(1,550,000)**	**-**
Balance at 30 June 2019	**10,674,818**	**2,049,635**

(*) On 17 May 2018, 1,000,000 options with an 18-month vesting period and a total value of $173,488 were issued to the incoming Chief Financial Officer. The amount recognised is a representation of the vesting period elapsed as at the reporting date.
(**) Issue of 5 million fully paid ordinary shares and 5 million unlisted options for acquisition of tenements adjacent to the Consolidated Entity's existing tenements, from AIC Resources, as announced to the market on the 29 October 2018. The unlisted options had a grant date of 26 October 2018 and are escrowed until 26 October 2019, each with an exercise price of $0.50 and expiring on 30 June 2025. These options vested immediately.

16. *Reserves (continued)*

(ii) Performance rights	**Value $**
Balance at 30 June 2017	**1,200,000**
Balance at 30 June 2018	**1,200,000**
Balance at 30 June 2019 *	**1,200,000**

(*) 5,000,000 performance rights were converted into shares on 17 October 2018 (Note 15). The Company has elected not to recognise a transfer from Reserves into Issued Capital, although the number of performance rights on issue has reduced from 20,000,000 as at 30 June 2018 to 15,000,000 at 30 June 2019, and correspondingly the number of shares on issue also increased on the date of conversion, by 5,000,000 (Note 15).

	30 June 2019 $	30 June 2018 $
17. *Accumulated losses*		
Balance at beginning of year	**(21,757,816)**	(11,000,492)
Loss after tax attributable to the equity holders of the parent entity during the year	**(11,762,018)**	(10,757,324)
Balance at end of year	**(33,519,834)**	(21,757,816)

18. *Operating segments*

The Consolidated Entity has considered the requirements of AASB8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

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

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

19. *Reconciliation of cashflows from operating activities*

	30 June 2019 $	30 June 2018 $
Loss before tax	**(11,762,018)**	(10,757,324)
Depreciation	**416,816**	203,790
Share based payment expense	**2,954,557**	13,942
Interest income	**(123,462)**	(130,341)
Movement in trade & other receivables	**1,512,162**	(1,929,813)
Movement in trade & other payables	**656,170**	1,611,571
Movement in work in progress	**(6,947,206)**	-
Movement in mine development	**(643,725)**	-
Net cash used in operating activities	**(13,936,706)**	(10,988,175)

20. *Parent company information*

Current assets	**16,131,454**	3,738,924
Total assets	**22,973,133**	9,964,064
Current liabilities	**(189,799)**	(296,275)
Total liabilities	**(189,799)**	(296,275)
Net Assets	**22,783,334**	9,677,789
Loss of the parent entity	**(11,762,018)**	(876,075)
Total comprehensive loss of the parent entity	**(11,762,018)**	(876,075)

Guarantees
Kalium Lakes Limited has not entered into any guarantees, with exception of the parent guarantee under the Offtake agreement.

Other Commitments and Contingencies
Kalium Lakes Limited has no commitments and contingencies, except for operating lease commitments of $21,600.

Plant and Equipment Commitments
Kalium Lakes Limited has no commitments to acquire property, plant and equipment.

Significant Accounting Policies
Kalium Lakes Limited accounting policies do not differ from the Consolidated Entity as disclosed in Note 2.

21. *Events after the end of the reporting period*

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

- As announced to the market on the 6 September 2019, the Company was granted Major Project Status, by the Australian Federal Government, recognising the Beyondie Sulphate of Potash Projects strategic significance to Australia;

- As announced to the market on the 27 August 2019, a credit approved offer was received from Westpac for a A$15 million working capital and hedging facility;

- Entitlement offer and Placement, raising a total of approximately A$72 million before costs was successfully completed by the Company, as announced to the market on the 26 July 2019 and 19 August 2019;

- 10 Mile Lake West tenement granted, with the consent of the traditional owners of the area, the Gingirana People. Strategically located next to the Company's granted Mining Lease, processing facilities and infrastructure, allowing future potential to extend trench and bore network for brine extraction. The new tenement is contiguous with the current delineated lake surface and paleochannel mineral resources and ore reserves, with SOP concentrations increasing into the new tenement, as announced to the market on the 1 August 2019;

- Credit approved offer of finance received from German KfW IPEX-Bank for A$102 million of senior debt funding for the Beyondie SOP Project, as announced to the market on the 2 July 2019. These facilities are in addition to the A$74 million NAIF loan package approved earlier in February 2019, and

- As announced to the market on the 19 July 2019, the German Government export credit agency, Euler Hermes, reached a positive decision regarding the Company's application for project finance export credit cover. Approximately A$50 million of the A$176 million credit approval loan package will be guaranteed by Euler Hermes.

22. *Related party transactions*

Parent Entity
Kalium Lakes Limited is the Parent Entity.

Subsidiaries
Interests in subsidiaries are set out in Note 23.

Key Management Personnel (KMP)
Disclosures relating to key management personnel are set out below and in the remuneration report in the Directors' Report.

	30 June 2019 $	30 June 2018 $
Short term employee benefits	**835,789**	865,301
Post-employment benefits	**76,705**	72,814
Directors' and KMP remuneration	**912,494**	938,115
Equity based payments	**115,659**	13,942
	1,028,153	952,057

Transactions with Related Parties
Salaries and wages to the value of $44,128 were incurred and paid to Tanya Hazelden, a related party of managing director, Brett Hazelden, in addition to $275 incurred and paid to Matthew Randall, a related party of executive director and chairman, Malcolm Randall.

Receivables from and Payables to Related Parties
There were no payables to or receivables from related parties at the current and previous reporting date.

Loans to/from Related Parties
There were no loans payable to or receivable from related parties at the current and previous reporting date.

23. *Controlled Entities*

		% of Equity Interest	
Subsidiary	**Country of Incorporation**	**30 June 2019**	**30 June 2018**
Kalium Lakes Potash Pty Ltd	Australia	**100%**	**100%**
Kalium Lakes Infrastructure Pty Ltd*	Australia	**100%**	**-**
Carnegie Potash Pty Ltd**	Australia	**100%**	**-**

* Incorporated on 16 January 2019
** Incorporated on 11 July 2018.

24. *Financial risk management*

The Consolidated Entity's overall financial risk management strategy is to ensure that the Consolidated Entity is able to fund its business operations and expansion plans. Exposure to credit risk, liquidity risk, foreign currency risk, interest rate risk and commodity price risk arises in the normal course of the Consolidated Entity's business. The Consolidated Entity's risk management strategy is set by and performed with the close co-operation with the Board and focuses on actively securing the Consolidated Entity's short to medium-term cash flows by limiting credit risk of customers, regular review of its working capital and minimising the exposure to financial markets. The Consolidated Entity does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Consolidated Entity is exposed are described below.

<u>Specific financial risk exposures and management</u>
The main risks the Consolidated Entity is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk.

a) Credit risk
Credit risk arises from the financial assets of the Consolidated Entity, which comprise cash and cash equivalents and trade and other receivables. Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contractual obligations that could lead to a financial loss to the Consolidated Entity.

The Consolidated Entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

b) Liquidity Risk
Liquidity risk is the risk that there will be inadequate funds available to meet financial commitments as they fall due. The Consolidated Entity recognises the on-going requirements to have committed funds in place to cover both existing business cash flows and provide reasonable headroom for cyclical debt fluctuations and capital expenditure programs. The key funding objective is to ensure the availability of flexible and competitively priced funding from alternative sources to meet the Consolidated Entity's current and future requirements. The Consolidated Entity utilises a detailed cash flow model to manage its liquidity risk. This analysis shows that available sources of funds are expected to be sufficient over the lookout period. The Consolidated Entity attempts to accurately project the sources and uses of funds which provide an effective framework for decision making and budgeting. The table below summarises the maturity profile of the Company's contractual cash flow financial liabilities based on contractual undiscounted repayment obligations. Repayments, which are subject to notice, are treated as if notice were to be given immediately.

24. *Financial risk management (continued)*

Consolidated	30 days $	1-3 months $	3-12 months $	Total $
As at 30 June 2019				
Trade and other payables	3,472,370	-	-	3,472,370
Total liabilities	**3,472,370**	**-**	**-**	**3,472,370**
As at 30 June 2018				
Trade and other payables	3,285,903	-	-	3,285,903
Total liabilities	**3,285,903**	**-**	**-**	**3,285,903**

c) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Consolidated Entity is exposed to interest rate movements through term deposits and online savers at fixed and variable rates of between 0.2% and 2.2% per annum, dependant on market rates on the day of investment and the length of the investment. The following table sets out the variable interest bearing and fixed interest-bearing financial instruments of the Consolidated Entity:

	Variable interest $	Fixed interest $
2019		
Financial assets		
Cash and cash equivalents	10,454,090	5,013,090
Total	**10,454,090**	**5,013,090**
2018		
Financial assets		
Cash and cash equivalents	4,157,744	3,513,542
Total	**4,157,744**	**3,513,542**

The following table illustrates the estimated sensitivity to a 1% increase and decrease to fixed, variable interest rate fluctuations.

Impact on pre-tax profit	30 June 2019 $	30 June 2018 $
Interest rates + 1%	**104,541**	**41,577**
Interest rates – 1%	**(104,541)**	**(41,577)**

d) *Foreign currency risk*

The Consolidated Entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

24. *Financial risk management (continued)*

The Consolidated Entity periodically transfers amounts held in its functional currency, into foreign currency, based on committed expenditures payable, in order to effectively mitigate against fluctuations in foreign exchange rates.

The Consolidated Entity had cash and cash equivalents and trade and other payables/accruals denominated in EUR of AUD$844,927 and AUD$803,852 (2018 AUD$1,061,632 and AUD$1,896,923) respectively. At 30 June 2019, if EUR/AUD rates had changed by 10% with all other variables held constant, the consolidated entity's loss before tax for the year would have been AUD$ 4,107 (2018 AUD$83,529) lower/higher.

A sensitivity of 10% (10%: 2018) has been selected as this is considered reasonable given the current level of volatility in the EUR/AUD rate.

Accounting policy:

<u>Investments and other financial assets</u>
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

<u>Financial assets at fair value through profit or loss</u>
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

24. *Financial risk management (continued)*

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

25. *Contingent liabilities*

The Consolidated Entity has no contingent liabilities as at 30 June 2019 (2018:Nil).

26. *Commitments*

Kalium Lakes Limited had the following commitments as at 30 June 2019:

- Rental, rates and expenditure commitments relating to its tenements - $2,438,611;
- Operating lease commitments - $21,600 over 5 years; and
- Other commitments relating to the construction of the Beyondie Sulphate of Potash Project (BSOPP) - $12,034,097.

No other commitments existed at the reporting date.

27. *Interests in joint operations*

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

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

As announced to the market, the Scoping Study, Maiden Resource and Exploration Target confirmed that the CPP has potential to be a technically and economically viable project, with an Inferred Resource of 0.88 Mt SOP @ 3,466 mg/l K (equivalent to 7,724 mg/l SOP) based only on the top 1.7 metres of the 27,874 hectare surficial aquifer on granted tenement E38/2995 plus an Exploration Target for material below the top 1.7 metres.

27. *Interests in joint operations (continued)*

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

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

The Consolidated Entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the Consolidated Entity are set out below:

		% of Ownership Interest	
Name	**Country of Incorporation**	**30 June 2019**	**30 June 2018**
Carnegie Joint Operation	Australia	**70%***	**85%***

* Kalium Lakes Pty Ltd ownership interest

The Directors of the Company declare that:

a. the financial statements and notes are in accordance with the *Corporations Act 2001;*
b. comply with Accounting Standards;
c. are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 2 to the financial statements; and
d. give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Company and the Consolidated Entity;

The Managing Director and Chief Financial Officer have each declared that:

a. the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
b. the financial statements and notes for the financial year comply with the Accounting Standards; and
c. the financial statements and notes for the financial year give a true and fair view;

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

____
Brett Hazelden
Managing Director

12 September 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Kalium Lakes Limited

Opinion

We have audited the financial report of Kalium Lakes Limited (**Company**) and its subsidiaries (**Group**), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**How our audit addressed this matter**
Exploration expenditure	
As reported in the consolidated statement of profit or loss and other comprehensive income, the Group expensed total exploration expenditure of $4,976,077. This expenditure has been expensed as incurred in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* and the Group's accounting policy. Exploration expenditure was a key audit matter as it is material and constituted 37% of the Group's total expenses for the year. The Group must also correctly classify the expenditure in accordance with AASB 6. In addition, the results of exploration and evaluation work determines to what extent the mineral reserves and resources may or may not be commercially viable for extraction.	Our audit procedures included: • Understanding how the expenditure is incurred and agreeing a sample of the expenditure to supporting documentation to ensure the expenditure has been properly authorised, recorded in the correct period and appropriately classified in accordance with AASB 6 and the Group's accounting policy; • Obtaining evidence that the Group has valid rights to explore in each specific area for which the expenditure is recorded; • Considering the Group's assessment of the commercial viability of results relating to exploration and evaluation activities carried out in each specific area; and • Assessing the appropriateness of the Group's disclosures in the financial report.
Share based payments – tenement acquisition Refer to Note 5 in the financial statements	
During the year, the Group incurred share-based payment expenses of $963,898 in accordance with AASB 2 *Share-based Payment* from issue of 5,000,000 options for acquisition of tenements adjacent to the Group's existing tenements. Management has used an option valuation model to value these options. We determined this to be a key audit matter due to the significant judgement involved in assessing the fair value of the options issued during the year.	Our audit procedures included: • Reviewing the key terms and conditions of the options issued; • Obtaining the valuation model prepared by management and assessing whether the model was appropriate for valuing the options; • Challenging the reasonableness of key assumptions used by management to value the options; and • Reviewing the relevant disclosures in the financial statements to ensure compliance with Accounting Standards.

Work in progress Refer to Note 12 in the financial statements	
Capitalised expenditure incurred as part of early works on the Beyondie Sulphate of Potash Project was a key audit matter due to the size of the capitalised expenditure of $6,947,206 representing 25% of total assets. The Group used judgement in the identification and allocation of cost between operating expenditure and capital expenditure. The risks we focused on included: • The existence of capital expenditure; and • The appropriateness for capitalisation of the expenditure in accordance with AASB *Accounting Standard AASB 116 Property, Plant* and *Equipment* and the Group's accounting policy.	Our audit procedures included: • Test of controls relating to the authorisation and accuracy of the recording and classification of capitalised expenditure; • Assessment of the allocation of costs between operating expenditure and capital expenditure by inspecting underlying documentation on a sample basis and assessing the nature of the underlying activity; • Selecting a sample of supplier and contractor invoices raised prior to year-end and post year-end. Checking the timing of recorded expenditure against the details of the service description on the invoice; and • Reviewing the relevant disclosures in the financial statements to ensure compliance with Accounting Standards and the Group's accounting policy.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Kalium Lakes Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

D J WALL
Partner
RSM AUSTRALIA PARTNERS

Perth, Western Australia
13 September 2019

As at 30 June 2019

Issued Securities

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	238,966,103	-	238,966,103
$0.25 unlisted options expiring 16-Dec-19	-	3,500,000	3,500,000
$0.425 unlisted options expiring 29-Sep-20	-	330,882	330,882
$0.525 unlisted options expiring 16-Jan-20		843,936	843,936
$0.525 unlisted options expiring 17-May-21		1,000,000	1,000,000
$0.50 unlisted options expiring 26-Oct-19		5,000,000	5,000,000
Performance rights	-	15,000,000	15,000,000
Total	**238,966,103**	**25,674,818**	**264,640,921**

Distribution of Listed Ordinary Fully Paid Shares

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1	-	1,000	129	33,121	0.01%
1,001	-	5,000	291	836,354	0.35%
5,001	-	10,000	278	2,472,667	1.03%
10,001	-	100,000	604	21,627,317	9.05%
100,001	-	and over	157	213,996,644	89.56%
Total			**1,459**	**238,966,103**	**100%**

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	GREENSTONE MANAGEMENT (DELAWARE) II LLC	47,305,588	19.80%
2.	VINCE SMOOTHY SUPER PTY LTD <VINCE SMOOTHY S/FUND A/C>	40,339,800	16.88%
3.	KUMARINA HOLDINGS PTY LTD <SMOOTHY INVESTMENT A/C>	21,128,187	8.84%
4.	HAZELDEN CORPORATE PTY LTD <HAZELDEN INVESTMENT A/C>	8,328,452	3.49%
5.	MR BRETT WILLIAM HAZELDEN + MS TANYA PHYLLIS BOZIKOVIC <BOZDEN SUPER A/C>	6,390,614	2.67%
6.	THOMAS CHUTE ELLIS + SALLY ANNE ELLIS <T C ELLIS FAMILY A/C>	6,232,493	2.61%
7.	AIC RESOURCES LIMITED	5,000,000	2.09%
8.	THOMAS ELLIS + SALLY ELLIS <COOLA STATION S/F 1982 A/C>	5,000,000	2.09%
9.	COOLA STATION PTY LTD <THE COOLA A/C>	3,315,600	1.39%
10.	MR BENJAMIN JOHN HAAN <THE HAAN FAMILY A/C>	3,100,000	1.30%
11.	NEWLIFE CAPITAL PTY LTD <NEWLIFE SUPER FUND A/C>	3,066,995	1.28%
12.	MR STACEY RADFORD	2,843,127	1.19%
13.	MR DALE JAMES CHAMPION + MRS ANITA MARIA CHAMPION <CHAMPION INVESTMENT A/C>	2,839,350	1.19%
14.	BIGA NOMINEES PTY LTD <EXECUTIVE SUPER FUND A/C>	2,814,068	1.18%
15.	P GOYDER SUPERANNUATION PTY LTD <P GOYDER SUPER FUND A/C>	2,799,000	1.17%
16.	CITICORP NOMINEES PTY LIMITED	2,466,723	1.03%
17.	NOWHERETOGO PTY LTD <THE R&J INVESTMENT S/F A/C>	2,157,800	0.90%
18.	ANDIUM PTY LIMITED	2,095,172	0.88%
19.	MR DANIEL GEORGE CLARK + MISS JOHANNE GILLINGHAM <CLARGILLY SUPERFUND A/C>	1,797,447	0.75%
20.	BLUEBAY ASSET PTY LTD <E GOYDER SUPERANNUATION A/C>	1,781,500	0.75%
Total		**170,801,916**	**71.48%**