

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

Kalium Lakes Limited

**ABN**

98 613 656 643

**Quarter ended ("current quarter")**

31 December 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(728)	(1,260)
(b) development	(28,000)	(47,540)
(c) production (capitalised opex)	(842)	(842)
(d) staff costs	(615)	(1,473)
(e) administration and corporate costs	(3,852)	(5,394)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	179	271
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	1,387	1,387
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(32,471)</b>	<b>(54,851)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(305)	(681)
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(305)</b>	<b>(681)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	250	72,631
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	375	375
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(3,997)
3.5 Proceeds from borrowings	19,603	19,603
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	(10,898)	(10,898)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>9,330</b>	<b>77,714</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	61,117	15,467
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(32,471)	(54,851)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(305)	(681)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	9,330	77,714

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(110)	(88)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>37,561</b>	<b>37,561</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	37,548	61,104
5.2	Call deposits	13	13
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>37,561</b>	<b>61,117</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

276

-

Directors Fees, Salaries, Superannuation.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

N/A

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	179,000 <sup>^</sup>	19,557 <sup>^</sup>
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<sup>^</sup> Converted using AUD-EURO at 0.62 and AUD-USD at 0.70

Financial close was achieved on the 9 December 2019.

The following debt facilities are available now that financial close has been achieved:

Lender	Borrower	Facility Limit	Drawn	Notes
NAIF	Kalium Lakes Infrastructure	AUD\$48,000,000	AUD\$7,032,859	
NAIF	Kalium Lakes Potash	AUD\$26,000,000	-	
KfW/Euler Hermes	Kalium Lakes Potash	EURO32,487,268	EURO 7,027,411	Note 1 Note 2
KfW	Kalium Lakes Potash	USD\$37,000,000	USD\$832,500	Note 2

Note 1: EURO converts to USD on draw down date. EURO 7,027,411 converted to USD\$7,814,271 (FX rate at conversion of 1.11197).

Note 2: Foreign Exchange Hedging is in place for 90% of the Company's net open FX position, as required by the Lenders.

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	700
9.2 Development	36,700
9.3 Production	850
9.4 Staff costs	1,000
9.5 Administration and corporate costs	1,500
9.6 Other	250
<b>9.7 Total estimated cash outflows</b>	<b>41,000</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 23 January 2020

(Director)

Print name: Brett Hazelden

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.