Appendix 5B

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

Name of entity

Kalium Lakes Limited

ABN	Quarter ended ("current quarter")
98 613 656 643	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(42,977)	(42,977)
	(c) production (capitalised opex)	(1,090)	(1,090)
	(d) staff costs	(2,160)	(2,160)
	(e) administration and corporate costs	(1,424)	(1,424)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	42	42
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other receipts	534	534
1.9	**Net cash from / (used in) operating activities**	**(47,075)**	**(47,075)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(36)	(36)
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(36)**	**(36)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	3,046	3,046
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(79)	(79)
3.5	Proceeds from borrowings	40,383	40,383
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**43,350**	**43,350**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	54,623	54,623
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(47,075)	(47,075)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(36)	(36)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	43,350	43,350

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**50,862**	**50,862**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	50,849	54,610
5.2	Call deposits	13	13
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**50,862**	**54,623**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	426
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Directors salaries, wages and termination payment - $0.426 million

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	179,156[1]	90,612
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	179,156	90,612

7.5	**Unused financing facilities available at quarter end**	88,544

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

[1] Converted using AUD-EURO at 0.63 and AUD-USD at 0.69.

Debt Facilities available (all secured):

Lender	**Borrower**	**Facility Limit**	**Facility Limit AUD**	**Drawn (Principal & Interest) AUD**	**Unused Facility AUD**	**Maturity Date**
NAIF	Kalium Lakes Infrastructure	AUD$48,000,000	AUD $48,000,000	AUD $26,096,015	AUD $21,903,985	14 years after first repayment date
NAIF	Kalium Lakes Potash	AUD$26,000,000	AUD $26,000,000	AUD $2,695,136	AUD $23,304,864	9 years after first repayment date
KfW/Euler Hermes	Kalium Lakes Potash	EURO 32,487,268	AUD $51,567,105	AUD $35,834,807	AUD $15,732,298	9 years after first repayment date
KfW	Kalium Lakes Potash	USD$37,000,000	AUD $53,589,674	AUD $25,986,675	AUD $27,602,999	9 years after first repayment date
			AUD $179,156,779	**AUD $90,612,633**	**AUD $88,544,146**	

EURO draw-down converts to USD denominated loan on draw-down date. Upon conversion from EURO to USD on draw-down, loan is denominated in USD and interest accrues in USD.

Interest is charged quarterly on 20 December, 20 March, 20 June, and 20 September, respectively.

Commitment fees are charged quarterly on 20 December, 20 March, 20 June and 20 September, respectively. Commitment fees for the EURO facility from KfW/Euler Hermes are charged to the USD denominated KfW facility.

Amounts agree to loan confirmations from lenders.

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(47,075)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(47,075)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	50,862
8.5	Unused finance facilities available at quarter end (Item 7.5)	88,544
8.6	Total available funding (Item 8.4 + Item 8.5)	139,406
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	2.96

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

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

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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.

Date: 21 October 2020.....

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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