

KALIUM LAKES LIMITED

ABN: 98 613 656 643

and Controlled Entities

CONSOLIDATED HALF-YEARLY REPORT

**For the half-year ended
31 December 2024**

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CORPORATE DIRECTORY

DIRECTORS

Richard Brien, Director (appointed 29 June 2024)
Gregory Starr, Director (appointed 29 June 2024)
George Terpens, Director (appointed 17 July 2024)

COMPANY SECRETARIES

Louisa Ho (appointed 17 July 2024)

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Level 2, 350 Kent Street
Sydney NSW 2000

POSTAL ADDRESS

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Sydney NSW 2000

TELEPHONE

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AUDITORS

RSM Australia Partners
Level 32/2 The Esplanade
Perth WA 6000

SHARE REGISTRY

Level 2, 350 Kent Street
Sydney NSW 2000

HOME EXCHANGE

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

ASX CODE

KLL

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial statements, on the Consolidated Entity (referred to hereafter as the "Consolidated Entity") consisting of Kalium Lakes Limited ("KLL" or the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2024, and the independent auditor's report thereon.

DIRECTORS

The following persons were Directors of the Company who held office during or since the end of the half year:

Richard Brien	Director (appointed 29 June 2024)
Gregory Starr	Director (appointed 29 June 2024)
George Terpens	Director (appointed 17 July 2024)

PRINCIPAL ACTIVITIES

The Consolidated Entity is currently dormant, with only corporate and administrative activities being conducted whilst it considers suitable investment opportunities.

REVIEW OF OPERATIONS

On 17 July 2024, the Consolidated Entity announced that the former Receivers and Managers of the Consolidated Entity, Rob Brauer, Jason Preston and Rob Kirman from McGrathNicol had retired. On the same day the Consolidated Entity announced that it had appointed George Terpens as Director of the Consolidated Entity and Louisa Ho as the Company Secretary, and that it had changed its registered office and principal place of business to Level 2, 350 Kent Street, Sydney NSW 2000.

On 22 July 2024 the Consolidated Entity made an application to the ASX for quotation of 93,000,000 ordinary shares which were issued on 29 June 2024 as part of the recapitalisation of the Consolidated Entity which was voted on by its shareholders at its general meeting on 6 June 2024, and advised that the total number of securities in the Company was 99,977,536 ordinary shares, 108,294 performance rights and 17,182 options.

On 19 August 2024, a loan agreement of \$46,791 was signed between the Consolidated Entity and its major shareholder, ST Holding 1 Pty Ltd. This loan is interest free and has a repayment date of 31 December 2024, or such later date as agreed by the parties in writing. Subsequent to the half-year end the loan repayment date was extended to 30 June 2025.

On 6 September 2024, a loan agreement of \$58,439 was signed between the Consolidated Entity and its major shareholder, ST Holding 1 Pty Ltd. This loan is interest free and has a repayment date of 31 December 2024, or such later date as agreed by the parties in writing. Subsequent to the half-year end the loan repayment date was extended to 30 June 2025.

On 7 November 2024, a loan agreement of \$105,320 was signed between the Consolidated Entity and its major shareholder, ST Holding 1 Pty Ltd. This loan is interest free and has a repayment date of 30 June 2025, or such later date as agreed by the parties in writing.

DIRECTORS' REPORT

FINANCIAL PERFORMANCE

The loss after tax for the half-year ended 31 December 2024 was \$252,732 (2023: \$11,458,0560), primarily due to corporate and administrative costs.

Administrative and corporate expenses of \$252,733 were recorded. Non-cash realised and unrealised foreign exchange gains/losses recorded \$Nil (2023 gain: \$895,321). Finance costs of \$Nil (2023: \$1,225,623) were incurred during the half year.

FINANCIAL POSITION

Total assets have decreased to 31 December 2024 as a result of the deconsolidation of the discontinued mining operation previously operated by the Consolidated Entity in the prior half year.

CASH FLOW

Operating cash outflows for the half-year were lower compared to the prior half-year (2024: \$215,057, 2023: \$3,044,361) as a result of the deconsolidation of the discontinued mining operation previously operated by the Consolidated Entity in the prior half year.

EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the half-year end the loan repayment date of the loan agreement for \$46,791 and \$58,439 were respectively extended to 30 June 2025.

No other matter or circumstances has arisen since 31 December 2024 that has significantly affected or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the half-year ended 31 December 2024 has been received and is included within the financial statements immediately after the directors' report as required under section 307C of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Gregory Starr

Director

3 February 2025

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Kalium Lakes Limited for the half-year ended 31 December 2024, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.


RSM AUSTRALIA


AIK KONG TING
Partner

Perth, WA
Dated: 3 February 2025

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Revenue			
Sales revenue	3	-	435,774
Other income	3	1	3,466,008
Expenditure			
Accounting fees		(123,901)	-
Changes in inventory		-	1,661,845
Depreciation and amortisation		-	(28,084)
Directors and executive remuneration		(43,682)	(36,248)
Employee expenses		-	(2,446,364)
Finance costs	4	-	(1,225,623)
Foreign exchange loss		-	895,321
Legal fees		-	(233,424)
Operating expenses		-	(7,688,214)
Asset impairment charges		-	(4,572,860)
Other expenses		(85,150)	(1,686,188)
Loss before tax		(252,732)	(11,458,056)
Income tax expense		-	-
Net Loss for the half-year from operations		(252,732)	(11,458,056)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive loss for the half-year		(252,732)	(11,458,056)
Loss for the half-year attributable to:			
Owners of the parent		(252,732)	(11,458,056)
Total comprehensive loss for the half-year attributable to:			
Owners of the parent		(252,732)	(11,458,056)
Basic and diluted loss per share (cents)		(0.25)	(0.56)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
ASSETS			
Current Assets			
Cash and cash equivalents		5,118	-
Trade and other receivables	5	20,255	162,000
Total Current Assets		25,373	162,000
Total Assets		25,373	162,000
LIABILITIES			
Current Liabilities			
Trade and other payables	6	87,828	39,899
Borrowings	7	220,176	152,000
Total Current Liabilities		308,004	191,899
Total Liabilities		308,004	191,899
NET LIABILITIES		(282,631)	(29,899)
EQUITY			
Contributed equity	8	277,009,969	277,009,969
Accumulated losses		(277,292,600)	(277,039,868)
TOTAL EQUITY DEFICIENCY		(282,631)	(29,899)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2024

Consolidated	Contributed equity	Reserves	Accumulated losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2023	276,842,569	-	(472,179,630)	(195,337,061)
Loss for the period	-	-	(11,458,056)	(11,458,056)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(11,458,056)	(11,458,056)
Transactions with owners in their capacity as owners:	-	-	-	-
Balance at 31 December 2023	276,842,569	-	(483,637,686)	(206,795,117)
Balance at 1 July 2024	277,009,969	-	(277,039,868)	(29,899)
Loss for the period	-	-	(252,732)	(252,732)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(252,732)	(252,732)
Transactions with owners in their capacity as owners:	-	-	-	-
Balance at 31 December 2024	277,009,969	-	(277,292,600)	(282,631)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2024

	31 December 2024 \$	31 December 2023 \$
OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	-	931,029
Other Receipts	-	3,442,577
Interest received	1	34,862
Payments to suppliers and employees (inclusive of GST)	(215,058)	(7,452,829)
Net cash used in operating activities	(215,057)	(3,044,361)
INVESTING ACTIVITIES		
Payments for mine development	-	(6,949,852)
Payments for property, plant and equipment	-	(1,866,080)
Net cash used in investing activities	-	(8,815,932)
FINANCING ACTIVITIES		
Proceeds from borrowings	220,175	9,500,000
Transaction costs related to borrowings	-	(7,784)
Refund/(collateral) for bank guarantee	-	685,000
Repayment of lease liabilities	-	17,000
Net cash provided by financing activities	220,175	10,194,216
Net (decrease)/increase in cash and cash equivalents	5,118	(1,666,077)
Cash and cash equivalents at the beginning of the financial half-year	-	3,235,375
Effects of currency translation on cash and cash equivalent	-	(12,054)
Cash and cash equivalents at the end of the half-year	5,118	1,557,244

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2024

1. Material Accounting Policies

To the extent possible, these general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Consolidated Entity during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Directors believe that it is reasonably foreseeable that the going concern basis of preparation of the financial report remains appropriate as the loan funding provided by the Consolidated Entity's major shareholder have provided the Consolidated Entity with sufficient funding to enable it to carry out its business plan over the next 12 months.

As disclosed in the financial statements, the Consolidated Entity incurred a loss of \$252,732 and had net cash outflows from operating activities of \$215,057 for the half year ended 31 December 2024. As of that date, the Consolidated Entity's had net current liabilities/net liabilities of \$282,631.

The directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, after consideration of the following factors:

- The Consolidated Entity is in the process of recapitalising;
- The ability to obtain further loan funding provided by the Consolidated Entity's major shareholder, ST 1 Holdings Pty Ltd; and
- The Consolidated Entity is in the process of formalising a fourth loan with its major shareholder which is expected to cover existing outstanding invoices as well as future anticipated expenses as part of the recapitalising process.

Accordingly, the directors believe that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. Should the Consolidated Entity not achieve the matters set out above there exists a material uncertainty that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern and therefore, the Consolidated Entity may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2024

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.

2. Operating Segments

The Consolidated Entity has considered the requirements of AASB 8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the board of Directors in assessing performance and determining the allocation of resources.

The Consolidated Entity is currently dormant and operates as a single segment being corporate and administrative activities whilst it considers suitable investment opportunities.

3. Revenue

	31 December 2024 \$	31 December 2023 \$
<i>Revenue from contracts with customers</i>		
Sale of goods	-	435,774
<i>Other income</i>		
Other income	-	3,431,147
Interest income	1	34,861
Revenue	1	3,901,782
<i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
<i>Geographical regions</i>		
Australia and Asia	-	435,774
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	-	435,774

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2024

4. Finance Costs

	31 December 2024 \$	31 December 2023 \$
Refinance costs	-	(8,626)
Interest expense	-	1,234,249
Finance Costs	-	1,225,623

5. Trade and other receivables

	31 December 2024 \$	30 June 2024 \$
Other receivables	-	162,000
GST receivable	20,255	-
Trade and other receivables	20,255	162,000

6. Trade and other payables

	31 December 2024 \$	30 June 2024 \$
Trade payables	30,579	-
Accrued expenses	57,250	39,899
Trade and other payables	87,829	39,899

7. Borrowings

	31 December 2024 \$	30 June 2024 \$
Amount due to shareholder – ST Holding 1 Pty Ltd ¹	210,550	152,000
Others	9,626	-
Borrowings and other payables	220,176	152,000

¹ On 19 August 2024, a loan agreement of \$46,791 was signed between the Consolidated Entity and its major shareholder, ST Holding 1 Pty Ltd. This loan is interest free and has a repayment date of 31 December 2024, or such later date as agreed by the parties in writing. On 6 September 2024, a loan agreement of \$58,439 was signed between the Consolidated Entity and its major shareholder, ST Holding 1 Pty Ltd. This loan is interest free and has a repayment date of 31 December 2024, or such later date as agreed by the parties in writing. On 20 January 2025, these 2 loan deeds

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2024

repayment dates have been extended to 30 June 2025. On 7 November 2024, a loan agreement of \$105,320 was signed between the Consolidated Entity and its major shareholder, ST Holding 1 Pty Ltd. This loan is interest free and has a repayment date of 30 June 2025, or such later date as agreed by the parties in writing.

8. Contributed Equity

	31 December 2024 Shares	30 June 2024 Shares	31 December 2024 \$	30 June 2024 \$
Ordinary shares - fully paid	99,977,536	99,977,536	277,009,969	277,009,969

There were no movements in the number of shares on issue or their paid-up amount during the half year.

9. Interest in subsidiaries

	Incorporation	% of Equity Interest	
		31 December 2024 %	30 June 2024 %
Carnegie Potash Pty Ltd ¹	Australia	-	100
Magnesium Lakes Pty Ltd ²	Australia	-	100

1 Carnegie Potash Pty Ltd was placed into members' voluntary liquidation on 10 July 2024.

2 Magnesium Lakes Pty Ltd has been deregistered on 2 October 2024.

10. Contingent Liabilities and Assets

The Consolidated Entity has no contingent liabilities and assets as at 31 December 2024.

11. Commitments

The Consolidated Entity has no undisclosed commitments as at 31 December 2024.

12. Events Subsequent to Reporting Date

Subsequent to the half-year end the loan repayment date of the loan agreement for \$46,791 and \$58,439 were respectively extended to 30 June 2025 (refer note 7).

No other matter or circumstances has arisen since 31 December 2024 that has significantly affected or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

13. Dividends

No dividends were paid or declared since the end of the half-year. The directors do not recommend the payment of a dividend.

DIRECTORS' DECLARATION

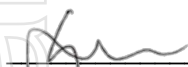
For the half-year ended 31 December 2024

In the opinion of the Directors:

- i. the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- ii. the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- iii. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Gregory Starr

Director

3 February 2025



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of KALIUM LAKES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Kalium Lakes Limited (the Company) which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising material accounting policy information and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kalium Lakes Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 Kalium Lakes Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss of \$252,732 during the half-year ended 31 December 2024 and, as of that date, the consolidated entity had net current liabilities/net liabilities of \$282,631. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Directors' Responsibility for the Half-Year Financial Report

The directors of Kalium Lakes Limited are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


RSM AUSTRALIA



AIK KONG TING
Partner

Perth, WA
Dated: 3 February 2025