

Limited

ACN 653 279 371

AND ITS CONTROLLED ENTITY

ANNUAL REPORT

For the year ended 30 June 2024

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CORPORATE DIRECTORY

DIRECTORS

Luke Reinehr	Non-Executive Chairman
Paul Adams	Managing Director
Graeme Sloan	Non-Executive Director
John Leddy	Non-Executive Director
Simon Coyle	Non-Executive Director

COMPANY SECRETARY

Nick Madders

CHIEF FINANCIAL OFFICER

Silfia Morton

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Level 9, Mia Yellagonga Tower 2
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Perth, WA 6000

SECURITIES EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Ltd (ASX) and the Frankfurt Stock Exchange (FSE).
ASX Code: KM1
FSE Code: 6OB

CHAIRMAN'S LETTER

Dear Shareholders,

Welcome to Kali Metals Limited's (ASX: KM1) first Annual Report. This is clearly a milestone for the Company as it marks our first year as a listed entity on the Australian Securities Exchange (ASX) since our successful listing in January 2024.

Kali has been established from the strategic spin out of a portfolio of Australian lithium assets, initially held by ASX-listed Kalamazoo Resources Limited (ASX: KZR), and with the lithium mineral rights of TSX-listed Karora Resources Inc's (TSX: KRR) across a range of projects south of Kalgoorlie in Western Australia, the Northern Territory, New South Wales and Victoria.

Following completion of our Initial Public Offering (IPO) which successfully raised the maximum $15 million, the Company is pleased to announce that Kali Metals has established a strong platform to execute our strategy to explore and develop one of the largest and most prospective exploration portfolios across Australia's hard-rock lithium fields.

Upon listing, Kali Metals held an enviable 3,854km^2 portfolio of lithium projects across Western Australia, New South Wales and Victoria. Our Western Australia tenure is strategically located adjacent to some of the world's largest hard rock mines and deposits, including those held by one of our major shareholders, Mineral Resources Limited (ASX: MIN).

The primary objective of the IPO was to raise funds to explore and develop our highly prospective lithium exploration tenure, with a strong focus on the Higginsville Lithium District in the Eastern Yilgarn region, WA. Despite challenging market conditions for lithium, Kali Metals has progressed its exploration program as promised and is emerging into a leading critical minerals exploration company.

In our initial months as a listed company, improving our understanding of the geology at Higginsville has been our key focus. Our early-stage activities at Higginsville culminated in a maiden drilling campaign at our Spargoville Project, one of eight projects areas identified within the Companies Higginsville district.

The early drilling results have provided the necessary momentum to initiate follow up drilling at not only Higginsville, but across our project portfolio in the Pilbara and Lachlan Fold Belt, where exploration activities are set to accelerate in the new financial year.

I would like to extend my heartfelt thanks to our inaugural Managing Director, Graeme Sloan, whose leadership was instrumental in our successful IPO. While Mr. Sloan has retired from his role as Managing Director, he continues to support Kali Metals in his new capacity as a Non-Executive Director.

We are pleased to welcome Paul Adams, an experienced mining executive with a wealth of technical expertise and commercial acumen, as our new Managing Director. Paul, previously a Non-Executive Director of Kali Metals, was appointed to replace Mr. Sloan, and is now leading the Company through its critical exploration phase.

In conclusion, I would like to express my deep appreciation to all of Kali Metals' employees for their hard work and commitment to successfully guide the Company through its IPO process and our first year as a publicly listed entity. I also extend my sincere thanks to our shareholders for the unwavering support and confidence in Kali Metals since our inception, through our IPO, and into our ongoing activities.

We are now firmly on the path to accelerating our exploration programs, with the intention of making Australia's next major lithium discovery. The past financial year has been a positive step forward for Kali Metals, and we anticipate another busy and productive year ahead. We look forward to keeping you updated on our progress as we continue this exciting journey.

Yours sincerely,
Luke Reinehr
Non-Executive Chairman

The Directors present their report, together with the financial statements, on Kali Metals Limited ("the Company" or "the Group" or "Kali") and the entity it controls for the year ended 30 June 2024. The Company was incorporated as a private company (Kali Metals Pty Ltd) on 31 August 2021 and on 21 April 2023 the Company converted to a public company (Kali Metals Limited). The Group was a wholly owned subsidiary of Kalamazoo Resources Limited ("Kalamazoo") and on 29 December 2023, the Group demerged from Kalamazoo following the issue of shares for the acquisition of various mining assets.

DIRECTORS

The following persons were directors of the Company during the whole of the financial period and up to the date of this report, unless noted otherwise:

- Luke Reinehr — Non-Executive Chairman (appointed 31 August 2021)
- Paul Adams — Managing Director (commenced 01 July 2024, previously Non-Executive Director appointed on 31 August 2021)
- Graeme Sloan — Non-Executive Director (commenced 01 July 2024, previously Managing Director appointed on 19 May 2023)
- John Leddy — Non-Executive Director (appointed 19 May 2023)
- Simon Coyle — Non-Executive Director (appointed 19 May 2023)

PRINCIPAL ACTIVITIES

The Group is a minerals exploration Group with a focus on lithium and other critical minerals. Following the successful admission to the ASX Official List on 8 January 2024, the Group has rights to explore across three highly prospective lithium regions, being the Pilbara region of Western Australia, the Eastern Yilgarn region in Western Australia, and the Lachlan Fold Belt region across Victoria and New South Wales. The lithium projects across these regions consist of:

a) Higginsville Project
b) DOM's Hill Project
c) Marble Bar Project
d) Pear Creek Project
e) Jingellic Project
f) Tallangatta Project

OPERATING RESULTS

The loss of the Group after providing for income tax for the year ended 30 June 2024 was $1,042,908 (2023: loss of $1,068,132).

REVIEW OF OPERATIONS

Initial Public Offer and Commencement of Trading

Kali Metals ("Kali" or "the Company") is an Australian resources company which successfully commenced trading on the Australian Securities Exchange (ASX) on 8 January 2024. The Company's Initial Public Offering (IPO) was heavily oversubscribed, raising the maximum amount of $15 million (before costs) through the issuance of 60,000,000 shares at $0.25 per share.

Kali Metals was formed from the spin-out of Australian lithium assets owned by Kalamazoo Resources Limited (ASX: KZR) and the lithium mineral rights of Canadian gold miner Karora Resources Inc. (TSX: KRR).

Bell Potter Securities Limited and Canaccord Genuity (Australia) Limited acted as Joint Lead Managers for the IPO, with Grant Samuel as the financial adviser and Gilbert + Tobin as the legal adviser.

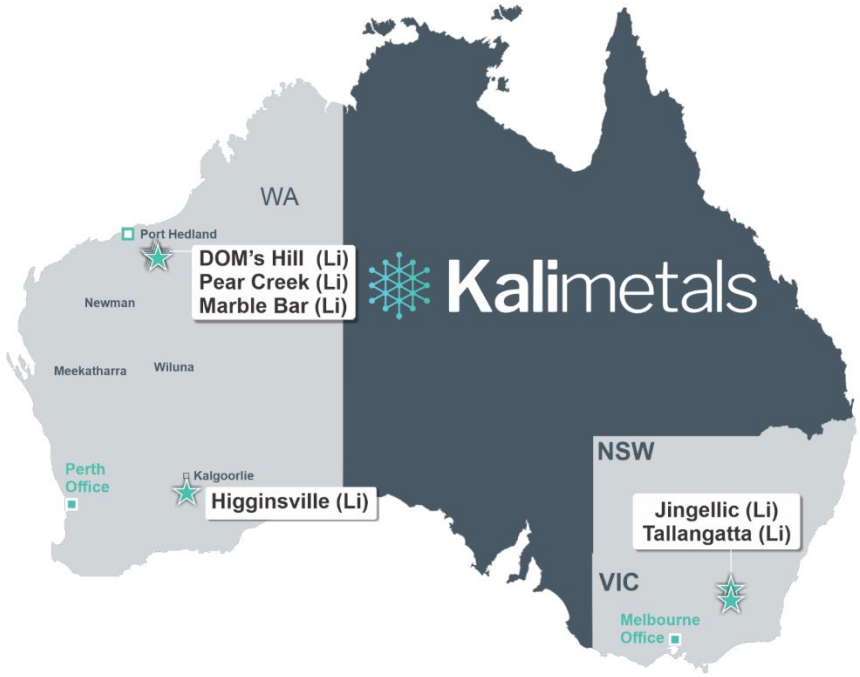


Figure 1. Kali's portfolio of Australian lithium assets

Kali Metals has a portfolio of lithium exploration projects spanning Western Australia (WA), New South Wales (NSW), and Victoria (VIC). The portfolio covers 3,854 km^2, with key projects located near some of the world's largest hard rock (spodumene) mines in the Pilbara and Eastern Yilgarn regions of WA. Notable projects (refer Figure 1) include:

1. Eastern Yilgarn, WA: Higginsville Lithium Project
2. Pilbara Region, WA: DOM's Hill, Marble Bar, and Pear Creek Lithium Projects
3. NSW/VIC: Jingellic and Tallangatta Lithium Projects

Funds raised from the IPO are due to be allocated to exploring and developing Kali's lithium tenure, with a primary focus on the Higginsville Lithium Project. Additionally, the funds covered IPO expenses, listing costs, and general working capital.

Two of Kali's Pilbara lithium projects (DOM's Hill and Marble Bar) are fully funded by SQM as part of a joint venture. SQM are currently solely funding the exploration activities at the project to earn an initial 30% and up to 70% in the DOM's Hill and Marble Bar Project.

Higginsville Lithium District, Western Australia

Kali Metals' Higginsville Lithium District spans approximately 1,571km^2, with the Company holding 100% of the lithium and associated battery mineral rights across all tenements. Within this district, eight projects (Figure 2) have been identified as having a geological setting conducive to hosting lithium-caesium-tantalum ("LCT") pegmatites. Some areas already have mapped outcropping pegmatites with identified spodumene, while others show pegmatite occurrences within existing drilling intercepts from an extensive historical gold drilling database. Kali's exploration team is prioritizing exploration programs based on prospectivity, enabling a systematic approach across the entire Higginsville Lithium District.

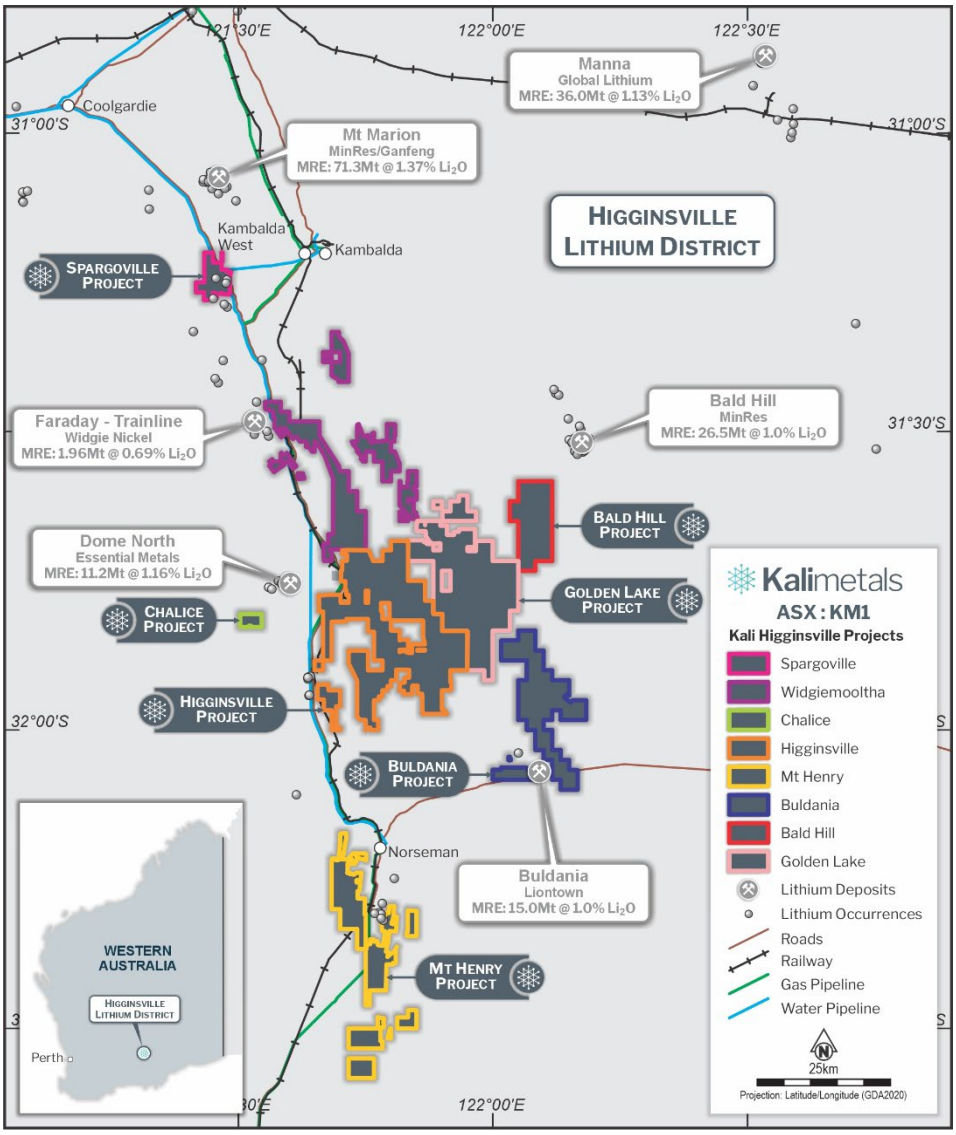


Figure 2. Higginsville Lithium District

Exploration Programs

Once Kali Metals was listed, the Company's exploration team quickly commenced exploration on the highest priority targets, based on prospectivity. This approach has been designed to optimise exploration across the entire district.

Geochemical Program

A large-scale geochemical sampling program commenced in January 2024, initially focusing on the Spargoville and Widgiemooltha projects, with over 20,000 soil samples planned to refine lithium anomalies identified in earlier surveys.

Within the Spargoville Project, results extended the Flynn-Giles prospect anomaly to the north – northeast, whilst the early positive results received from the Parker-Grubb prospect anomaly have identified a lithium anomaly with a strike length of over ~2.0kms to the northeast in parallel to the main Flynn-Giles anomaly trend (Refer Figure 3).

The first results of the geochemical program highlighted a large-scale lithium system with multiple trends of anomalies spanning over a combined strike of ~4km, an area size that exceeded initial expectations.

Highlights of the rock chip sampling program results include[1],[2]

Spargoville Project:

1.	Flynn-Giles Prospect	KCSA071	5.05% Li_2O
2.	Parker-Grubb Prospect	KCSA049	3.69% Li_2O
3.	Flynn-Giles Prospect	KCSA070	2.64% Li_2O
4.	Flynn-Giles Prospect	KCSA069	2.57% Li_2O

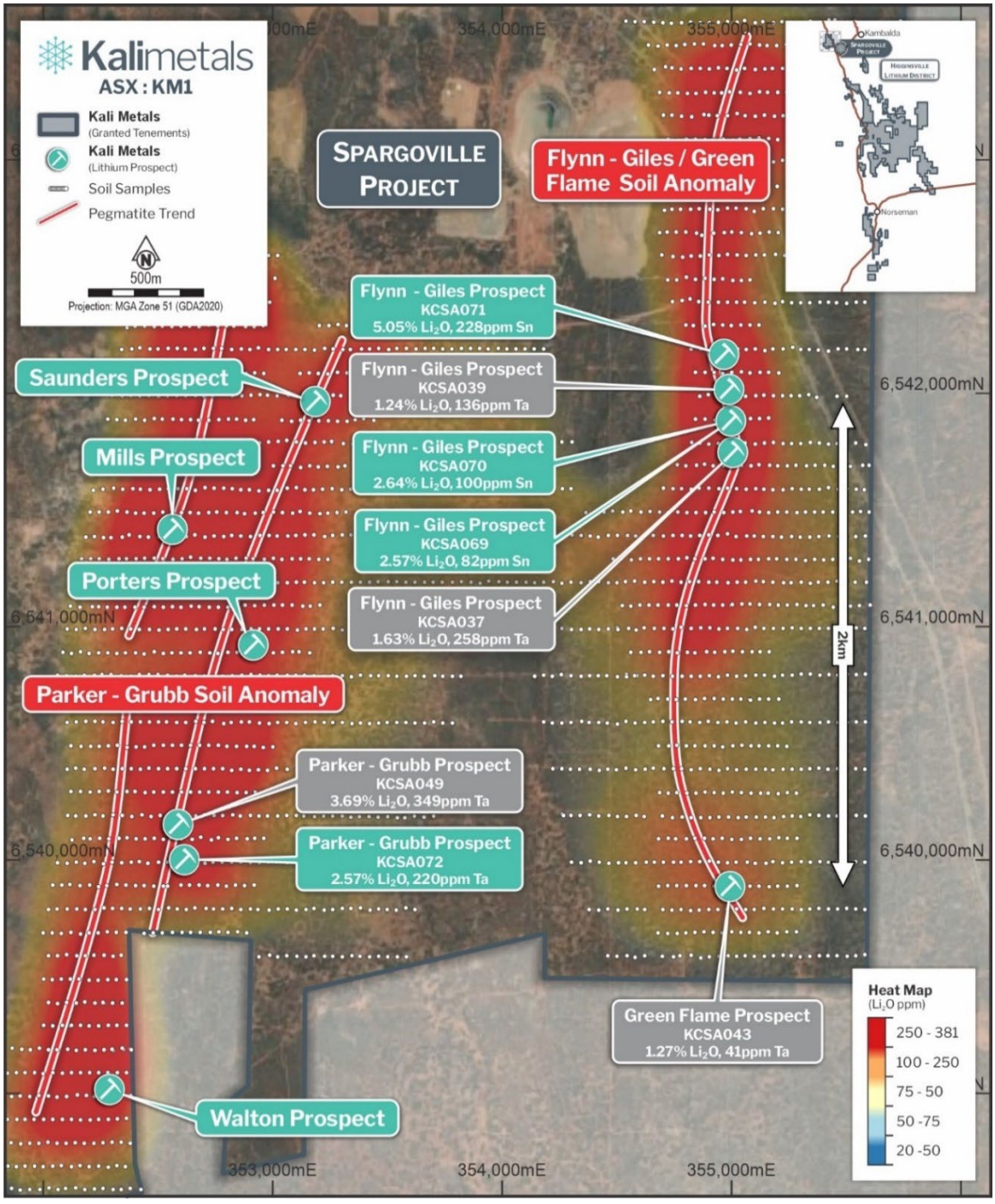


Figure 3. Spargoville Project Map showing soil survey and rock chip results

[1] ASX: KM1 13 February 2024 "More High-Grade Lithium at Higginsville Lithium District" ASX: KM1 10 January 2024 "Spodumene identified at Higginsville Lithium District"

[2] ASX: KM1 10 January 2024 "Spodumene identified at Higginsville Lithium District"

The initial phase of the soil sampling program at the Widgiemooltha Project focused on an area identified through prior ground fieldwork, which revealed outcropping LCT pegmatites. The survey results indicate a significant anomaly extending over 800 meters, aligned with the pegmatite trends in the northern sector of the Widgiemooltha Project. Notably, the anomaly shows a broader response on the eastern side of the outcropping pegmatites, suggesting a potential extension of the pegmatite system's width beneath the shallow alluvial cover. High-grade lithium values from rock chip samples, distributed along the pegmatite trends, are illustrated in Figure 4.

Widgiemooltha Project:

1.	Arc Prospect	KCSA080	2.21% Li_20
2.	Wireless Prospect	KCSA085	2.14% Li_20
3.	Arc Prospect	KCSA082	1.60% Li_20

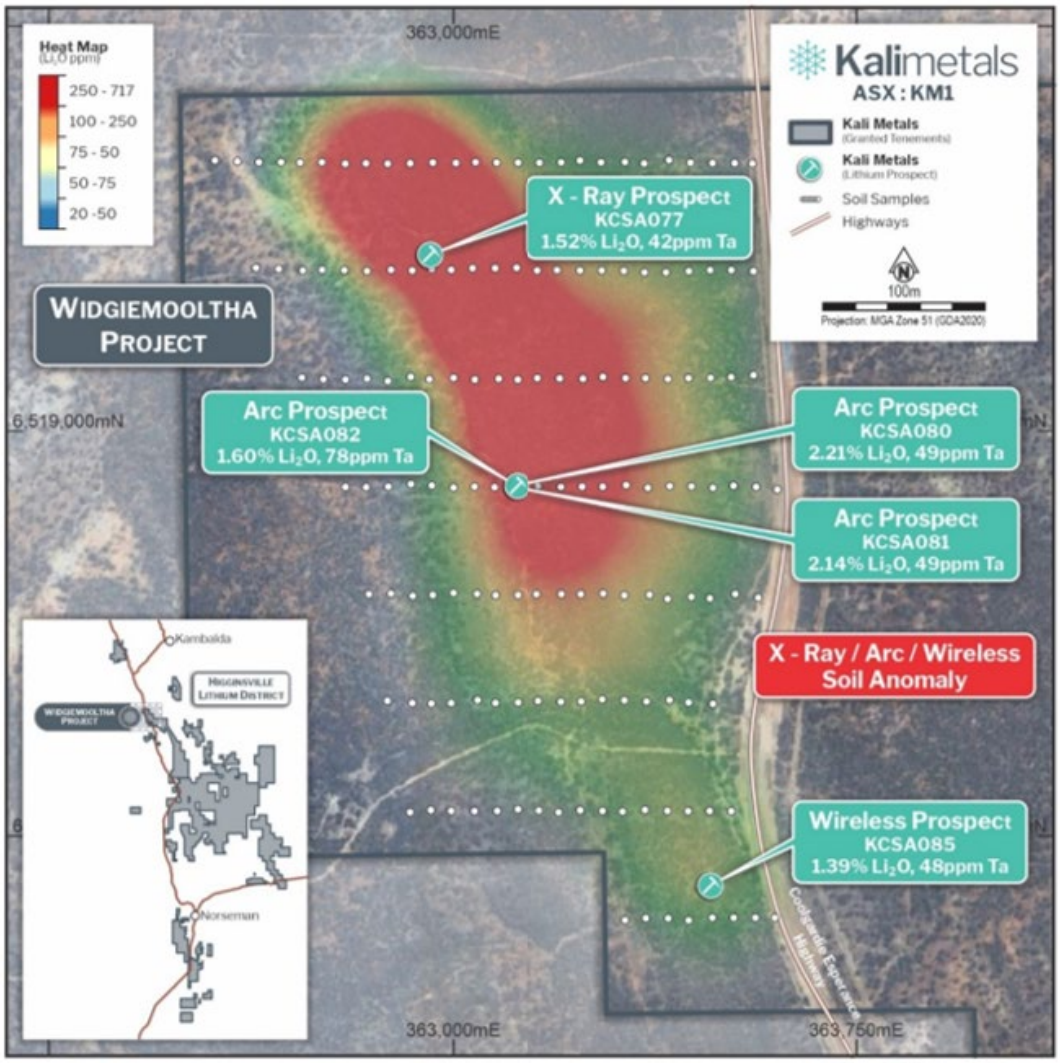


Figure 4. Widgiemooltha Project area with Soil sampling anomaly trend and rock chip sample results

Geological Findings:

X-ray Diffraction (XRD) and Scanning Electron Microscope (SEM) analysis confirmed spodumene as the dominant mineral in multiple areas, with significant lithium mineralization (up to **5.05% Li_2O_3**) detected in rock chip samples from Spargoville and Widgiemooltha.

The Flynn-Giles and Parker-Grubb prospects within the Spargoville Project have shown substantial spodumene-bearing pegmatite trends, extending up to 2kms.

Quantitative Sample Analysis

During the reporting period, eight pegmatite samples, believed to contain weathered spodumene, were selected across the Spargoville and Widgiemooltha Projects to determine whole rock mineralogy and confirm spodumene presence. Samples from historic workings at the Flynn-Giles Prospect and outcropping pegmatites at Widgiemooltha were analysed. The results have enhanced the exploration team's ability to visually identify weathered spodumene and lithium content in the field for future exploration activities (Refer Table 1). The samples were submitted to RSC for XRD analysis, with two (KCSA080 and KCSA085) undergoing further SEM-automated mineralogy analysis (Refer Table 2).

Table 1. State of weathered Spodumene observed in samples taken from workings at Flynn-Giles

Samples	Project	State of Weathering
KCSA069	Spargoville Project	Significantly
KCSA070	Spargoville Project	Partially
KCSA071	Spargoville Project	Minor

Table 2. The results of the rock chip sampling XRD analysis program

Samples	Project	Assay Li2O (%)	Spodumene (wt.%)	Quartz (wt.%)	Albite (wt.%)	Muscovite (wt.%)	Microcline (wt.%)	Orthoclase (wt.%)
KCSA071	Spargoville	5.05	67.2	21.1	0.8	2.3	<0.1	<0.1
KCSA080	Widgiemooltha	2.21	45.4	28.9	18.0	4.6	3.1	>0.1
KCSA085	Widgiemooltha	2.14	43.2	40.9	10.3	4.0	1.6	<0.1
KCSA070	Spargoville	2.64	22.2	59.0	3.0	1.3	2.8	<0.1
KCSA069	Spargoville	2.57	20.3	33.2	<0.1	7.4	1.4	<0.1
KCSA076	Spargoville	0.46	4.2	27.9	43.3	2.5	19.1	1.8
KCSA079	Widgiemooltha	0.73	4.0	8.6	7.3	5.6	62.6	6.9
KCSA087	Widgiemooltha	0.63	8.3	34.1	49.4	1.6	6.6	<0.1

Phase 1 Drilling Program

During the reporting period, Kali completed its maiden Reverse Circulation (RC) drilling program at the Higginsville District, focusing on outcropping pegmatites and known spodumene occurrences by expanding exploration along strike and down dip. This tested the Flynn-Giles and Green Flame prospect areas.

The program was designed to test beneath outcropping pegmatites and associated geochemical anomalies to ascertain the potential for lithium mineralisation. The program consisted of relatively shallow RC drilling, with the deepest hole testing approximately 100m below surface (vertical).

The results from the Phase 1 drilling program were announced post-reporting period. The maiden drill program has been fundamental to expanding the Company's knowledge of the geological setting at the Flynn-Giles and Green Flame prospects, and the Spargoville Project more broadly. The results from the first phase of RC drilling have provided the Company with lithium mineralised drill intersections containing Spodumene and significant information to assist in understanding the geology of the host rocks, the nature of the pegmatite systems within the Spargoville Project and facilitate the identification of targets for future drilling programs.

Historic Data Analysis:

A dedicated team has been established to undertake an analysis of Karora Resources' extensive historical gold drilling database to better understand lithium-bearing pegmatites logged in over 755 lithological entries. This information will guide the re-logging, sampling, and assay of historic drill cores, accelerating the identification of lithium intersections at depth.

Pilbara Project, Western Australia

Kali's Pilbara Projects include DOM's Hill and Marble Bar, which are located adjacent to the world-class lithium deposits Pilgangoora 305Mt @ 1.10% Li_2O and Wodgina 259Mt @ 1.17% Li_2O. Kali and SQM have an Earn-in Agreement, which covers the DOM's Hill and Marble Bar Projects. Under this agreement, SQM has the right to earn up to a 70% stake by contributing A$12 million in funding over four years.

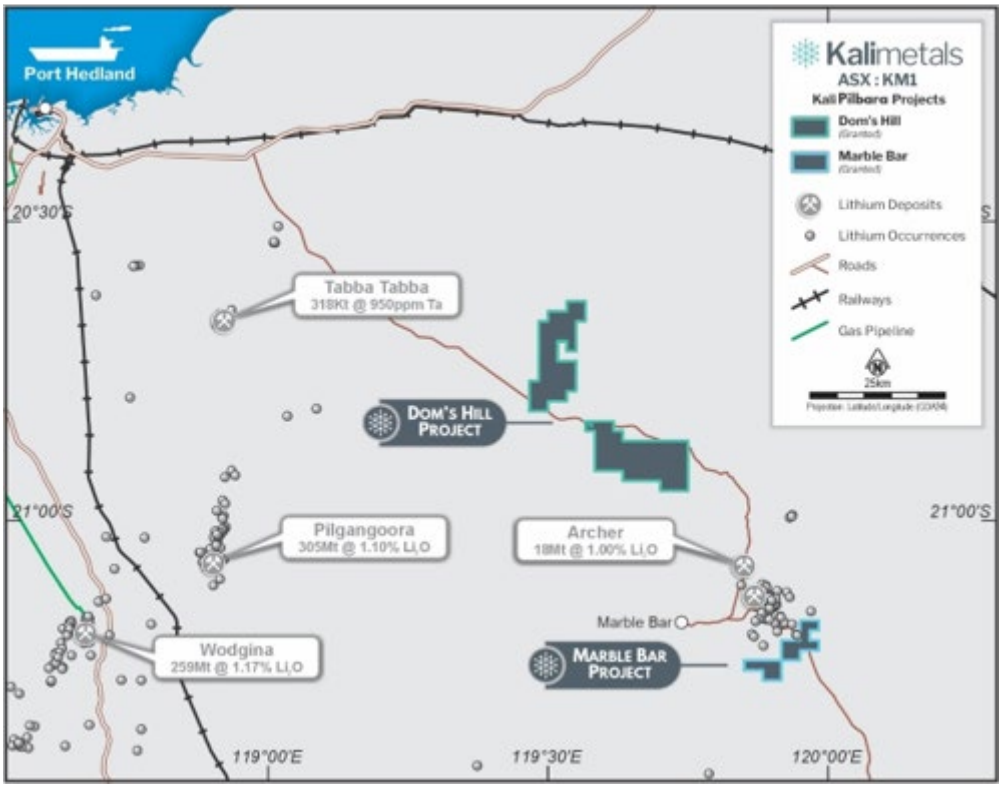


Figure 5. Kali Metals Pilbara Projects

Southern Lachlan Fold Belt, Victoria & NSW

Jingellic Lithium Project

The Jingellic Project located in the Lachlan Fold Belt, NSW, is an 'early mover' play in an emerging LCT pegmatite province consisting of the 100% owned EL9403 and EL9507, plus the LCT and tin-tungsten rights to EL8958 (shaded blue in Figure 6). This tenement package covers approximately a total of 1,220 km^2.

On 7 March 2024, Kali exercised the option outlined in its Prospectus dated 3 November 2023, and entered into a binding acquisition agreement with Mining and Energy Group Pty Ltd (MEG) to acquire MEG's tin-tungsten and lithium-caesium-tantalum rights at the strategic EL8958 tenement. This acquisition has expanded Kali's footprint in the Jingellic Lithium Project by an additional 226 km^2, enhancing its Lachlan Fold Belt Project in Southern New South Wales. The $225,000 option fee was paid in scrip, based on the 30-day volume-weighted average price of Kali shares prior to the Option Expiry Date on 3 March 2024. The acquisition connects two central tenements of the Jingellic Lithium Project, enabling continuous exploration across the Lachlan Fold Belt. Previous exploration at EL8958 has identified tin anomalies along regional fault lines, and Kali plans to incorporate this promising new landholding into its ongoing exploration program.

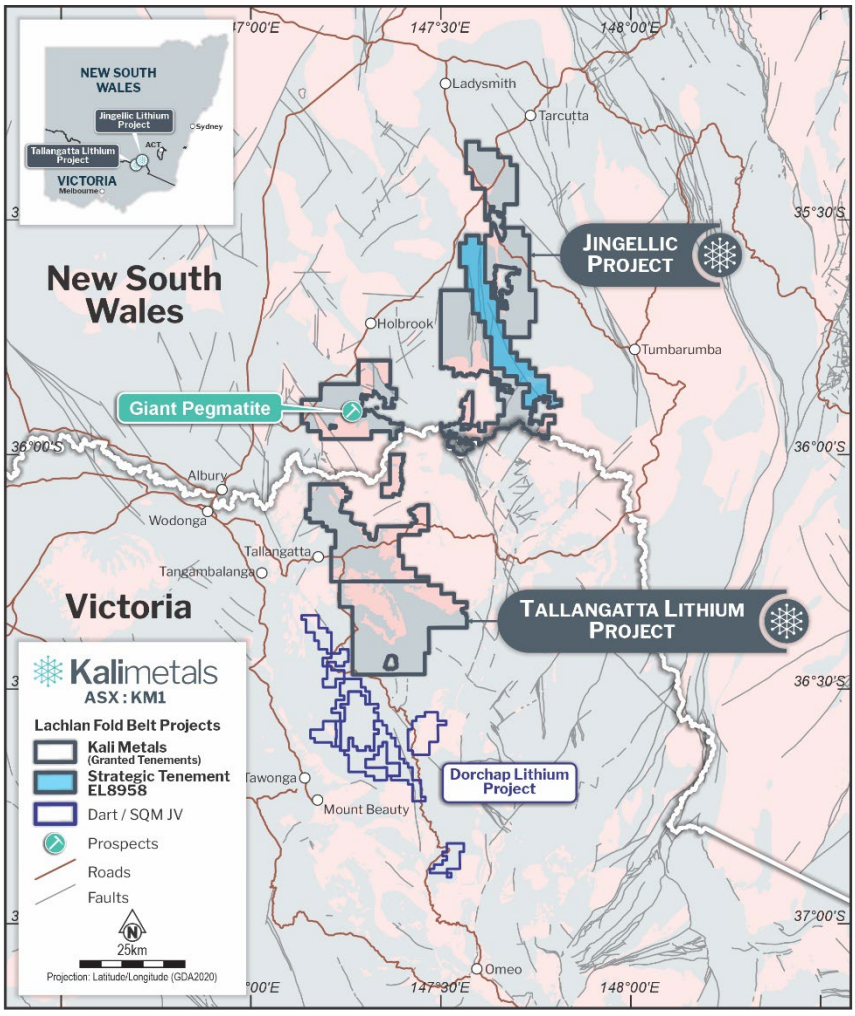


Figure 6. Location map of Kali Metals' Jingellic and Tallangatta Projects

The Company's initial exploration efforts concentrated on the highly promising Sweetwater Creek area (EL9403), which includes the "Giant Pegmatite"[3]. Rock chip sampling over a ~50m strike length confirmed significant lithium mineralisation, with assays revealing concentrations ranging from **0.66% - 1.54% Li_2O** (Figure 7 and Figure 8; Table 3 and Table 4). The strong correlation between lithium and pathfinder elements such as caesium, tantalum, tin, and beryllium underscores the Giant Pegmatite's classification as an LCT-type deposit, bolstering the Company's exploration model for this emerging region.

XRD analysis of the rock chip samples from the Giant Pegmatite has confirmed that Spodumene is the dominant lithium-bearing mineral phase in two out of the three samples with the other sample containing the lithium-bearing mineral petalite (Table 3).

[3] Refer KM1 ASX Announcement, 7 March 2024.

Table 3. Sweetwater Creek Prospect rock chip samples

Prospect	Sample ID	Easting (m)	Northing (m)	Description
Giant Pegmatite	P794201	524134	6025237	Aplite
Giant Pegmatite	P794202	524140	6025235	Aplite
Giant Pegmatite	P794203	524111	6025251	Aplite
Giant Pegmatite	P794204	524091	6025245	Aplite
BFG Pegmatite	JR0001	520823	6024963	Aplite
BFG Pegmatite	JR0002	520770	6024933	Aplite
BFG Pegmatite	JR0003	520712	6025039	Aplite

Table 4. Sweetwater Creek rock chip assays

Prospect	Sample ID	Li (ppm)	Li2O %	Be (ppm)	Cs (ppm)	Sn (ppm)	Ta (ppm)	K/Rb*
Giant Pegmatite	P794201	4583	0.99	130	339	1045	50	19
Giant Pegmatite	P794202	7146	1.54	152	256	1648	54	17
Giant Pegmatite	P794203	3057	0.66	139	135	1055	46	22
Giant Pegmatite	P794204	4635	1.0	138	185	569	45	20
BFG Pegmatite	JR0001	140	0.03	2	79	306	37	21
BFG Pegmatite	JR0002	201	0.04	2	105	202	26	23
BFG Pegmatite	JR0003	410	0.09	2	101	156	59	21

Table 5. Giant Pegmatite rock chip XRD analyses (major mineralogy wt %)

Sample ID	Mica	Petalite	Potassium Feldspar	Sodium Feldspar	Quartz	Spodumene
P794201	12		10	28	27	12
P794202	11		7	23	30	18
P794204	14	14	8	26	23	2

In February 2024, Kali completed a ~50 km^2 airborne LiDAR survey over the Sweetwater Creek prospect, identifying several previously unknown pegmatite dykes. Among these, the "BFG Pegmatite," consisting of two dykes merging over a ~1km strike extent, exhibited highly fractionated characteristics, confirming its LCT affinities.

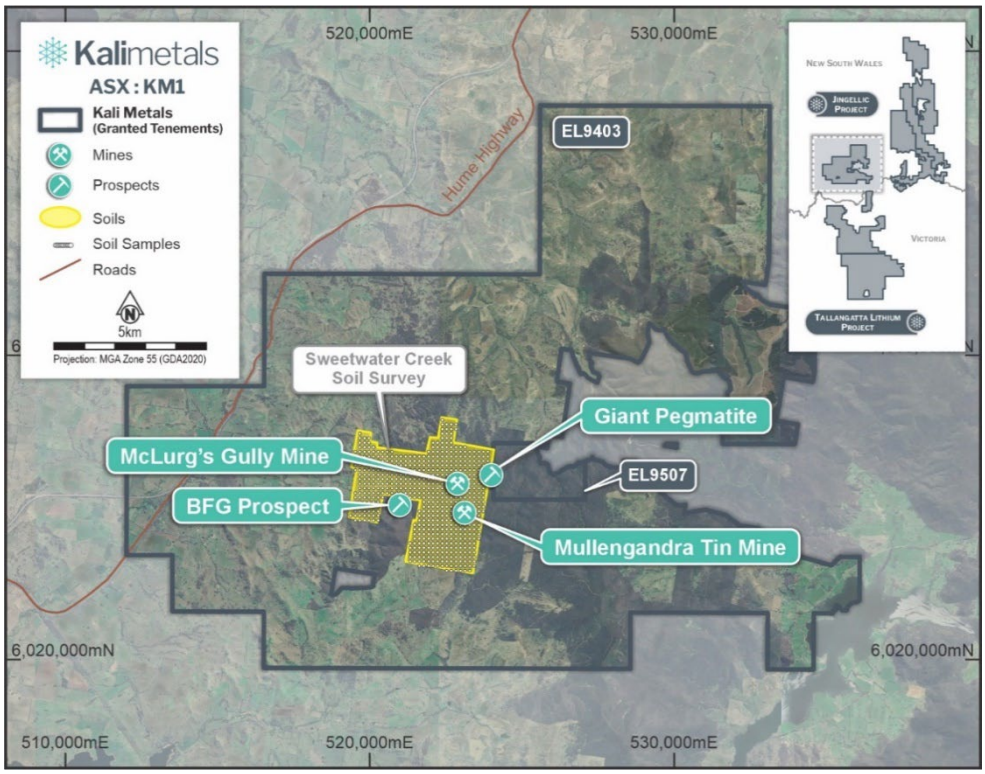


Figure 7. Sweetwater Creek prospect surface geochemical program location map

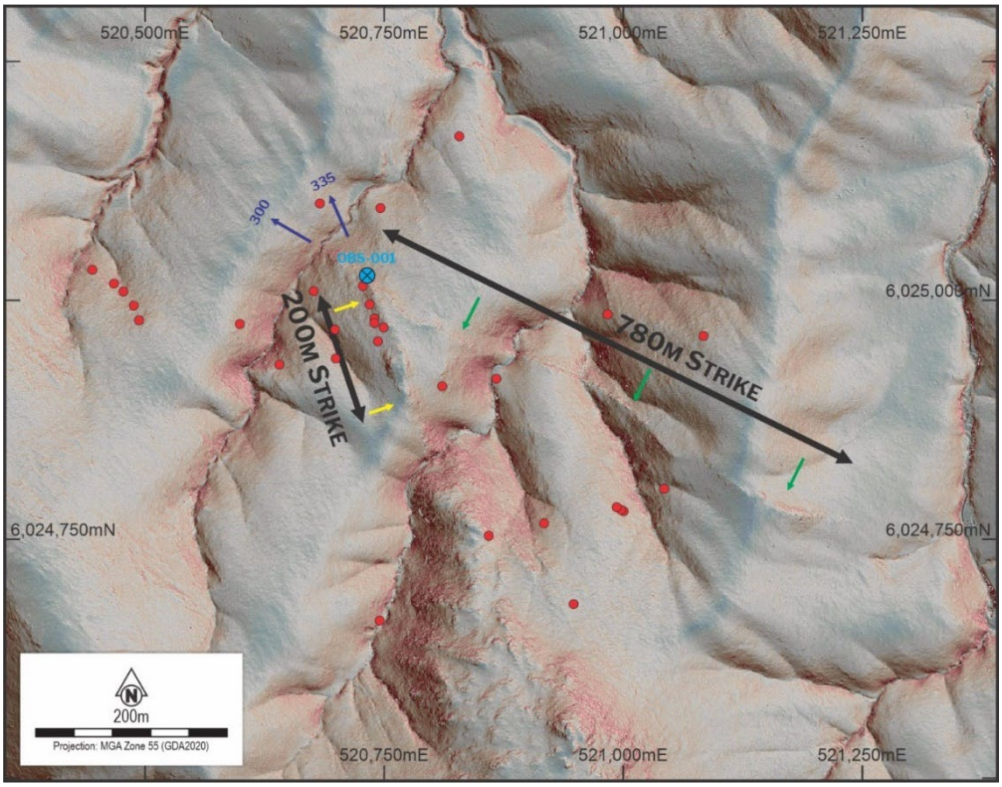


Figure 8. Sweetwater Creek prospect LiDAR enhanced hillshade image depicting newly identified pegmatite dykes at the BFG prospect

The Sweetwater Creek area also hosts historical tin mines, including the Mullengandra and McLurg's tin mines, where recent reviews of historical data have revealed tantalum alongside high-grade tin mineralisation, enhancing the area's potential. However, these historical findings require independent validation through further sampling.

Within the Company's tenements at the nearby McLurg's Gully tin mine, located ~1.1kms North West of the Mullengandra tin mine, one historical quartz vein rock chip sample reported 11.4% Sn and 1060 ppm tantalum associated with coarse nuggety cassiterite mineralisation[4]. A historical data review has recently been completed, revealing that these high-grade tin-bearing workings also contain elevated amounts of tantalum, adding to the potential prospectivity of the area (Table 6).

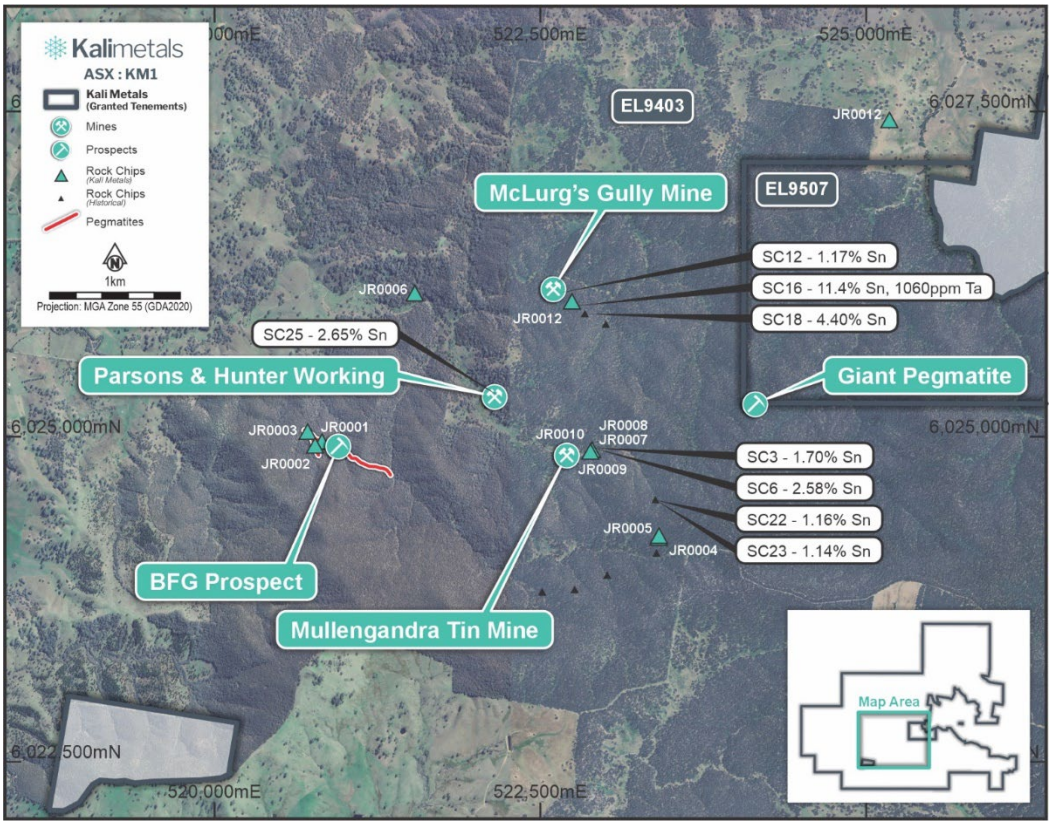


Figure 9. Location map of historical tin mines and rock chip sample assays, Sweetwater Prospect, Jingellic Project

Table 6. Mullengandra Tin Mine rock chip results[5]

Sample ID2	Northing	Easting	Sn (ppm)	Nb (ppm)	Ta (ppm)	Prospect	Lithology
SC1	6025180	522040	2030	56	68	Hunter and Parsons	Aplite
SC2	6025180	522080	1450	55	68	Hunter and Parsons	Aplite
SC3	6024730	522790	17000	50	90	Mullengandra/Jupiter/Bright Star	Vein quartz
SC4	6024730	522790	20	<10	<10	Mullengandra/Jupiter/Bright Star	Vein quartz
SC5	6024730	522790	420	<10	<10	Mullengandra/Jupiter/Bright Star	Vein quartz
SC6	6024730	522790	25800	70	70	Mullengandra/Jupiter/Bright Star	Vein quartz
SC7	6024730	522790	1010	70	70	Mullengandra/Jupiter/Bright Star	Aplite
SC8	6024730	522790	1290	60	70	Mullengandra/Jupiter/Bright Star	Aplite
SC9	6024730	522790	1470	80	70	Mullengandra/Jupiter/Bright Star	Aplite

[4] 22002, Brady, John, Annual Report On Exploration Undertaken On Exploration Licence 5907 (Sweetwater Creek) For The Period November 22, 2001 - November 21, 2002.
[5] Refer KM1 ASX Announcement, 24 April 2024.

Sample ID2	Northing	Easting	Sn (ppm)	Nb (ppm)	Ta (ppm)	Prospect	Lithology
SC10	6025920	522530	1340	50	60	McLurg's Gully tin mine	Aplite
SC11	6025920	522530	4830	100	120	McLurg's Gully tin mine	Aplite
SC12	6025920	522530	11700	120	120	McLurg's Gully tin mine	Greisen
SC13	6025920	522530	1560	20	20	McLurg's Gully tin mine	Vein quartz
SC14	6025820	522650	690	30	30	McLurg's Gully tin mine	Aplite
SC15	6025820	522650	4900	110	130	McLurg's Gully tin mine	Aplite
SC16	6025820	522650	110400	1190	1060	McLurg's Gully tin mine	Pegmatite
SC17	6025820	522650	150	30	<10	McLurg's Gully tin mine	Greisen
SC18	6025820	522650	44000	440	410	McLurg's Gully tin mine	Pegmatite
SC19	6025760	522730	10700	120	130	McLurg's Gully tin mine	Pegmatite
SC20	6025760	522730	330	60	30	McLurg's Gully tin mine	Greisen
SC21	6025760	522730	100	20	<10	McLurg's Gully tin mine	Aplite
SC22	6024330	523270	11600	160	120	Jupiter tin mine	greisen/granite
SC23	6024330	523270	50	10	<10	Jupiter tin mine	Aplite
SC24	6024330	523270	11400	20	10	Jupiter tin mine	Vein quartz
SC25	6025120	522080	26500	290	250	Hunter and Parsons' mine	Greisen
SC26	6025120	522080	3930	80	70	Hunter and Parsons' mine	Greisen
SC27	6025680	525890	4450	50	70	McLurg's Gully tin mine	Greisen
SC28	6024730	522790	2820	60	70	Mullengandra/Jupiter/Bright Star	Granite
SC29	6023920	523280	4160	20	20	Jupiter tin mine	Vein quartz
SC30	6023750	522900	640	<10	<10	Jupiter tin mine	Vein quartz
SC31	6023640	522650	<10	<10	<10	Jupiter tin mine	Vein quartz breccia
SC32	6023620	522400	20	<10	<10	Jupiter tin mine	Vein quartz breccia

Table 7. Mullengandra Tin Mine rock chip results

Prospect	Sample ID	Sn (ppm)	SnO2 %	Ta (ppm)	Li (ppm)	Li2O %	Cs (ppm)
Mullengandra tin mine	JR0007	229	0.03	7	265	0.057	87
Mullengandra tin mine	JR0008	136	0.02	3	36	0.008	14
Mullengandra tin mine	JR0009	1937	0.25	35	18	0.004	115
Mullengandra tin mine	JR0010	1848	0.24	79	24	0.005	41
McLurg's Gully tin mine	JR0012	5370	0.70	78	36	0.008	146

Additionally, Kali has completed a soil geochemistry sampling program over the Sweetwater Creek prospect, with approximately 600 samples collected across a 13.7 km^2 area. The results are currently undergoing compilation, QAQC analysis, and interpretation.

Kali secured NSW government approvals to conduct low-impact exploration activities within the Mullengandra and Woomargama State Conservation Areas, which are highly prospective for both LCT-bearing pegmatites and tin-tantalum mineralisation (EL9403 and EL9507). This access enables Kali to advance its exploration strategy with further soil geochemistry sampling programs in these areas.

Additionally, Kali has completed a soil geochemistry sampling program and received NSW government approvals to conduct exploration within key State Conservation Areas.

POST REPORTING PERIOD ACTIVITY

Spargoville

Post-reporting period, Kali reported assay results from its Phase 1 drill program at Spargoville (refer Table 8 and Table 9, Figure 10 and Figure 11). The program aimed to test beneath outcropping pegmatites and geochemical anomalies for lithium potential, with drilling reaching depths of up to 100m.

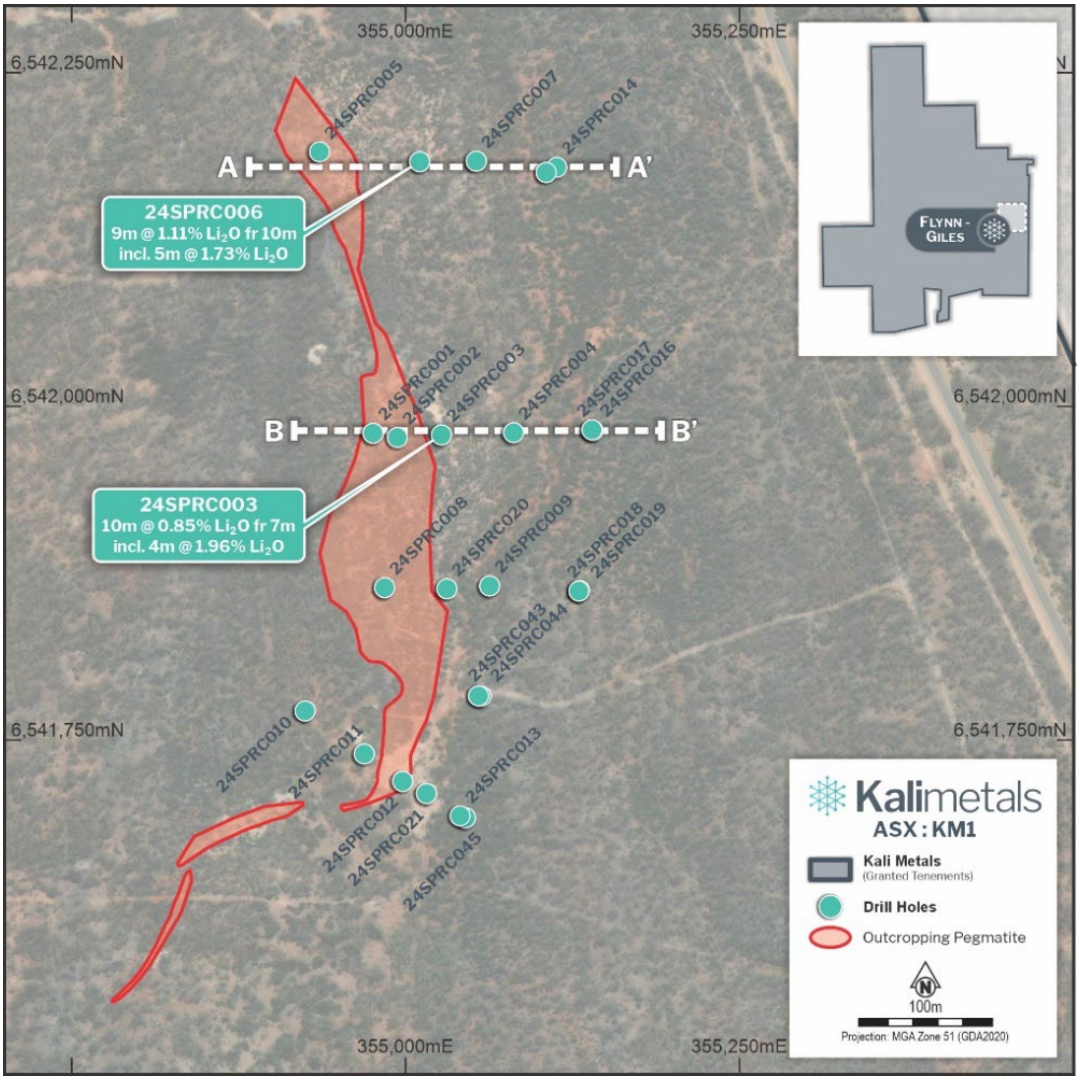


Figure 10. Completed RC drilling at Flynn-Giles prospect targeting outcropping LCT pegmatites

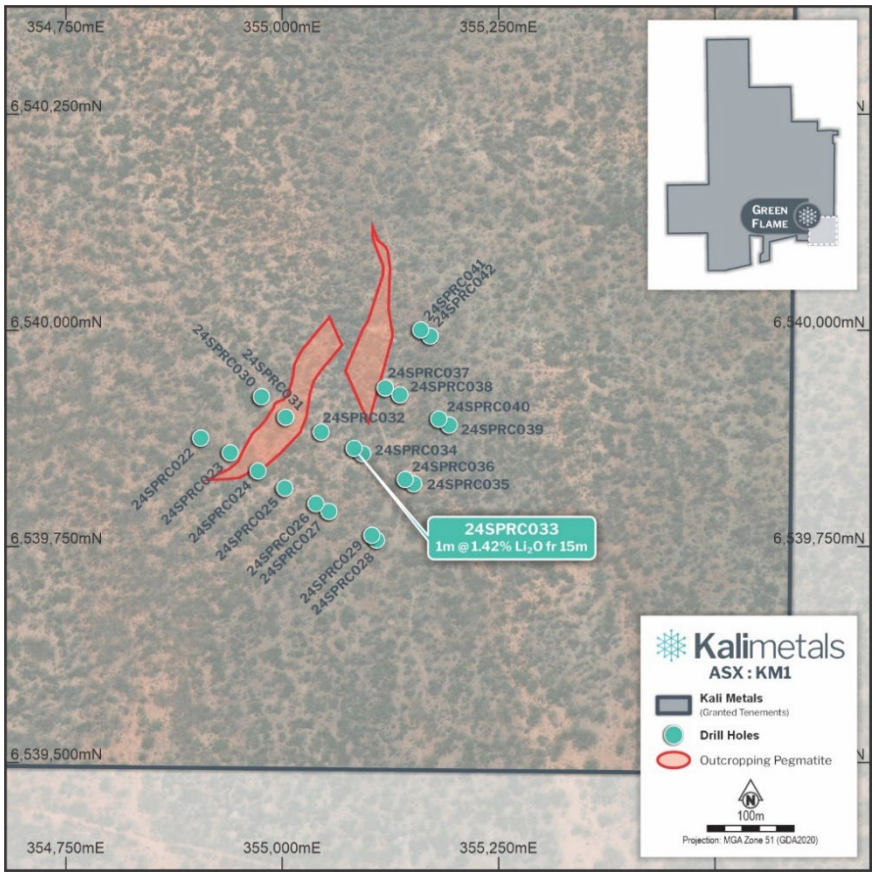


Figure 11. Completed RC drilling at Green Flame prospect targeting outcropping LCT pegmatites

The results have been instrumental in enhancing the Company's understanding of the geological setting at the Flynn-Giles and Green Flame prospects. Key findings include fertile spodumene-bearing LCT pegmatites within ultramafic host rock, with pegmatites up to 16m thick and dipping shallowly to the east. These insights will be critical for designing the Phase 2 drill program at the Walton, Parker-Grubb, and Flynn-Giles East prospects.

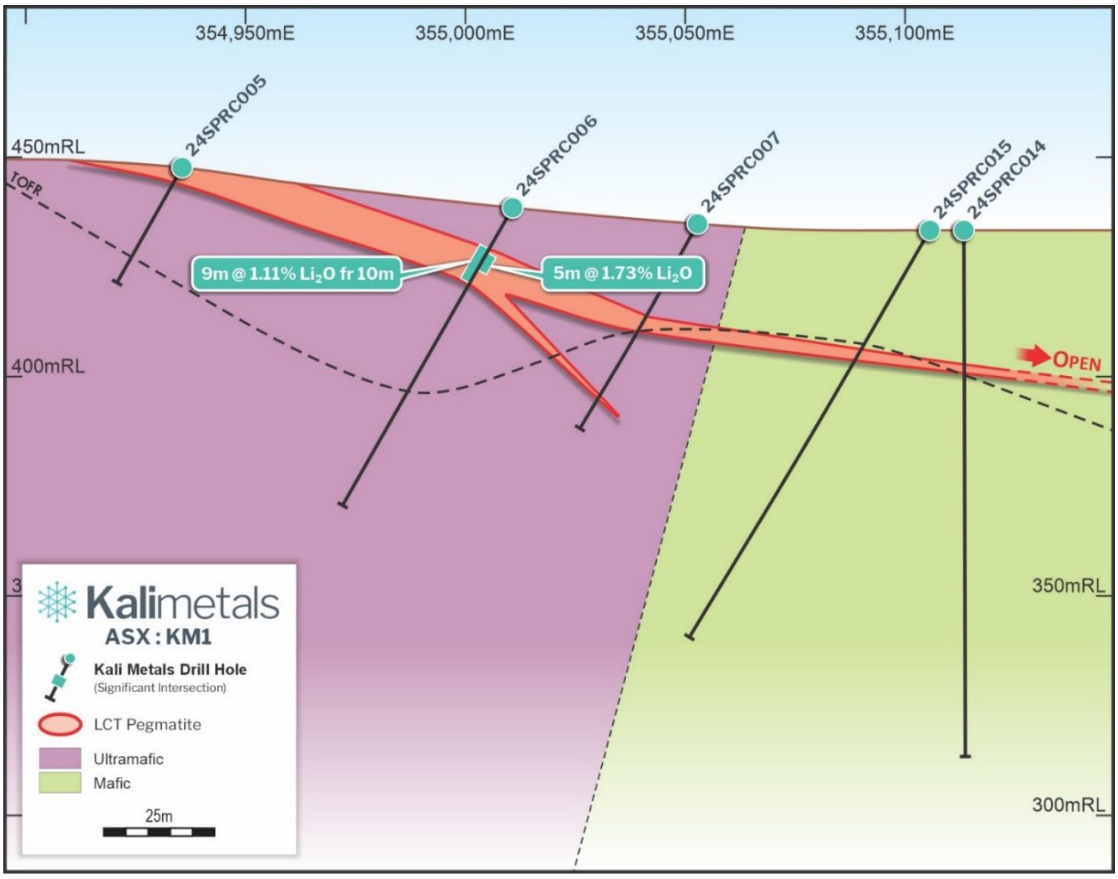


Figure 12. Cross-section A-A' looking north with drill intersections and modelled pegmatites

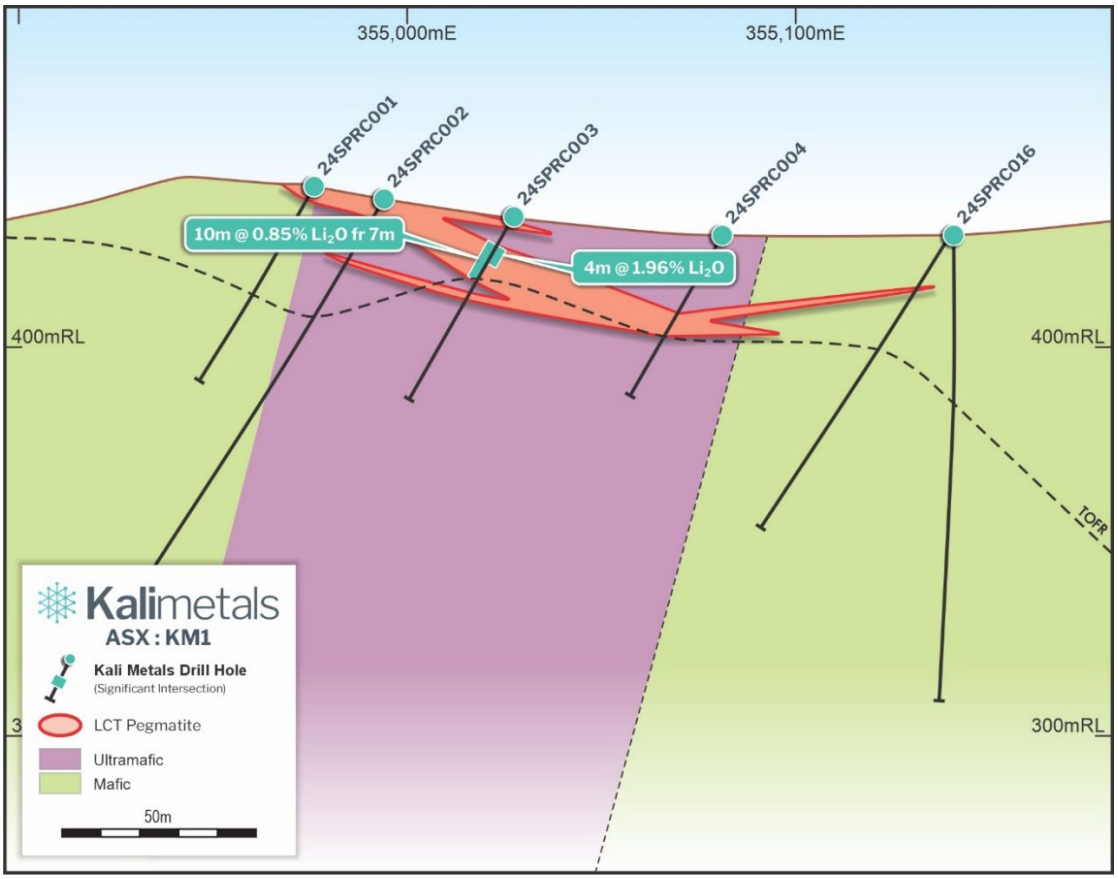


Figure 13. Cross-section B-B' looking north with drill intersections and modelled pegmatites

Kali announced the completion of an initial review of historic drill core at the Spargoville Project with preliminary findings identifying numerous intersected pegmatites. The drilling was mostly focused on gold mineralisation with zero or little focus on the Lithium potential of the new area. The early stages of the review focused on the area around Karora's, now Westgold Resources', Spargo's Reward open pit gold mine.

The Company is now conducting a detailed review of these historic intersections, with the aim of creating an inventory of follow up lithium targets. The results of the review, assisted by interpretation of the geology from Kali's maiden reconnaissance drilling program at the Flynn-Giles Prospect, where spodumene-hosting LCT pegmatites were intersected (**9m @ 1.1% Li_2O** from 7m).[6], has shown there are multiple occurrences of spodumene beneath the Spargo's Reward open pit which are interpreted to potentially outcrop to the west (Refer Figure 14).

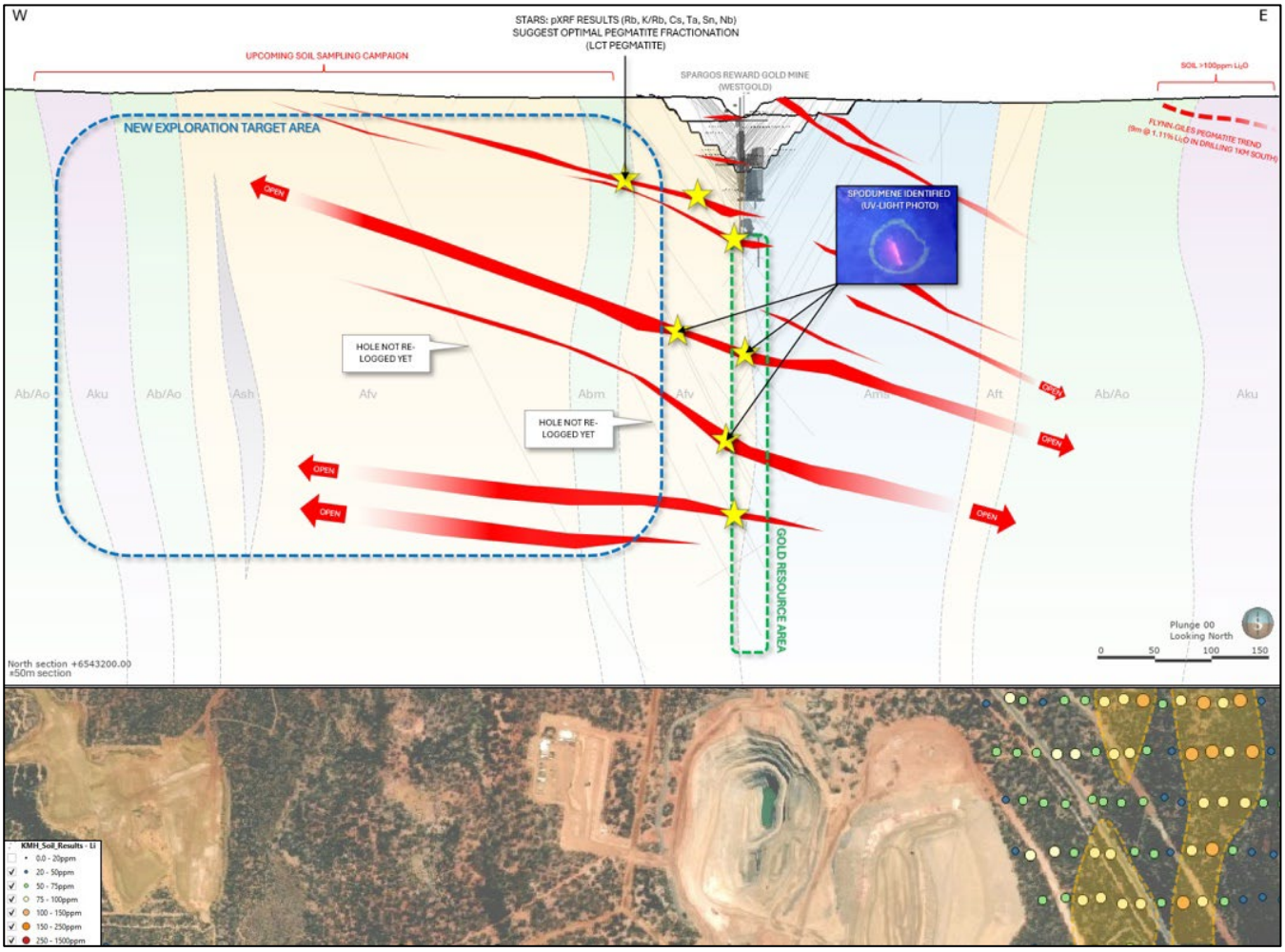


Figure 14. Cross Section beneath Spargo's Reward illustrating preliminary results of review of Westgold's historic drill core (pegmatites marked in red)

The review revealed that within a 1km radius of the Spargo's Reward Gold Mine, 170 pegmatite intervals have been identified across 41 diamond drill holes and 37 RC holes. Reported results in Table 8. A preliminary 3D geology model has been generated (Refer Figure 14), interpreting a dozen gently dipping pegmatites in the region immediately associated with the Spargo's Reward mine. These pegmatites dip between 5° and 30° to the east. At least three pegmatites appear to have suitable true thickness of minimum 10m.

Based on the Company's initial p-XRF spot analysis, numerous samples within the pegmatites contain significantly elevated levels of lithium pathfinder elements, including caesium, rubidium, tin, tantalum and niobium (Refer Table 8), suggesting that these are LCT pegmatites.

[6] Refer to ASX announcement on 6 August 2024 – "Drill Core Review Yields Major New Targets at Spargoville".

Spodumene was also observed in several holes (Refer Table 8), confirmed with the use of a longwave UV light. This spodumene will be sent for XRD analysis and mineral verification. As a result of this work, the area to the west of the Spargo's Reward open pit is considered a high priority of interest for the Kali exploration team. Several key drillholes in this area are yet to be re-logged and examined with pXRF and UV light, and Kali looks forward to following up investigation of these drillholes.

Maiden RC drilling results from Widgiemooltha

At the Widgiemooltha Project, the Company completed its initial RC drilling program, with the best intercept being **10m @ 1.06% Li_2O**[7] from 43m. Refer to Figure 15 and Table 9 & Table 10).

The first-pass RC drilling program at the Widgiemooltha Project has intersected a series of subparallel steeply west-dipping LCT pegmatites hosted within a mafic sequence (with minor felsic units), in close proximity to a felsic sequence to the west. The host lithium mineral is spodumene.

Drilling was conducted at approximately 120m line spacing by 40m spacing along lines. The two northern sections are 320m apart due to topography constraints.

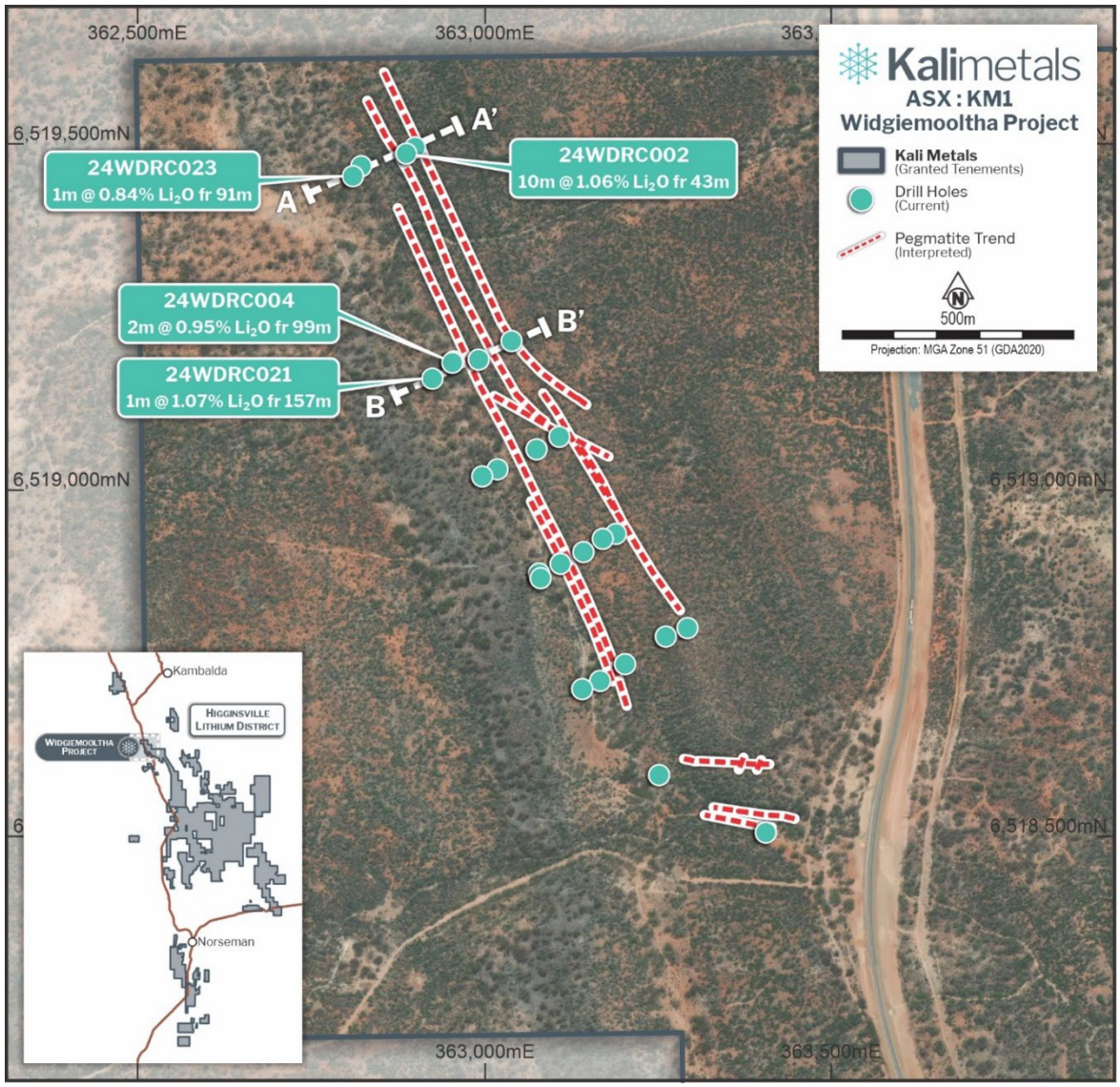


Figure 15: Widgiemooltha Lithium Project Location map, pegmatite trends and significant intersections

[7] Refer to ASX announcement on 6 August 2024 – "Drill Core Review Yields Major New Targets at Spargoville".

Table 8. Significant Li_2O intersections – Assays are reported at 0.3% Li_2O lower cut-off with 2m internal dilution for aggregated intercepts, and 0.5% Li_2O lower cut-off for internal high-grade zones

Hole ID	From (m)	To (m)	Interval	Li2O%	Cs ppm	Sn ppm	Ta ppm	Be ppm	Nb ppm	K/Rb ratio
24WDRC001	68	71	3	0.59	133	18	24	69	42	17.4
incl	69	71	2	0.72	131	18	31	94	48	16.3
24WDRC002	**43**	**53**	**10**	**1.06**	**193**	**32**	**42**	**104**	**77**	**14.7**
24WDRC004	97	114	17	0.31	167	15	21	50	33	41.1
incl	**99**	**101**	**2**	**0.95**	**112**	**23**	**50**	**133**	**71**	**15.4**
and	106	109	3	0.53	293	20	41	69	41	13.8
24WDRC005	74	77	3	0.43	263	26	66	162	68	12.5
24WDRC006	7	8	1	0.64	323	32	87	162	62	14.9
24WDRC007	69	72	3	0.36	151	41	26	73	33	30.3
and	156	157	1	0.45	223	666	16	34	1087	13.9
24WDRC008	36	37	1	0.75	220	32	55	168	73	12.8
24WDRC010	6	7	1	0.40	109	31	47	187	79	13.7
and	23	30	7	0.37	130	19	23	73	33	30.9
incl	**27**	**28**	**1**	**1.44**	**131**	**20**	**29**	**131**	**71**	**15.5**
24WDRC012	19	20	1	0.35	210	24	45	116	46	16.2
24WDRC021	153	154	1	0.31	263	18	30	88	35	16.9
and	156	159	3	0.58	191	17	28	80	47	19.7
incl	**157**	**158**	**1**	**1.07**	**173**	**15**	**48**	**135**	**81**	**15.8**
24WDRC022	20	23	3	0.35	281	19	33	54	25	22.6
24WDRC023	90	93	3	0.37	81	11	21	47	39	27.7
incl	**91**	**92**	**1**	**0.84**	**112**	**18**	**49**	**103**	**73**	**15.8**

Table 9. Drill hole collar details from the maiden RC drill program.

Hole ID	Prospect	Coordinate System	Easting (m)	Northing (m)	RL (m)	Dip (o)	Azimuth (o)	Depth (m)
24WDRC001	Widgiemooltha	MGA94 Zone 51	362821.2	6519465.5	353.1	-60	65	156
24WDRC002	Widgiemooltha	MGA94 Zone 51	362886.3	6519483.8	353.8	-60	250	132
24WDRC003	Widgiemooltha	MGA94 Zone 51	362898.8	6519492.3	354.3	-60	250	158
24WDRC004	Widgiemooltha	MGA94 Zone 51	362954.9	6519183.9	349.7	-60	65	144
24WDRC005	Widgiemooltha	MGA94 Zone 51	362990.8	6519186.5	347.6	-60	65	150
24WDRC006	Widgiemooltha	MGA94 Zone 51	363038.2	6519213.1	345.4	-60	65	90
24WDRC007	Widgiemooltha	MGA94 Zone 51	362996.0	6519018.0	352.0	-60	65	168
24WDRC008	Widgiemooltha	MGA94 Zone 51	363018.0	6519028.0	353.0	-60	65	138
24WDRC009	Widgiemooltha	MGA94 Zone 51	363074.0	6519057.0	352.6	-60	65	120
24WDRC010	Widgiemooltha	MGA94 Zone 51	363109.0	6518892.0	357.3	-60	65	168
24WDRC011	Widgiemooltha	MGA94 Zone 51	363170.0	6518928.0	351.4	-60	65	120
24WDRC012	Widgiemooltha	MGA94 Zone 51	363189.0	6518935.0	349.6	-60	65	72
24WDRC013	Widgiemooltha	MGA94 Zone 51	363142.0	6518909.0	354.3	-60	65	120
24WDRC014	Widgiemooltha	MGA94 Zone 51	363140.0	6518711.0	345.3	-60	250	120
24WDRC015	Widgiemooltha	MGA94 Zone 51	363166.0	6518723.0	345.4	-60	65	132
24WDRC016	Widgiemooltha	MGA94 Zone 51	363292.0	6518799.0	363.5	-60	65	96
24WDRC017	Widgiemooltha	MGA94 Zone 51	363261.0	6518787.0	360.1	-60	65	78
24WDRC018	Widgiemooltha	MGA94 Zone 51	363202.0	6518747.0	350.8	-60	65	66
24WDRC019	Widgiemooltha	MGA94 Zone 51	363251.0	6518587.0	340.6	-60	65	120
24WDRC020	Widgiemooltha	MGA94 Zone 51	363405.0	6518504.0	334.7	-50	330	120
24WDRC021	Widgiemooltha	MGA94 Zone 51	362924.0	6519159.0	354.4	-60	65	186
24WDRC022	Widgiemooltha	MGA94 Zone 51	363107.0	6519075.0	351.3	-60	65	60
24WDRC023	Widgiemooltha	MGA94 Zone 51	362809.0	6519451.0	351.2	-60	65	168
24WDRC024	Widgiemooltha	MGA94 Zone 51	363078.0	6518878.0	356.1	-60	65	168
24WDRC025	Widgiemooltha	MGA94 Zone 51	362954.0	6519183.0	349.8	-90	65	150
24WDRC026	Widgiemooltha	MGA94 Zone 51	363080.0	6518871.0	355.5	-60	65	150

*Table 10. Drill hole collar details from the Spargos Reward re-logging program with favourable K/Rb ratio as described in Table 4 (holes with visually identified spodumene and confirmed with UV light are marked with *)*

Hole ID	Prospect	Coordinate System	Easting (m)	Northing (m)	RL (m)	Hole Type	Dip	Azimuth	Depth (m)
16SPRCD007	Spargos Reward	MGA94 Zone 51	354290.6	6543139.2	423.0	RC/DDH	-70.6	265.0	418.0
KSPD001*	Spargos Reward	MGA94 Zone 51	354001.2	6543138.4	1423.9	DDH	-65.7	72.7	442.1
KSPD002	Spargos Reward	MGA94 Zone 51	353989.1	6543136.1	1423.7	DDH	-69.3	61.8	520
KSPD004	Spargos Reward	MGA94 Zone 51	354029.7	6543265.2	1427.7	DDH	-61.9	83.0	381.5
KSPD005	Spargos Reward	MGA94 Zone 51	354004.4	6543130.9	1423.7	DDH	-60.0	71.5	399.5
KSPD007	Spargos Reward	MGA94 Zone 51	354030.9	6543267.9	1427.7	DDH	-58.6	75.2	362.0
KSPRCD002	Spargos Reward	MGA94 Zone 51	354433.5	6543337.9	423.6	RC/DDH	-60.5	270.5	549.3
KSPRCD006	Spargos Reward	MGA94 Zone 51	354327.1	6543459.8	430.2	RC/DDH	-60.2	272.47	312.3
KSPRCD008*	Spargos Reward	MGA94 Zone 51	354002.4	6543136.2	423.8	RC/DDH	-63.19	103.842	402.6
KSPRCD009*	Spargos Reward	MGA94 Zone 51	354003.5	6543134.2	423.8	RC/DDH	-58.48	86.71	351.4
KSPRCD011	Spargos Reward	MGA94 Zone 51	354026.5	6543261.6	427.5	RC/DDH	-63.87	112.23	429.7
KSPRCD012*	Spargos Reward	MGA94 Zone 51	354031.7	6543262.8	427.5	RC/DDH	-64.84	118.35	440.2
SPDD0004*	Spargos Reward	MGA94 Zone 51	354033.6	6543199.9	425.7	-59.6	-59.55	90.766	363.17

Competent Person Statement

The information in this report that relates to Data and Exploration Results is based on and fairly represents information and supporting documentation compiled and reviewed by Mr Jeremy Burton a Competent Person who is a Member of the Australian Institute Geoscientists (AIG) and Senior Geologist at Kali Metals. Mr Burton has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Burton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Statements

This report may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Kali's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential", "should," and similar expressions are forward-looking statements. Although Kali believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Previously Reported Results

The information in this announcement that relates to previously reported Exploration Results was previously announced in Kali's ASX announcements. Kali confirms that it is not aware of any new information or data that materially affects the information included in the original announcements.

FINANCIAL

As at 30 June 2024, the Group had net assets of $21,896,689 (2023: $1,102,587 net asset deficiency) including cash and cash equivalents and short term deposits of $9,627,079 (2023: $91,931) and capitalised exploration and evaluation assets of $13,137,803 (2023: $717,218).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 8 May 2023, the Group's parent Group, Kalamazoo, announced that it proposed to:

- spin-out the Marble Bar Project and DOM's Hill Project to the Group; and
- undertake an in-specie distribution of 25% of the Shares to be held by Kalamazoo in the Group (In-specie Shares) to Kalamazoo Shareholders (Kalamazoo In-specie Distribution).

The transfer of the DOM's Hill and Marble Bar Projects to the Group and the Kalamazoo In-specie Distribution was subject to the required approvals of Kalamazoo Shareholders under the ASX Listing Rules and the Corporations Act, which were obtained on 18 December 2023.

On 20 December 2023, the Group received conditional approval from the ASX for admission to the Official List.

On 22 December 2023, the Group and Kalamazoo entered into a Deed of Debt Forgiveness whereby the borrowings from Kalamazoo to the Group were forgiven. This was followed by the issue of 37,862,900 of the Group's shares to Kalamazoo for the tenement and mineral rights acquisition related to the Marble Bar Project and DOM's Hill Project. Following the completion of these tenement and mineral rights transfer, Kali demerged from the Kalamazoo Group on 29 December 2023.

Kalamazoo and Sociedad Quimica y Minera ("SQM") had previously entered into the SQM Earn-in Agreement which entitles SQM to earn-in up to a 70% interest in the Marble Bar Project and DOM's Hill Project. The Group, Kalamazoo and SQM have entered into a deed of assignment and assumption dated 30 August 2023 under which Kalamazoo will assign its rights, and the Group will assume the obligations of Kalamazoo, under the SQM Earn-in Agreement. The assignment has taken effect upon completion occurring under the Tenement Sale Agreement.

On 2 May 2023, the Group, Kalamazoo, and Karora Resources Limited ("Karora Group") entered into a Shareholder's Deed to govern the activities of the Group prior to listing. The Shareholder's Deed provided for the issue of 1 million Founder Shares at $0.05 per share each to Kalamazoo and Karora Group. On 22 December 2023, post obtaining Kalamazoo's shareholder approval, the Founders shares were issued to Kalamazoo and Karora.

On 22 December 2023, the Group also issued 13,120,000 ordinary shares as part of pre-IPO Seed Raising for $1.64 million before costs.

On 22 December 2023, the Group completed the tenement acquisition (P15/6778) from James Mansen as trustee for Wildcard (WA) Pty Ltd. Consideration paid as part of the tenement acquisition was $75,000 cash plus 300,000 consideration shares at $0.25 per share. The tenement sale agreement was originally entered on 17 October 2023.

On 29 December 2023, the Group completed a Share Sale transaction with Karora Group, whereby Avoca Mining Pty Ltd, a wholly owned subsidiary of Karora, has agreed to sell, and the Group has agreed to buy 100% interest in Karora Lithium Pty Ltd ("Karora Lithium"). Prior to the completion of the Share Sale transaction, Karora Lithium entered into a Mineral Rights Agreement with Karora Group's subsidiaries being Avoca Mining Pty Ltd, Avoca Resources Pty Ltd, Polar Metals Pty Ltd and, Corona Minerals Pty Ltd (together, the **Grantors**) which will grant the Higginsville Lithium Rights to Karora Lithium prior to completion of the Share Sale Agreement. Each Mineral Rights Agreement continues until the relevant Higginsville Lithium Rights have been relinquished or the relevant tenements have expired or otherwise terminated. The Grantor cannot relinquish a tenement, or part of it, without first offering the relevant area to Karora Lithium for no consideration. Under each Mineral Rights Agreement, Karora Lithium has agreed to grant and pay each Grantor a 1% net smelter return royalty (**Royalty**) payable with respect to any Higginsville Lithium Rights (and any other minerals it is entitled to retain under the Mineral Rights Agreement) produced or extracted by Karora Lithium or any of its Related Bodies Corporate in respect of their Relevant Tenements.

On 8 January 2024, Kali successfully listed on the ASX and raised $15 million before costs through the issue of 60,000,000 ordinary shares.

On 7 March 2024, Kali exercised the option with Mining and Energy Group Pty Ltd (MEG) to add MEG's tin-tungsten and lithium-caesium-tantalum rights at its EL8958 to Kali's Lachlan Fold Belt Project in NSW. This acquisition was completed on 10 July 2024.

There were no other significant changes in the state of affairs of the Group during the financial period.

DIVIDENDS

There were no dividends declared or paid during the financial period. No recommendation for the payment of a dividend has been made by the Directors.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Mr Paul Adams, previously Non-Executive Director of Kali Metals, was appointed as Kali's new Managing Director, effective from 1 July 2024. Mr Adams has over 20 years of mining industry experience, including exploration, operational roles, and equities research focused on small to mid-cap resource companies. At the time of appointment he was also an Executive Director at Kalamazoo Resources Limited, a major shareholder in Kali Metals, and a Non-Executive Director at Meeka Metals Limited. Mr Adams previously served as Managing Director of Spectrum Metals Ltd. Mr Adams has a Geology Degree (Honors) from Derbyshire University and a Graduate Diploma in Applied Finance and Investment.

Mr Graeme Sloan, Kali Metals inaugural Managing Director, transitioned to Non-Executive Director on 1 July 2024.

Mr Mladen Stevanovic was appointed as the Company's new Exploration Manager on 22 July 2024. With nearly 20 years of international experience across lithium, gold, copper, nickel, and base metals, Mr Stevanovic has led exploration teams responsible for significant discoveries in Europe, Australia, and Africa, and provided technical expertise for Adriatic Metals' acquisition and start-up. He has served as Chief Geologist at Gorno polymetallic mine, Principal Geologist for Gold Fields, and Exploration Manager at Liatam Mining, where he worked on the Bald Hill Lithium and Tantalum Mine. Mr Stevanovic holds advanced degrees in geology and currently serves as a Non-Executive Director at Lykos Metals.

Frankfurt Stock Exchange

Kali dual listed on the Frankfurt Stock Exchange (Open Market) in July 2024 under the ticker code 6OB, broadening its investor base and enhancing its visibility in European markets. The Frankfurt Stock Exchange is Europe's third-largest and the world's twelfth-largest by market cap. To support its promotional efforts, Kali has engaged AXINO Media GmbH, a German investor relations group, known for assisting Australian companies in boosting trading volumes on the Frankfurt Exchange. Kali looks forward to welcoming new European investors.

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors are not aware of any developments that might have a significant effect on the operations of the Company in subsequent financial years not already disclosed in this report.

The material business risks faced by the Company that are likely to impact the financial prospects of the Company, and how the Company manages these risks are:

Exploration Risk
Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the tenements will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited. The Company's future exploration activities may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, and many other factors beyond the control of the Company.
In the opinion of the Directors, any further disclosure of information regarding likely developments in the operations of the Company and the expected results of these operations in subsequent financial years may prejudice the interests of the Company and accordingly, further information has not been disclosed.

Future capital needs
The Company's current capital is sufficient, at the issue date of this report, to meet its current planned exploration activities. Future activity that is unable to be planned for has the potential to draw down available capital. While unplanned activity will be considered and align with shareholders requirements, it could require additional funding to be obtained. Funding via additional equity will dilute shareholdings, and if debt financing is a viable option, it would likely be subject to restrictions. Depending if unplanned activity is undertaken, the Company may need to reduce the scope of its exploration programmes to ensure sufficient capital is maintained. There is no guarantee that suitable, additional funding will be able to be secured by the Company.

Environmental
With the Company's tenure residing within Western Australia, Victoria, and New South Wales, the Company is subject to the state and federal laws and regulations concerning the environment. Mechanised exploration will impact the local environment along with any advanced development and production activities. In undertaking exploration activities, the Company intends to comply with all environmental laws.

Inherent risks when completing exploration activities include, but are not limited to, land disturbance and the disposal of waste products. An incident involving incorrect disposal of waste products could result in delays to exploration, additional costs to remediate the location and any legislative penalties.

The Company has procedures implemented to minimise the occurrence of environmental impacts and any subsequent penalties; however the nature of the activity does involve environmental risks.

Heritage
With the Company's tenure residing within Western Australia, Victoria, and New South Wales, the Company is subject to the state and federal laws and regulations concerning Native Title and Heritage rights and interests. The Company is required to ensure that tenure has been adequately surveyed and considered before commencing any activity that would disturb the natural environment and its surroundings.

The Company complies with required legislation regarding Native Title and Heritage requirements, and where suitable, engages a third party to ensure that all requirements are met.

While all care is taken to ensure rights and interests are maintained, there is a level of risk inherent in the exploration activity that is unable to be fully mitigated.

General market risks
The Company is exposed to general market and economic condition risks including adverse changes in levels of economic activity, exchange rates, interest rates, commodity prices, government policies, employment rates and industrial disruption.

ENVIRONMENTAL REGULATION

The Company is subject to significant environmental regulation in respect of its exploration activities. Tenements in Victoria, Western Australia and New South Wales are granted subject to adherence to environmental conditions with strict controls on clearing, including a prohibition on the use of mechanised equipment or development without the approval of the relevant Government agencies, and with rehabilitation required on completion of exploration activities. These regulations are controlled by the Department of Jobs, Precincts and Regions (Victoria), the Department of Mines, Industry Regulation and Safety (Western Australia), and the NSW Department of Industry.

The Company conducts its exploration activities in an environmentally sensitive manner and is not aware of any breach of statutory conditions or obligations.

INFORMATION ON DIRECTORS

The names and details of the Directors of the Company in office as at the date of this report and anytime during the financial year are:

Name:	Luke Reinehr
Title:	Non-Executive Chairman
Qualifications:	LLB, BA
Experience and expertise:	With over 25 years of experience spanning various management levels, Luke has held key roles as a partner, director, CEO, and chairman in resource and technology companies both in Australia and internationally.
Other current directorships:	Kalamazoo Resources Limited
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit and Risk Management Committee (ARC)
Interests in shares:	919,575 ordinary shares
Interests in options:	None
Interest in performance rights:	2,410,154 Performance Rights

Name:	Graeme Sloan
Title:	Managing Director up to 30 June 2024 and transitioned into Non-Executive Director on 1 July 2024.
Qualifications:	BAppSc (Mining Engineering), Dip (Mine Surveying), FCMM Cert WA, Member AUSIMM, Member AICD, and ESG Directors Course.
Experience and expertise:	Graeme is a qualified mining engineer with over 35 years' experience as a managing director/chief executive officer, non-executive director, chairman and member of audit, risk and sustainability committees and general manager of operations. He has held roles in corporate affairs, operational management, technical and project development and has worked in Australia and North and South America holding senior technical roles for ASX, TSX and AIM listed companies.
Other current directorships:	Golden Horse Minerals Limited (formerly Altan Rio Limited)
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit and Risk Management Committee (ARC)
Interests in shares:	800,000 ordinary shares
Interests in options:	None
Interest in performance rights:	3,016,682 Performance Rights

Name:	Paul Adams
Title:	Non-Executive Director up to 30 June 2024 and transitioned into Managing Director on 1 July 2024.
Qualifications:	BSc Geology (Hons), GradDipAppFin & Inv
Experience and expertise:	Paul has over 20 years' experience in the mining industry in exploration, open pit, underground operational roles both in Australia and overseas. He has over 10 years' experience as the Head of Equities Research at a well-known Perth stockbroking company, specialising in small to mid-cap resource companies.
Other current directorships:	Kalamazoo Resources Limited and Meeka Metals Limited
Former directorships (last 3 years):	Spectrum Metals Ltd
Special responsibilities:	Member of Remuneration and Nomination Committee (RNC) and member of Audit and Risk Management Committee (ARC)
Interests in shares:	656,695 ordinary shares
Interests in options:	None
Interest in performance rights:	1,803,625 Performance Rights

Name:	Simon Coyle
Title:	Non-Executive Director
Qualifications:	BSc (M&ES), PGDip Mining
Experience and expertise:	Simon has 20 years' industry experience and graduated from the Western Australian School of Mines. He held several senior operational management positions in a range of commodities including gold, iron ore, manganese and lithium. More recently Simon held the position of general manager operations for Pilbara Minerals Limited's hard rock lithium operation, Pilgangoora. He successfully led the development and expansion of the operation to become one of the world's leading producers of spodumene concentrate.
Other current directorships:	Velox Energy Materials Inc. (TSXV: VLX)
Former directorships (last 3 years):	None
Special responsibilities:	Chair and Member of Remuneration and Nomination Committee (RNC) Member of Audit and Risk Management Committee (ARC)
Interests in shares:	400,000 ordinary shares
Interests in options:	None
Interest in performance rights:	1,213,057 Performance Rights

Name:	John Leddy
Title:	Non-Executive Director
Qualifications:	LSO (Canada)
Experience and expertise:	John serves as senior advisor on legal and strategic matters at Karora. He also provides strategic advice to, and has made seed capital investments in, other public and private companies operating in the battery metals, carbon reduction, plant-based foods, vertical farming and high-density infill property development sectors. John has over 20 years' experience as a business lawyer and in private equity, specializing in M&A, capital raising and structuring, and other strategic transactions. He is a former partner in the Business Law Group (M&A) at Osler, a leading Canadian corporate law firm.
Other current directorships:	None
Former directorships (last 3 years):	Canada Nickel Company Inc, Karora Resources Inc.
Special responsibilities:	Member of Remuneration and Nomination Committee (RNC) and member of Audit and Risk Management Committee (ARC)
Interests in shares:	800,000 ordinary shares
Interests in options:	None
Interest in performance rights:	1,213,057 Performance Rights

COMPANY SECRETARY

Mr Nick Madders (LLB)

Appointed 1 August 2023

Mr Madders was the general counsel of a large mining services company from 2021 to 2023 and held the role of company secretary there. He has extensive experience in M&A and corporate compliance, having spent five years working at Gilbert + Tobin in one of Australia's top tier transactions teams. Since entering the mining industry in early 2021, Nick has successfully led and completed transactions in the gold, lithium and base metals markets

CHIEF FINANCIAL OFFICER (CFO)

Ms Silfia Morton (BCOM, MCOM, CA)

Appointed 1 December 2023

Ms Morton is a Chartered Accountant specialising in financial management, financial reporting services, and risk compliance and management. Ms Morton spent 12 years as senior audit manager at one of the leading international audit, tax and advisory firms, and has experience in the local and international markets. She was responsible for managing the assurance and compliance requirements of a diversified group of large, medium and small companies in a range of industries. Ms Morton is currently CFO and Company Secretary of Future Battery Minerals Ltd, Solstice Minerals Ltd, Velox Energy Materials Inc, and CFO of Canyon Resources Ltd and Charger Metals NL.

SHARES, OPTIONS AND PERFORMANCE RIGHTS

As at the date of this report, the Company has the following options and performance rights on issue:

Details	Grant Date	Number	Exercise Price ($)	Date of Expiry
Unlisted Options	29 Dec 2023	798,064	$0.375	8 Jan 2026
Unlisted Options	29 Dec 2023	1,596,128	$0.437	8 Jan 2026
Unlisted Options	29 Dec 2023	1,596,129	$0.50	8 Jan 2026
Performance Rights Class A	28 Jun 2023	4,680,647	$0.00	28 Jun 2026
Performance Rights Class A	12 Mar 2024	1,451,812	$0.00	28 Jun 2026
Performance Rights Class B	28 Jun 2023	4,680,644	$0.00	28 Jun 2026
Performance Rights Class B	12 Mar 2024	1,451,812	$0.00	28 Jun 2026

MEETINGS OF DIRECTORS

Considering the Company's relatively small size, the Board has determined that the Company's interests are most effectively served by the full Board undertaking the duties traditionally delegated to Committees.

During the financial year, 5 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
Directors	Number Eligible to Attend	Number Attended
Luke Reinehr	5	5
Graeme Sloan	5	5
Paul Adams	5	5
Simon Coyle	5	5
John Leddy	5	4

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The Company's remuneration policy is structured to align the objectives of executive key management personnel with those of shareholders and the business. This is achieved through a fixed remuneration component and long-term incentives tied to key performance areas that impact the Company's financial outcomes. The remuneration committee conducts a review of executive compensation, taking into account the Company's performance, individual executive performance, and comparative data from similar industries and other listed companies. The Board believes this remuneration policy is both appropriate and effective in attracting and retaining top executive talent, while fostering alignment between the goals of Directors, Executives, and Shareholders.

The remuneration committee considers the following factors in establishing the nature and amount of remuneration for the Company's executive key management personnel:

- The remuneration policy, which outlines the terms and conditions for executive key management personnel, was developed by the remuneration committee and approved by the Board;
- All executive key management personnel receive a base salary, determined by factors such as length of service and experience, along with superannuation where applicable; and
- The remuneration committee conducts an annual review of executive key management personnel packages, considering the Company's performance, individual executive performance, and comparable data from industry sectors.

The Company operates as an exploration entity, making its performance inherently speculative. To attract and retain top executive talent, key management personnel are compensated at market rates comparable to those in similar roles within the industry. No remuneration consultants were engaged for the year ended 30 June 2024.

The Company has established the Kali Metals Limited Incentive Plan (**Incentive Plan**) to assist in the motivation, retention and reward of certain employees and Directors engaged by the Company or any of its subsidiaries (**Participants**). The Incentive Plan is designed to align the interests of Participants more closely with the interests of Shareholders. All awards granted under the Incentive Plan to Participants will be Performance Rights, Options or Shares.

Performance rights have previously been issued to executive key management personnel to provide a mechanism to participate in the future development of the Company and an incentive for their future involvement with and commitment to the Company.

Further options and performance incentives may be issued as the Company moves from an exploration entity to a producing entity, and key performance indicators such as profits and growth can be used as measurements for assessing executive key management personnel performance.

Executive key management personnel receive a superannuation guarantee contribution where required by the government, which was 11% for the year ended 30 June 2024, and do not receive any other retirement benefits. All remuneration paid to executive key management personnel is valued at the cost to the Company and expensed. Performance Rights given to executive key management personnel are valued using the Hoadley valuation model.

Non-Executive Directors remuneration

Under the Constitution, the Company in general meeting may determine the maximum aggregate remuneration to be provided to or for the benefit of the Non-Executive Directors as remuneration for their services as a Director. Further, under the ASX Listing Rules, the total amount of directors fees paid to the Directors (subject to certain exceptions) must not exceed in aggregate in any financial year the amount fixed by the Company's members in general meeting.

Initially, and until a different amount is determined, the maximum aggregate Directors' remuneration for the purposes of the ASX Listing Rules and the Constitution is $400,000 per annum. This amount excludes, among other things, amounts payable to any executive Director under any executive services agreement with the Group or any special remuneration which the Board may granted to the Directors for special exertions or additional services performed by a Director for or at the request of the Company.

The following annual base fees (excluding superannuation) are payable to Directors:

Director Fees	$
Chairman	85,000
Non-Executive Directors	50,000

Directors will receive no additional fees for being a member of the Audit and Risk Management Committee and/or Remuneration and Nomination Committee.

Details of remuneration

Names and positions held of the Company's key management personnel in office at any time during the financial year are:

Key Management Personnel	Position
Graeme Sloan	Managing Director/CEO (until 30 June 2024, then transitioned into Non-Executive Director)
Luke Reinehr	Non-Executive Chairman
Paul Adams	Non-Executive Director (until 30 June 2024, then transitioned into Managing Director)
Simon Coyle	Non-Executive Director
John Leddy	Non-Executive Director
Nick Madders	Company Secretary (appointed 1 August 2023)
Silfia Morton	Chief Financial Officer (appointed 1 December 2023)
Bernard Crawford	Chief Financial Officer (resigned on 1 October 2023)

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments		Total	Proportion of Remuneration Related to Performance
	Cash salary and fees	Superannuation	Long service leave	Options	Performance Rights		
2024	$	$	$	$	$	$	%
Non-Executive Directors:							
Luke Reinehr (Chairman)[1]	85,000	9,350	-	-	161,839	256,189	63%
Paul Adams[2]	76,682	7,715	-	-	121,111	205,508	59%
Simon Coyle[3]	50,000	5,500	-	-	81,455	136,955	59%
John Leddy	50,000	5,500	-	-	81,455	136,955	59%
Executive Directors:							
Graeme Sloan[4]	323,077	28,800	-	-	202,566	554,443	37%
Other Key Management Personnel:							
Nick Madders	192,733	14,667	-	-	51,213	258,613	20%
Silfia Morton[5]	64,317	-			10,486	74,803	14%
Bernard Crawford[6]	74,000	-	-	-	-	74,000	0%
TOTAL	**915,809**	**71,532**	**-**	**-**	**710,125**	**1,697,466**	

Note:

1. Services provided by Reinehr Rokley Pty Ltd, of which Mr Reinehr is a Director.
2. Services provided by Makalu Capital Pty Ltd, of which Mr Adams is a Director.
3. Services provided by SME Consultancy Pty Ltd, of which Mr Coyle is a Director.
4. Included in Mr Sloan's cash salary and fees was his annual leave payout of $23,077 when Mr Sloan transitioned into Non-Executive Director.
5. Ms Morton was appointed as CFO on 1 December 2023. Services provided by Greenwood Road Pty Ltd, of which Ms Morton is a Director.
6. Mr Crawford resigned from his position as the Company's Chief Financial Officer in October 2023.

No payments were made to the Directors and other key management personnels for the year ended 30 June 2024.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Mr Graeme Sloan

Managing Director/CEO (transitioned to Non-Executive Director on 1 July 2024)

- Terms of agreement – no fixed term;
- Base salary of $300,000 per annum, exclusive of superannuation;
- Notice period – 3 months; and
- 3-month termination payment under certain circumstances.

Mr Paul Adams

Managing Director/CEO (transition from Non-Executive Director into MD/CEO on 1 July 2024)

- Terms of agreement – no fixed term;
- Base salary of $300,000 per annum, exclusive of superannuation;
- Notice period – 3 months; and
- 3-month termination payment under certain circumstances.

Mr Nick Madders

Company Secretary (*appointed 1 August 2023*)

- Terms of agreement – no fixed term;
  - Consultancy fee of $15,000 per month, exclusive of GST, up to 31 October 2023;
  - Transition into a full-time employee on 1 November 2023 with a base salary of $200,000 per annum, exclusive of superannuation;
- Notice period – 3 month; and
- 3-month termination payment under certain circumstances.

Ms Silfia Morton

Chief Financial Officer *(appointed on 1 December 2023)*

- Consultancy services agreement – no fixed term;
- Consultancy fee of $7,000 per month, exclusive of GST;
- Notice period – 2 months; and
- No termination benefit is specified in the agreement.

Share-based compensation

On 29 December 2023, the Company issued 5,738,081 Tranche A Incentive Performance Rights (KMIPRA) and 5,738,081 Tranche B Incentive Performance Rights (KMIPRB) to Directors and employees. On 12 March 2024, the Company issued 550,000 Tranche A incentive performance rights (KM1PRA36) and 550,000 Tranche B incentive performance rights (KM1PRB60) to an employee and consultant.

The Performance Rights have the following vesting conditions:

- Tranche A Incentive Performance Rights will vest on the date the Company announces a JORC Code compliant indicated resource estimate of an aggregate of at least 10Mt of lithium at a minimum grade of 1% Li_2O across any of its projects within 36 months from the date of issue; and
- Tranche B Incentive Performance Rights will vest on the date the Company announces a JORC Code compliant indicated resource estimate of an aggregate of at least 30Mt of lithium at a minimum grade of 1% Li_2O across any of its projects within 60 months from the date of issue.

Name	Class of Securities	Grant Date	Expiry Date	No of Rights	Fair value of the performance rights
Executive					
Graeme Sloan	Tranche A - KM1PRA	29 Dec 2023	28 June 2026	1,508,341	$126,613
	Tranche B - KM1PRB	29 Dec 2023	28 June 2028	1,508,341	$75,954
Non-Executive					
Luke Reinehr	Tranche A - KM1PRA	29 Dec 2023	28 June 2026	1,205,077	$101,156
	Tranche B - KM1PRB	29 Dec 2023	28 June 2028	1,205,077	$60,683
Paul Adams	Tranche A - KM1PRA	29 Dec 2023	28 June 2026	901,813	$75,700
	Tranche B - KM1PRB	29 Dec 2023	28 June 2028	901,813	$45,411
Simon Coyle	Tranche A - KM1PRA	29 Dec 2023	28 June 2026	606,529	$50,913
	Tranche B - KM1PRB	29 Dec 2023	28 June 2028	606,529	$30,542
John Leddy	Tranche A - KM1PRA	29 Dec 2023	28 June 2026	606,529	$50,913
	Tranche B - KM1PRB	29 Dec 2023	28 June 2028	606,529	$30,542
Other KMP					
Bernard Crawford[1]	Tranche A - KM1PRA	29 Dec 2023	28 June 2026	303,265	$12,867
	Tranche B - KM1PRB	29 Dec 2023	28 June 2028	303,264	$30,542
Nick Madders	Tranche A - KM1PRA	29 Dec 2023	28 June 2026	303,265	$25,457
	Tranche B - KM1PRB	29 Dec 2023	28 June 2028	303,264	$15,271
	Tranche A - KM1PRA36	12 Mar 2024	28 June 2026	150,000	$6,555
	Tranche B - KM1PRB60	12 Mar 2024	28 June 2028	150,000	$3,931
Silfia Morton	Tranche A - KM1PRA36	12 Mar 2024	28 June 2026	150,000	$6,555
	Tranche B - KM1PRB60	12 Mar 2024	28 June 2028	150,000	$3,931
				TOTAL	**$753,536**

[1] Mr Crawford's performance rights were subsequently cancelled following his resignation and the expenses reversed in accordance with AASB 2: share-based payments.

The fair value of the Performance Rights has been calculated using the share price at valuation date. The key inputs used for the valuation are detailed below:

	Tranche A - KM1PRA	Tranche B - KM1PRB	Tranche A - KM1PRA36	Tranche B - KM1PRB60
Number of performance rights	5,434,819	5,434,817	300,000	300,000
Underlying share price	$0.25	$0.25	$0.44	$0.44
Value per right	$0.25	$0.25	$0.44	$0.44
Total Fair Value	**$1,358,705**	**$1,358,704**	**$130,500**	**$130,500**

Additional information

The Directors assess performance of the Company with regards to the achievement of both operational and financial targets with a current focus on exploration targets. Executive key management personnel are issued performance rights to encourage the alignment of personal and shareholder interests.

Options and performance rights issued to executive key management personnel may be subject to market-based price hurdles, non-market vesting conditions, and the exercise price of options is set at a level that encourages executive key management personnel to focus on share price appreciation. The Board believes this policy will be effective in increasing shareholder wealth. On the resignation of executive key management personnel, any vested options and performance rights issued as remuneration are retained by the relevant party.

The following table shows the Company's net loss since the Company was admitted to the official list of the ASX on 8 January 2024, as well as the Company's share prices at the end of the financial year.

	2024 $
Net loss	1,042,852
Share price at year-end	0.235
Earnings per share (cents)	(1.44)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2024	Balance at the start of the year	Received as part of remuneration	Addition[1]	Disposal	Balance at the end of the year
Non-Executive Directors:					
Luke Reinehr (Chairman)	-	-	919,575	-	919,575
Paul Adams	-	-	656,695	-	656,695
Simon Coyle	-	-	400,000	-	400,000
John Leddy	-	-	800,000	-	800,000
Executive Directors:					
Graeme Sloan	-	-	800,000	-	800,000
Other KMP:					
Nick Madders	-	-	-	-	-
Silfia Morton	-	-	-	-	-
Bernard Crawford[2]	-	-	-	-	-

Note:

1. Addition during the year was related to Directors' participation in the Pre-IPO Seed Raising and Shares received via the Kalamazoo In-specie Distribution.
2. Mr Crawford resigned from his position as the Company's Chief Financial Officer in October 2023.

Option holding

The Directors and key management personnel were not issued options during the financial year; and held no options as at 30 June 2024.

Performance Rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2024	Balance at the start of the year	Received as part of remuneration	Addition	Disposal/Other Changes	Balance at the end of the year
Non-Executive Directors:					
Luke Reinehr (Chairman)	-	2,410,154	-	-	2,410,154
Paul Adams	-	1,803,625	-	-	1,803,625
Simon Coyle	-	1,213,057	-	-	1,213,057
John Leddy	-	1,213,057	-	-	1,213,057
Executive Directors:					
Graeme Sloan	-	3,016,682	-	-	3,016,682
Other KMP:					
Nick Madders	-	906,529	-	-	906,529
Silfia Morton	-	300,000	-	-	300,000
Bernard Crawford[1]	-	606,529	-	(606,529)	-

Note:

1. Mr Crawford resigned from his position as the Company's Chief Financial Officer in October 2023.

Other transactions with key management personnel and their related parties

The Company entered into a sub-lease agreement with Golden Horse Minerals (Aust) Pty Ltd ("Golden Horse"), of which Mr Sloan is a director. The sub-lease agreement covered office rent, variable outgoings, and common office-related expenses up to the end of February 2024. The total amount paid to Golden Horse for the financial year ended 30 June 2024 is $40,335.

In May 2024, the Company leased a new head office at 34 Colin Street, West Perth, WA, and simultaneously entered into a sub-lease agreement with Golden Horse. Under this agreement, Golden Horse will pay the Company $5,000 (excluding GST) per month to lease a portion of the head office. The total amount received from Golden Horse for the financial year ended 30 June 2024 was $5,879, which includes the monthly rent and its share of office amenities.

During the financial year, Makalu Capital Pty Ltd, of which Mr Adams is a director, received $28,621 for geological consulting services provided to the Company.

The Company's previous parent entity, Kalamazoo Resources Limited, has provided an interest free, unsecured loan with no set repayment date to the Company in order for the Company to meet its expenditure commitments on its tenements and working capital. The Company received conditional approval from the ASX for admission on 20 December 2023, and subsequently on 22 December 2023, the Company entered into a formal Deed of Forgiveness with Kalamazoo whereby $350,000 was repaid back to Kalamazoo and the remaining loan balance was forgiven.

This concludes the remuneration report, which has been audited.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND 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 amount paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 21 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 21 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

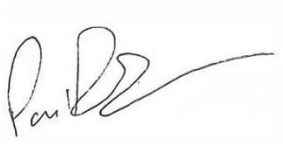
- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting 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 an advocate for the Company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Paul Adams
Managing Director

Perth, 27 September 2024

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Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF KALI METALS LIMITED

As lead auditor of Kali Metals Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kali Metals Limited and the entity it controlled during the period.



Glyn O'Brien

Director

BDO Audit Pty Ltd

Perth

27 September 2024

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $	2023 $
Revenue			
Other income		15,762	-
Interest income		299,692	-
Gain on loan forgiven	11	1,514,724	-
Expenses			
Employee benefits expenses		(849,713)	-
Share based payments	13	(771,824)	-
Compliance costs		(651,728)	(187,563)
Legal expenses		(150,845)	(114,638)
Marketing and investor relation costs		(89,606)	(11,995)
Travel costs		(117,039)	-
Impairment of exploration and evaluation assets	9	-	(748,931)
Depreciation expenses		(24,397)	-
Other expenses	3	(217,934)	(5,005)
Loss before income tax expense		**(1,042,908)**	**(1,068,132)**
Income tax expense	4	-	-
Loss after income tax expense for the period attributable to the owners of Kali Metals Limited		**(1,042,908)**	**(1,068,132)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period attributable to the owners of Kali Metals Limited		**(1,042,908)**	**(1,068,132)**
Loss per share			
– Basic and diluted (cents per share)	14	(1.44)	(10,681)

This 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 30 JUNE 2024

	Note	2024 $	2023 $
ASSETS			
Current assets			
Cash and cash equivalents	5	3,011,924	91,931
Term deposit	5	6,500,000	-
Trade and other receivables	6	341,957	13,077
Other current assets		39,622	4,283
Total current assets		**9,893,503**	**109,292**
Non-current assets			
Other receivables	5	115,155	-
Property, Plant and Equipment	7	191,034	-
Right of Use Asset	8	261,232	-
Exploration and evaluation assets	9	13,137,803	717,218
Total non-current assets		**13,705,224**	**717,218**
TOTAL ASSETS		**23,598,727**	**826,510**
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,406,011	347,731
Borrowings	11	-	1,581,365
Provision		32,902	-
Lease liability		84,182	-
Total current liabilities		**1,523,095**	**1,929,096**
Non-current liabilities			
Lease liability		178,943	-
Total non-current liabilities		**178,943**	**-**
TOTAL LIABILITIES		**1,702,038**	**1,929,096**
NET ASSETS/(LIABILITIES)		**21,896,689**	**(1,102,587)**
EQUITY			
Contributed equity	12	22,867,439	100
Reserve	13	1,174,846	-
Accumulated losses		(2,145,595)	(1,102,687)
TOTAL EQUITY / (DEFICIENCY)		**21,896,689**	**(1,102,587)**

This Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Note	Issued capital $	Reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2022		**100**	**-**	**(34,555)**	**(34,455)**
Loss after income tax expense for the period		-	-	(1,068,132)	(1,068,132)
Other comprehensive loss for the period		-	-	-	-
Total comprehensive loss for the period		**-**	**-**	**(1,068,132)**	**(1,068,132)**
Balance at 30 June 2023		**100**	**-**	**(1,102,687)**	**(1,102,587)**
Balance at 1 July 2023		**100**	**-**	**(1,102,687)**	**(1,102,587)**
Loss after income tax expense for the period		-	-	(1,042,908)	(1,042,908)
Other comprehensive loss for the period		-	-	-	-
Total comprehensive loss for the period		**-**	**-**	**(1,042,908)**	**(1,042,908)**
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction costs	12	22,867,339	-	-	22,867,339
Issue of Broker Options	13	-	403,022	-	403,022
Share based payment	13	-	771,823	-	771,823
Balance at 30 June 2024		22,867,439	**1,174,845**	**(2,145,595)**	**21,896,689**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,356,432)	(33,636)
Interest received		299,692	-
Net cash used in operating activities	**22**	**(2,056,740)**	**(33,636)**
Cash flows from investing activities			
Payments for exploration and evaluation assets		(19,401)	(308,865)
Payments for property, plant and equipment		(200,064)	-
Payment for tenements acquisitions		(50,000)	-
Net cash used in investing activities		**(269,465)**	**(308,865)**
Cash flows from financing activities			
Proceeds from issue of shares (net of transaction costs)		13,652,072	-
Capital raising costs	**22**	(1,837,245)	-
Proceeds from borrowings		710,000	100,000
Proceeds from related parties		-	334,332
Repayment of borrowings		(300,000)	-
Repayment of borrowings to related party		(350,000)	-
Lease repayments		(13,474)	-
Net cash inflows from financing activities		**11,861,353**	**434,332**
Net increase in cash and cash equivalents		9,535,148	91,831
Cash and cash equivalents at the beginning of the financial period		91,931	100
Cash and cash equivalents at end of the financial period	**5**	**9,627,079**	**91,931**

This Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

NOTE 1: CORPORATE INFORMATION

The financial report of Kali Metals Limited for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 27 September 2024.

Kali Metals Limited is a for-profit company incorporated in Australia and limited by shares. The nature of the operation and principal activities of the entity are described in the attached Directors' Report.

The principal accounting policies adopted in the preparation of these financial statements are set out below and have been applied consistently to all periods presented in the financial statements.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities.

Compliance with IFRS

The financial statements of Kalamazoo Resources Limited also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

New or amended Accounting Standards and Interpretations adopted

The Company 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. These are not expected to have any significant impact on the Group's financial statements.

a) Basis of measurement

Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Capitalisation of exploration and evaluation expenditure

The Group has capitalised exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

Significant accounting estimates and assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Share-based payment transactions

The Group 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 using the Black Scholes model or Trinomial model. Should the assumptions used in these calculations differ, the amounts recognised could significantly change.

Asset Acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. The acquisition of an entity that meets the concentration test (AASB 2018-6) would be accounted for as an asset acquisition not a business combination. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset. Assets acquired during the year were exploration expenditure. Estimates and judgement are required by the Group, taking into consideration all available information at the acquisition date, to assess the fair value of assets acquired, liabilities and contingent liabilities assumed.

b) Functional and presentation currency

The financial statements are presented in Australian dollars, which is Kali's functional and presentation currency.

c) Revenue

The Group recognises revenue as follows:

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 3: OTHER EXPENSES

	2024 $	2023 $
Bank and interest expenses	(4,770)	-
Information technology expenses	(55,266)	-
Office expenses	(41,569)	-
Rent and parking	(63,037)	-
Insurance	(40,362)	-
Staff onboarding and training	(12,930)	-
Sundry expenses	-	(5,005)
Total other expenses	**(217,934)**	**(5,005)**

NOTE 4: INCOME TAX

	2024 $	2023 $
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from continuing operations before income tax expense	**(1,042,908)**	**(1,068,132)**
Prima facie tax benefit at the Australian tax rate of 25% (2023: 25%)	(312,873)	(267,033)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Other deductible expenses	233,222	-
– Other non-assessable items	(454,446)	-
Movements in unrecognised temporary differences	(50,627)	120,760
Tax effect of current year tax losses for which no deferred tax asset has been recognised	584,724	146,273
Income tax expense	-	-
Unrecognised temporary differences		
Deferred tax liabilities on income tax account		
Interest receivable	(13,602)	-
Prepayments	(594)	(1,285)
Exploration Expenditure	(953,691)	(215,165)
Right-of-Use assets	(78,370)	-
Unrealised currency gains	(5)	-
DTL used to offset DTA	1,046,262	216,450
Deferred tax liabilities	-	-
Deferred tax assets on income tax account		
Accruals	24,476	3,600
Carry forward revenue losses	359,270	327,073
Capital raising costs	604,631	-
Lease liabilities	78,938	-
Property, plant and equipment	1,890	-
	1,069,205	**330,673**
Non-recognition of DTA	**(1,069,205)**	**(330,673)**
Net deferred tax asset	-	-

Note: Comparative figures have been restated to ensure consistency of presentation with current year format. The overall tax position has not changed.

NOTE 4: INCOME TAX (CONTINUED)

Accounting Policy:

Kali Metals is not considered a base rate entity for income tax purposes for the 2024 income year and is therefore subject to income tax at a rate of 30% (2023: 25%). Kali was a member of the Kalamazoo Resources Limited ("KZR") tax consolidated group up to 29 December 2023.

NOTE 5: CASH AND RESTRICTED CASH

	2024 $	2023 $
Cash at bank and on hand	3,011,924	91,931
Term deposit less than 90 days	6,500,000	-
Security for credit card and office lease	115,155	-

NOTE 6: TRADE AND OTHER RECEIVABLES

	2024 $	2023 $
Accounts receivable	36,785	-
Interest receivable	45,339	-
GST receivable	242,358	13,077
	341,957	**13,077**

There are no balances within trade and other receivables that contain balances that are past due. It is expected these balances will be received when due within 30 days terms.

NOTE 7: NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	2024 $	2023 $
Property, Plant and Equipment		
At cost	200,065	-
Accumulated depreciation	(9,030)	-
Total Property, Plant and Equipment	**191,035**	**-**
Reconciliation		
Carrying amount at beginning of year	-	-
Additions	200,065	-
Depreciation charge for the year	(9,030)	-
Net carrying amount	**191,035**	**-**

Accounting Policy

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The Group's depreciation method applied to Property, plant and equipment is straight-line for useful life of 3-5 years.

NOTE 8: NON-CURRENT ASSETS – RIGHT OF USE ASSETS

	2024 $	2023 $
At cost – Right of use assets	276,599	-
Accumulated amortisation	(15,367)	-
Total Right of use of assets	**261,232**	**-**

Accounting Policy

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets.

NOTE 9: NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS

	2024 $	2023 $
Exploration and evaluation assets	**16,250,675**	**717,218**
Capitalised cost at the beginning of the period	717,218	1,124,478
Tenements assets acquisition (i), (ii), and (iii)	9,018,989	-
Exploration expenditure incurred during the period	3,401,596	341,671
Impairment of exploration and evaluation assets	-	(748,931)
Capitalised cost at end of the period	**13,137,803**	**717,218**

Accounting Policy

Exploration and evaluation expenditure, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment and depreciated over the life of the mine.

Key Estimates, Judgments and Assumptions

Impairment of exploration and evaluation expenditure

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation asset.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements; and
- Fundamental economic factors that have an impact on the planned operations and carrying values of assets and liabilities.

Carrying value of exploration and evaluation expenditure

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective mining areas. The Company assessed the carrying value of its capitalised exploration and evaluation expenditure for indicators of impairment as at 30 June 2024 and concluded that impairment testing of the project was not triggered.

During the year the Company booked an impairment expense of $nil (2023: $748,931). This primarily related to a partial write down of the carrying value of the Pear Creek Project reflecting the Company's estimation of its recoverable value.

The Group entered into various acquisition agreements during the year, comprising the following:

- *Marble Bar Project and DOM's Hill Project*

The Company entered into a tenement sale agreement with Kalamazoo for the acquisition of tenement and mineral rights related to the Marble Bar Project and DOM's Hill Project. The Company issued 37,862,900 of the Company's shares to Kalamazoo as part of the consideration paid for the tenement and mineral rights. The assets were transferred prior to Kali demerging from Kalamazoo. The acquisitions of the tenement and mineral rights were classified as a transfer within a controlled Group under AASB 10: Consolidated Financial Statements. In accordance with the applicable standard, the tenement and mineral rights were initially recognised and measured at cost. In this instance, the Company has applied the carrying value of the tenement assets at the date of transfer, which was $576,774.

- *Mansen Tenement*

The tenement sale agreement was originally entered on 17 October 2023. On 22 December 2023, the Company completed the tenement acquisition (P15/6778) from James Mansen as trustee for Wildcard (WA) Pty Ltd. Consideration paid as part of the tenement acquisition is $75,000 cash plus 300,000 consideration shares at $0.25 per share.

The acquisitions the Mansen tenement was deemed to be asset acquisition under AASB 6: Exploration for and Evaluation of Minerals Resources. Under an asset acquisition, the value of the assets acquired is allocated on a relative fair value approach. As the consideration for the assets was made through the issue of Consideration Shares and in the case of the Mansen Licence, an additional $75,000 of cash consideration, this required the provisions of AASB 2: Share-Based Payments to be applied. The Company determined the fair value of the Consideration Shares to be equivalent to the Offer price of $0.25. The fair value of the assets could not be estimated reliably and therefore, the value of the tenements and mineral rights acquired was accounted for at the purchase consideration implied by the fair value of the Consideration Shares plus cash consideration, totalling $150,000.

- *Higginsville Lithium Project*

On 27 December 2023, the Company completed Share Sale transaction with Karora Group, whereby Avoca Mining Pty Ltd, a wholly owned subsidiary of Karora, has agreed to sell, and the Company has agreed to buy 100% interest in Karora Lithium Pty Ltd. Prior to the completion of the Share Sale transaction, Karora Lithium Pty Ltd entered into Mineral Rights Agreement with Karora Group's subsidiaries being Avoca Mining Pty Ltd, Avoca Resources Pty Ltd, Polar Metals Pty Ltd and, Corona Minerals Pty Ltd (together, the Grantors) which will grant the Higginsville Lithium Rights to Karora Lithium Pty Ltd prior to completion of the Share Sale Agreement. Under each Mineral Rights Agreement, Karora Lithium Pty Ltd has agreed to grant and pay each Grantor a 1% net smelter return royalty (Royalty) payable with respect to any Higginsville Lithium Rights (and any other minerals it is entitled to retain under the Mineral Rights Agreement) produced or extracted by Karora Lithium Pty Ltd or any of its Related Bodies Corporate in respect of their Relevant Tenements.

Management have assessed that the acquisition of Karora Lithium Pty Ltd (now Kali Lithium Pty Ltd) does not constitute a business and the acquisitions of Higginsville Lithium Rights were deemed to be an asset acquisition as it met the asset concentration test. Under the asset acquisition, the value of the assets acquired is allocated on a relative fair value approach. The fair value of the assets could not be reliably measured therefore the fair value of equity was used to determine the fair value of assets acquired. As the consideration for the assets was primarily made through the issue of 30,797,000 Consideration Shares, this required the provisions of AASB 2: Share-Based Payments to be applied. The Company determined the fair value of the Consideration Shares to be equivalent to the Offer price of $0.25, totalling $7,699,250.

Allocation to the net identifiable assets is as follows:

	Fair Value $
Consideration and Transaction costs	
Fair Value of consideration share issued to vendor	7,699,250
Transaction costs capitalised	387,629
	8,086,879
Allocation to the net identifiable assets is as follows	
Assets	
Exploration and Evaluation Asset	8,086,879
	8,086,879

There were no other identifiable assets acquired or assumed liabilities. Refer to Note 16 for exploration commitments at reporting date.

NOTE 10: TRADE AND OTHER PAYABLES

	2024 $	2023 $
Trade creditors	804,514	335,731
Other payables and accruals	601,496	12,000
	1,406,010	**347,731**

. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 11: CURRENT LIABILITIES – BORROWINGS

	2024 $	2023 $
Loan – Kalamazoo Resources Limited[1]	-	1,481,365
Loan – Mostia Dion Nominees Pty Ltd[2]	-	50,000
Loan – Karora Resources Inc.[3]	-	50,000
	-	**1,581,365**

Accounting Policy:

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

[1] The Company's parent, Kalamazoo Resources Limited, has provided an interest free, unsecured loan with no set repayment date to the Company in order for the Company to meet its expenditure commitments on its tenements and working capital requirement. Kalamazoo loaned an additional $410,000 during the period ended 31 December 2023. After receiving Kalamazoo shareholder approval on 18 December 2023, Kalamazoo and the Company entered a Deed of Forgiveness, resulting in repayment of borrowings of $350,000 and the forgiveness of the remaining borrowing balance, being $1,514,724.

[2] In addition, Mostia Dom Nominees Pty Ltd has provided an interest free, unsecured loan with no set repayment date to the Company. The loans were subsequently settled via issue of 400,000 ordinary share of the Company.

[3] Karora Group provided an interest-free, unsecured loan with no set repayment date to the Company. During the period, Karora Group loaned an additional $300,000. $50,000 of the loans were subsequently settled via the issuance of 1,000,000 ordinary share of the Company, and the remaining balance of $300,000 was repaid to Karora Group during the period.

NOTE 12: CONTRIBUTED EQUITY

a) Share capital

	30 June 2024 $	No.	30 Jun 2023 $	No.
Issued capital				
Ordinary shares – fully paid	**25,871,949**	**144,146,345**	**100**	**100**

b) Movement Reconciliation

	No. of Shares	$
Opening Balance at 1 July 2023	100	100
22 Dec 2023 – Issue of shares to Kalamazoo for the acquisition of tenements/mining rights[1]	37,862,900	576,774
22 Dec 2023 – Issue of Founder Shares to Kalamazoo and Karora	2,000,000	100,000
22 Dec 2023 – Issue of Shares as part of Seed raising	13,120,000	1,640,000
22 Dec 2023 – Issue of Shares for the Mansen tenement acquisition[1]	300,000	75,000
29 Dec 2023 – Issue of shares to Karora for Lithium mineral rights acquisition[1]	30,797,000	7,699,250
29 Dec 2023 – Issue of shares to Karora for additional shares under the tenement sale agreement	66,345	16,585
8 Jan 2024 – Issue of shares for the IPO	60,000,000	14,999,997
Share issue costs	-	(2,240,267)
Closing Balance at 30 June 2024	**144,146,345**	**22,867,439**

[1]Refer to Note 9 for further details of equity issued.

NOTE 13: RESERVES

	30 June 2024 $	No.	30 Jun 2023 $	No.
○ **Reserve**				
Options reserve	**403,022**	**3,990,321**	**-**	**-**
Performance rights reserve	**771,824**	**11,970,632**	**-**	**-**
	1,174,846		**-**	

○ **Options Movement Reconciliation**

	No. of Options	$
Opening Balance at 1 July 2023	-	-
29 Dec 2023 – Issue of Joint Lead Managers Options	3,990,321	403,022
Closing Balance at 30 June 2024	**3,990,321**	**403,022**

During the period, the Company issued a total of 3,990,321 options to Joint Lead Managers ("JLM") as part of IPO costs. The JLM options consist of three tranches, as the fair value of the services were not able to be reliably measured the fair value of the JLM Options has been calculated using the Black Scholes option pricing with the key inputs used for the valuation detailed in the following table.

	Tranche 1	Tranche 2	Tranche 3
Number of options	798,064	1,596,128	1,596,128
Underlying share price	$0.25	$0.25	$0.25
Exercise price	$0.375	$0.425	$0.50
Volatility	100%	100%	100%
Life of the options	2 years	2 years	2 years
Expected dividends	Nil	Nil	Nil
Risk free rate	4.18%	4.18%	4.18%
Value per option	$0.111	$0.103	$0.094
Total Fair Value	**$88,585**	**$164,401**	**$150,036**

(a) Performance Rights Movement Reconciliation

	No. of Performance Rights	$
Opening Balance at 1 July 2023	-	-
29 Dec 2023 – Issue of Performance Rights to Directors and Employees[1]	11,476,162	750,467
8 Jan 2024 - Issue of Performance Rights to employee[2]	1,803,625	57,264
28 Mar 2024 - Issue of Performance Rights to employees and consultant[3]	1,100,000	41,941
5 Apr 2024 - Cancellation of Performance Rights[1]	(605,530)	(20,585)
7 Jun 2024 - Cancellation of Performance Rights[2]	(1,803,625)	(57,264)
Closing Balance at 30 June 2024	**11,970,632**	**771,823**

[1] During the period, the Company issued 5,738,081 Tranche A incentive performance rights (KM1PRA) and 5,738,081 Tranche B incentive performance rights (KM1PRB) to directors and employees. Subsequently, one of the employees resigned, and 605,530 performance rights held by the employee were cancelled on 5 April 2024.

[2] On 8 January 2024, the Company granted 901,813 Tranche A incentive performance rights (KM1PRA) and 901,812 Tranche B incentive performance rights (KM1PRB) to an employee. The employee subsequently resigned, and these performance rights were cancelled on 7 June 2024.

[3] On 12 March 2024, the Company granted 550,000 Tranche A incentive performance rights (KM1PRA36) and 550,000 Tranche B incentive performance rights (KM1PRB60) to an employee and consultant.

The above performance rights have the following vesting conditions:

- Tranche A Incentive Performance Rights will vest on the date the Company announces a JORC Code compliant indicated resource estimate of an aggregate of at least 10Mt of lithium at a minimum grade of 1% Li_2O across any of its projects within 36 months from the date of issue; and
- Tranche B Incentive Performance Rights will vest on the date the Company announces a JORC Code compliant indicated resource estimate of an aggregate of at least 30Mt of lithium at a minimum grade of 1% Li_2O across any of its projects within 60 months from the date of issue.

The fair value of the Performance Rights has been calculated using the share price at valuation date. The key inputs used for the valuation are detailed below:

	Tranche A (KM1PRA)	Tranche A (KM1PRB)	Tranche A (KM1PRA)	Tranche A (KM1PRB)	Tranche 1 (KM1PRA36)	Tranche 2 (KM1PRB60)
Number of performance rights	5,738,081	5,738,081	901,813	901,812	550,000	550,000
Grant date	29 Dec 2023	29 Dec 2023	8 Jan 2024	8 Jan 2024	12 Mar 2024	12 Mar 2024
Underlying share price	$0.25	$0.25	$0.25	$0.25	$0.44	$0.44
Value per right	$0.25	$0.25	$0.25	$0.25	$0.44	$0.44
Total Fair Value	**$1,434,520**	**$1,434,520**	**$225,453**	**$225,453**	**$242,000**	**$242,000**

- **Recognised share-based payment expense**

	2024 $
Expense arising from performance rights settled share-based payment transactions	771,824

NOTE 14: EARNING PER SHARE

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

Basic and diluted profit/(loss) per share	2024 $	2023 $
Basic and diluted profit/(loss) per share (cents per share)	(1.44)	(10,681)
Profit/(Loss)		
Profit/(loss) used in the calculation of basic and diluted earnings per share is as follows:		
Profit/(Loss) for the period	(1,042,852)	(1,068,132)
Weighted average number of ordinary shares		
Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted EPS	72,240,634	100

Note: Non-dilutive securities – As at balance date 3,990,321 unlisted options which represent potential ordinary shares were not considered dilutive for the purpose of calculating the diluted loss per share for the year ended 30 June 2024 as they would decrease the loss per share.

NOTE 15: DIVIDENDS

There were no dividends declared or paid during the financial period.

NOTE 16: COMMITMENTS AND CONTINGENT ASSET AND LIABILITIES

Commitments

In order to maintain an interest in the exploration tenements in which the Company is involved, the Company is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Company are subject to the minimum expenditure commitments required as per the *Mineral Resources (Sustainable Development) Act 1990* (Victoria), the *Mining Act 1978* (Western Australia) and the *Mining Act 1992* (NSW), and these may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest.

These obligations are not provided for in the financial report and are payable as follows:

	2024 $	2023 $
Exploration expenditure		
Within one year	3,197,254	615,940
After one year but not more than five years	1,622,281	2,120,577
Greater than five years	1,451,675	Nil
	6,271,210	**2,736,517**

If the Company decides to relinquish certain exploration tenements and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

On 29 December 2023, the Group completed a Share Sale transaction with Karora Group, whereby Avoca Mining Pty Ltd, a wholly owned subsidiary of Karora, has agreed to sell, and the Group has agreed to buy 100% interest in Karora Lithium Pty Ltd ("Karora Lithium"). Prior to the completion of the Share Sale transaction, Karora Lithium entered into a Mineral Rights Agreement with Karora Group's subsidiaries being Avoca Mining Pty Ltd, Avoca Resources Pty Ltd, Polar Metals Pty Ltd and, Corona Minerals Pty Ltd (together, the **Grantors**) which will grant the Higginsville Lithium Rights to Karora Lithium prior to completion of the Share Sale Agreement. Each Mineral Rights Agreement continues until the relevant Higginsville Lithium Rights have been relinquished or the relevant tenements have expired or otherwise terminated. The Grantor cannot relinquish a tenement, or part of it, without first offering the relevant area to Karora Lithium for no consideration. Under each Mineral Rights Agreement, Karora Lithium has agreed to grant and pay each Grantor a 1% net smelter return royalty (**Royalty**) payable with respect to any Higginsville Lithium Rights (and any other minerals it is entitled to retain under the Mineral Rights Agreement) produced or extracted by Karora Lithium or any of its Related Bodies Corporate in respect of their Relevant Tenements.

Contingencies

On 27 December 2023, the Company completed Share Sale transaction with Karora Group, whereby Avoca Mining Pty Ltd, a wholly owned subsidiary of Karora, has agreed to sell, and the Company has agreed to buy 100% interest in Karora Lithium Pty Ltd. Prior to the completion of the Share Sale transaction, Karora Lithium Pty Ltd entered into Mineral Rights Agreement with Karora Group's subsidiaries being Avoca Mining Pty Ltd, Avoca Resources Pty Ltd, Polar Metals Pty Ltd and, Corona Minerals Pty Ltd (together, the Grantors) which will grant the Higginsville Lithium Rights to Karora Lithium Pty Ltd prior to completion of the Share Sale Agreement. Under each Mineral Rights Agreement, Karora Lithium Pty Ltd has agreed to grant and pay each Grantor a 1% net smelter return royalty (Royalty) payable with respect to any Higginsville Lithium Rights (and any other minerals it is entitled to retain under the Mineral Rights Agreement) produced or extracted by Karora Lithium Pty Ltd or any of its Related Bodies Corporate in respect of their Relevant Tenements.

As at the reporting date, there has been no other material change in the commitments and contingencies since 30 June 2024.

NOTE 17: RELATED PARTY DISCLOSURE

Parent entity

The Company was a wholly owned subsidiary of Kalamazoo Resources Limited. The Company received conditional approval from the ASX for admission on 20 December 2023, and subsequently on 29 December 2023, the Company demerged from Kalamazoo Resources Limited.

Subsidiaries

Interests in subsidiary are set out in Note 18.

Loans from related parties

The Company's previous parent entity, Kalamazoo Resources Limited, has provided an interest free, unsecured loan with no set repayment date to the Company in order for the Company to meet its expenditure commitments on its tenements and working capital (refer Note 16). The Company received conditional approval from the ASX for admission on 20 December 2023, and subsequently on 22 December 2023, the Company entered into a formal Deed of Forgiveness with Kalamazoo whereby $350,000 was repaid back to Kalamazoo and the remaining loan balance was forgiven.

Other related party transactions

The Company entered into a sub-lease agreement with Golden Horse Minerals (Aust) Pty Ltd ("Golden Horse"), of which Mr Sloan is a director. The sub-lease agreement covered office rent, variable outgoings, and common office-related expenses up to the end of February 2024. The total amount paid to Golden Horse for the financial year ended 30 June 2024 is $40,335.

In May 2024, the Company leased a new head office at 34 Colin Street, West Perth, WA, and simultaneously entered into a sub-lease agreement with Golden Horse. Under this agreement, Golden Horse will pay the Company $5,000 (excluding GST) per month to lease a portion of the head office. The total amount received from Golden Horse for the financial year ended 30 June 2024 was $5,879, which includes the monthly rent and its share of office amenities.

During the financial year, Makalu Capital Pty Ltd, of which Mr Adams is a director, received $28,621 for geological consulting services provided to the Company.

Key Management Personnel Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2024 $	2023 $
Short-term employee benefits	915,809	-
Post-employment benefits	71,532	-
Long-term benefits	-	-
Share-based payments	710,125	-
Total	**1,697,466**	**-**

NOTE 18: INTERESTS IN SUBSIDIARY

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 2:

Name	Principal place of business / Country of incorporation	Ownership Interest	
		2024 %	2023 %
Kali Lithium Pty Ltd (formerly Karora Lithium Pty Ltd)	Australia	100	-

NOTE 19: PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

	2024 $	2023 $
Statement of profit or loss and other comprehensive income		
Loss after income tax	(1,042,852)	(1,068,132)
Total comprehensive loss	(1,042,852)	(1,068,132)

Statement of financial position		
Total current assets	9,893,503	109,292
Total assets	23,598,727	826,510
Total current liabilities	1,523,095	1,929,096
Total liabilities	1,702,038	1,929,096
Net Assets/(Liabilities)	**21,896,689**	**(1,102,587)**
Equity		
Issued capital	22,867,439	100
Reserve	1,174,846	-
Retained profits	(2,145,596)	(1,102,687)
Total	**21,896,689**	**(1,102,587)**

NOTE 20: RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The Board of Directors, with the assistance of advisors as required, has responsibility for identifying, assessing, treating and monitoring risks.

The Group is not subject to any externally imposed capital requirements.

a) Market risk

i) Foreign exchange risk

As all operations are currently within Australia, the Group is not exposed to any material foreign exchange risk.

ii) Commodity price risk

Given the current level of operations the Group is not exposed to commodity price risk.

iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The risk is not material and sensitivity analysis does not result in a material effect on Group results or financial position.

b) Credit risk

The maximum exposure to credit risk at reporting date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements. The only significant concentration of credit risk for the Group is the cash and cash equivalents held with financial institutions. All material deposits are held with the major Australian banks for which the Board evaluate credit risk to be minimal.

c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash is available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities. The financial liabilities of the Group are confined to trade and other payables and borrowings as disclosed in the statement of financial position.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Less than six months $	Total contractual cash flows $	Carrying amount $
2024			
Trade and other payables	1,406,011	1,406,011	1,406,011
Lease liabilities	263,125	263,125	263,125
	1,669,136	**1,669,136**	**1,669,136**
2023			
Trade and other payables	347,731	347,731	347,731
Borrowings	-	1,581,365	1,581,365
	347,731	**1,929,096**	**1,929,096**

d) Fair value estimation

There were no financial assets or liabilities at 30 June 2024 requiring fair value estimation and disclosure as they are either not carried at fair value or, in the case of short-term financial assets and financial liabilities, their carrying values approximate fair value. The carrying amounts and estimated fair values of financial assets and financial liabilities are as follows:

	2024 $	2023 $
Financial assets		
Cash and cash equivalents	3,011,924	91,931
Restricted cash	6,615,155	-
	9,627,079	**91,931**
Financial liabilities		
Trade and other payables	1,406,011	347,731
Borrowings	-	1,581,365
Lease liabilities	263,125	-
	1,669,136	**1,929,096**

The methods and assumptions used to estimate the fair value of financial instruments are outlined below:

Cash

The carrying amount is fair value due to the liquid nature of these assets.

Payables

Due to the short-term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values.

Fair value hierarchy

The Company classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The following table analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTE 21: AUDITOR'S REMUNERATION

	2024 $	2023 $
Audit Services		
BDO Audit	68,724	29,640
Non-Audit Services		
BDO Corporate Finance	13,390	12,360
	82,114	**42,000**

NOTE 22: CASH FLOW INFORMATION

Reconciliation of Cash flow from operating activities	2024 $	2023 $
Loss for the period	(1,042,908)	(1,068,132)
Non-cash flows in profit/(loss):		
– Share based payment	771,824	-
– Depreciation expenses	24,397	-
– Other income	(15,762)	-
– Gain on loan forgiven	(1,514,724)	-
– Exploration expenditure written off	-	748,931
Changes in assets and liabilities:		
- Decrease/(Increase) in receivables	(328,882)	(13,077)
- Decrease/(Increase) in other current assets	(35,338)	(4,284)
- Increase/(Decrease) in trade and other payables	51,751	302,926
- Increase/(Decrease) in provisions	32,902	-
Net cash used in operating activities	(2,056,740)	(33,636)

Non-cash transactions

During the financial year the Group entered into the following non-cash investing and financing transactions, which are not included in the statement of cash flows:

- Tenement acquisition from James Mansen for the consideration of 300,000 shares totalling $75,000.
- Tenement acquisition from Kalamazoo Resources Limited, as part demerger, for the consideration of 37,862,900 shares totalling $3,581,284.
- Mineral Rights Agreement acquisition from Karora Resources Pty Ltd for the consideration of 30,797,000 shares totalling $16,433,384.
- Loan forgiveness by previous parent entity Kalamazoo Resources Ltd of $1,514,724.

Reconciliation of Capital raising costs	2024 $	2023 $
Total share issue costs as disclosed at Note 12	(2,240,267)	-
Non-cash share issue costs: Options issued to Joint Lead Managers as disclosed at Note 13(b)	403,022	-
Net cash used for capital raising costs	(1,837,245)	-

NOTE 23: SEGMENT INFORMATION

The Company operates in one geographical segment, being Australia and in one operating category, being mineral exploration. Therefore, information reported to the chief operating decision maker (the Board of Kali Metals Limited) for the purposes of resource allocation and performance assessment is focused on mineral exploration within Australia. The Board has considered the requirements of AASB 8: *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker in allocating resources and have concluded at this time that there are no separately identifiable segments

NOTE 24: EVENTS AFTER THE REPORTING PERIOD

Mr Paul Adams, then current Non-Executive Director of Kali Metals, was appointed as Kali's new Managing Director, effective from 1 July 2024. Mr Adams has over 20 years of mining industry experience, including exploration, operational roles, and equities research focused on small to mid-cap resource companies. At the time of appointment he was an Executive Director at Kalamazoo Resources Limited, a major shareholder in Kali, and a Non-Executive Director at Meeka Metals Limited. Mr Adams previously served as Managing Director of Spectrum Metals Ltd. Mr Adams has a Geology Degree (Honors) from Derbyshire University and a Graduate Diploma in Applied Finance and Investment.

Mr Graeme Sloan, Kali Metals inaugural Managing Director, transitioned to Non-Executive Director on 1 July 2024.

Mr Mladen Stevanovic was appointed as the Company's new Exploration Manager on 22 July 2024. With nearly 20 years of international experience across lithium, gold, copper, nickel, and base metals, Mr Stevanovic has led exploration teams responsible for significant discoveries in Europe, Australia, and Africa, and provided technical expertise for Adriatic Metals' acquisition and start-up. He has served as Chief Geologist at Gorno polymetallic mine, Principal Geologist for Gold Fields, and Exploration Manager at Liatam Mining, where he worked on the Bald Hill Lithium and Tantalum Mine. Mr Stevanovic holds advanced degrees in geology and currently serves as a Non-Executive Director at Lykos Metals.

Frankfurt Stock Exchange

Kali dual listed on the Frankfurt Stock Exchange (Open Market) in July 2024 under the ticker code 6OB, broadening its investor base and enhancing its visibility in European markets. The Frankfurt Stock Exchange is Europe's third-largest and the world's twelfth-largest by market cap. To support its promotional efforts, Kali has engaged AXINO Media GmbH, a German investor relations group, known for assisting Australian companies in boosting trading volumes on the Frankfurt Exchange. Kali looks forward to welcoming new European investors.

Spargoville Phase 1 Drill Results

The results from the Phase 1 drilling program were announced post-reporting period. The maiden drill program has been fundamental to expanding the Company's knowledge of the geological setting at the Flynn-Giles and Green Flame prospects, and the Spargoville Project more broadly. The results from the first phase of RC drilling have provided the Company with lithium mineralised drill intersections containing Spodumene and significant information to assist in understanding the geology of the host rocks, the nature of the pegmatite systems within the Spargoville Project and facilitate the identification of targets for future drilling programs.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial periods.

CONSOLIDATED ENTITY STATEMENT AS AT 30 JUNE 2024

CONSOLIDATED ENTITY STATEMENT AS AT 30 JUNE 2024

Entity name	Entity Type	Body corporates		Tax Residency
		Place formed/incorporated	% of share capital held	
Kali Metals Limited	Body corporate	Australia	N/A	Australia
Kali Lithium Pty Ltd	Body corporate	Australia	100%	Australia

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of 'Australian resident' and 'foreign resident' in the Income Tax Assessment Act 1997 are mutually exclusive. This means that if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of disclosure in the CEDS.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

- Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

(a) The financial statement and notes are in accordance with the *Corporations Act 2001*, and:

  (i) Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

  (ii) Give a true and fair view of the financial position as at 30 June 2024 and of the performance for the period ended on that date; and

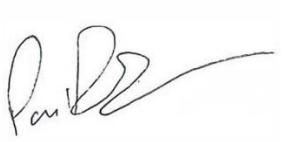
  (iii) Are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 2 to the financial statements.

(b) 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;

(d) The Directors have been given the declarations by the Managing Director and Chief Financial Officer as required by section 295A of the *Corporations Act 2001*.

(e) The information disclosed in the attached consolidated entity disclosure statement is true and correct.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Paul Adams
Managing Director

Perth, Western Australia
27 September 2024

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Kali Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kali Metals Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 report, including material accounting policy information, the consolidated entity disclosure statement 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 2024 and of its financial performance for the year ended on that date; 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 *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 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.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Accounting for Exploration & Evaluation Assets

Key audit matter	How the matter was addressed in our audit
At 30 June 2024, the Group held a significant carrying value of capitalised exploration and evaluation expenditure as disclosed in Note 9 to the Financial Report. As the carrying value of the capitalised exploration expenditure represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgment is applied in determining the treatment of exploration and evaluation expenditure costs in accordance with Australian Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources* ("AASB 6"). In particular: • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment.	Our procedures included, but were not limited to the following: • Reviewing management's assessment of the accounting treatment of tenements acquired against the requirements of the Group's accounting policy; • Assessing the fair value of exploration assets acquired by way of share-based payment at acquisition date; • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of this area of interest remained current at balance date, which included obtaining and assessing supporting documentation such as license status records; • Considering the Group's intention to carry out significant ongoing exploration programmes in the areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes; • Considering whether the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; and • Assessing the adequacy of the related disclosures in Note 9 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, 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 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:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of 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 has 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 (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

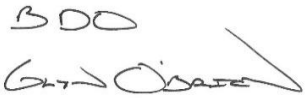
We have audited the Remuneration Report included in pages 31 to 37 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Kali Metals Limited, for the year ended 30 June 2024, 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.

BDO Audit Pty Ltd



Glyn O'Brien

Director

Perth, 27 September 2024

CORPORATE GOVERNANCE STATEMENT

The Company's 2024 Corporate Governance Statement has been released as a separate document and is located on the Company's website at: Corporate Governance – Kali Metals.

ASX ADDITIONAL INFORMATION

TOP 20 SHAREHOLDERS

The names of the twenty largest holders of Ordinary Shares as at 24 September 2024 are listed below:

Position	Holder Name	Holding	% IC
1	KARORA RESOURCES PTY LTD	31,863,345	22.03%
2	KALAMAZOO RESOURCES LIMITED	29,147,250	20.15%
3	A C N 657 042 218 PTY LTD	20,180,488	13.95%
4	WABELO PTY LTD	7,000,000	4.84%
5	BNP PARIBAS NOMINEES PTY LTD	4,760,883	3.29%
6	MUTUAL TRUST PTY LTD	4,097,368	2.83%
7	CITICORP NOMINEES PTY LIMITED	1,609,399	1.11%
8	RYAN WEALTH MANAGEMENT PTY LTD <MIKES SUPERFUND A/C>	1,202,505	0.83%
9	MR RAM SHANKER KANGATHARAN	1,080,000	0.75%
10	HSBC CUSTODY NOMINEES	808,993	0.56%
11	GRAEME SLOAN	800,000	0.55%
11	THE AUSTRALIAN SPECIAL OPPORTUNITY FUND LP	800,000	0.55%
11	MRS JENNIFER MARY ROBINSON	800,000	0.55%
12	LUKE REINEHR	737,028	0.51%
13	JOSEPH ANDRE PAUL HUET	659,303	0.46%
14	YL GOH SUPERFUND PTY LTD <YOUNG SUPERFUND A/C>	625,539	0.43%
15	GREENHILL ROAD INVESTMENTS PTY LTD	612,140	0.42%
16	TORNADO NOMINEES PTY LTD <ANGUS MIDDLETON S/F A/C>	604,119	0.42%
17	JJNA NO 2 PTY LTD	600,000	0.41%
18	BEATONS CREEK GOLD PTY LTD	566,947	0.39%
19	MR PAUL KENNEDY DUNCAN	500,000	0.35%
20	AQUILINE NOMINEES PTY LTD <THE AQUILINE FAMILY A/C>	485,529	0.34%
	Total	**109,540,836**	**75.74%**
	Total issued capital - selected security class(es)	**144,631,874**	**100.00%**

VOTING RIGHTS

The voting rights attached to each class of equity security are as follows:

Ordinary Shares: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands basis. The Company is listed on the Australian Securities Exchange under the code "KM1", and the Frankfurt Stock Exchange under the code "6OB".

DISTRIBUTION OF EQUITY SECURITIES AS AT 24 SEPTEMBER 2024

Analysis of numbers of shareholders by size of holding:

FULLY PAID ORDINARY SHARES

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	1,471	540,335	0.72%
above 1,000 up to and including 5,000	915	2,156,992	2.86%
above 5,000 up to and including 10,000	325	2,535,569	3.36%
above 10,000 up to and including 100,000	451	13,940,615	18.48%
above 100,000	82	56,260,860	74.58%
Totals	**3,244**	**75,434,371**	**100.00%**

UNLISTED OPTIONS: Exercisable at $0.375 and expiring on 08 January 2026

Holding Ranges	Holders	Total Units
above 0 up to and including 1,000	-	-
above 1,000 up to and including 5,000	-	-
above 5,000 up to and including 10,000	-	-
above 10,000 up to and including 100,000	-	-
above 100,000	2	798,064
Totals	**2**	**798,064**

UNLISTED OPTIONS: Exercisable at $0.437 and expiring on 08 January 2026

Holding Ranges	Holders	Total Units
above 0 up to and including 1,000	-	-
above 1,000 up to and including 5,000	-	-
above 5,000 up to and including 10,000	-	-
above 10,000 up to and including 100,000	-	-
above 100,000	2	1,596,128
Totals	**2**	**1,596,128**

UNLISTED OPTIONS: Exercisable at $0.500 and expiring on 08 January 2026

Holding Ranges	Holders	Total Units
above 0 up to and including 1,000	-	-
above 1,000 up to and including 5,000	-	-
above 5,000 up to and including 10,000	-	-
above 10,000 up to and including 100,000	-	-
above 100,000	2	1,596,129
Totals	**2**	**1,596,128**

PERFORMANCE RIGHTS: Nil exercise price and expiring on 28 June 2026

Holding Ranges	Holders	Total Units
above 0 up to and including 1,000	-	-
above 1,000 up to and including 5,000	-	-
above 5,000 up to and including 10,000	-	-
above 10,000 up to and including 100,000	-	-
above 100,000	7	4,680,647
Totals	**7**	**4,680,647**

PERFORMANCE RIGHTS: Nil exercise price and expiring on 28 June 2028

Holding Ranges	Holders	Total Units
above 0 up to and including 1,000	-	-
above 1,000 up to and including 5,000	-	-
above 5,000 up to and including 10,000	-	-
above 10,000 up to and including 100,000	-	-
above 100,000	7	4,680,644
Totals	7	4,680,644

PERFORMANCE RIGHTS: Nil exercise price and expiring on 28 June 2026

Holding Ranges	Holders	Total Units
above 0 up to and including 1,000	-	-
above 1,000 up to and including 5,000	-	-
above 5,000 up to and including 10,000	-	-
above 10,000 up to and including 100,000	1	100,000
above 100,000	4	1,351,812
Totals	5	1,451,812

PERFORMANCE RIGHTS: Nil exercise price and expiring on 28 June 2028

Holding Ranges	Holders	Total Units
above 0 up to and including 1,000	-	-
above 1,000 up to and including 5,000	-	-
above 5,000 up to and including 10,000	-	-
above 10,000 up to and including 100,000	1	100,000
above 100,000	4	1,351,812
Totals	7	1,451,812

Unmarketable parcels

The number of shareholdings held less than marketable parcels is 2,283.

Substantial Shareholders

An extract of the Company's substantial shareholders (who held 5% or more of the issued capital) is set out below:

Substantial Holder Name	Holding	% IC
Karora Resources Pty Ltd	31,863,345	22.03%
Kalamazoo Resources Limited	29,147,250	20.15%
A C N 657 042 218 Pty Ltd	20,180,488	13.95%

ASX ADDITIONAL INFORMATION (CONTINUED)

The number of equity securities on issue, and number of holders, for each class of unquoted equity securities are listed below:

Security Code	Security	Exercise Price	Expiry Date	Number of Securities	Number of Holders
KM1OPT1	Unlisted option	$0.375	08/01/2026	798,064	2
KM1OPT2	Unlisted option	$0.437	08/01/2026	1,596,128	2
KM1OPT3	Unlisted option	$0.500	08/01/2026	1,596,129	2
KM1PRA36	Performance right	-	28/06/2026	1,451,812	5
KM1PRB60	Performance right	-	28/06/2028	1,451,812	5
KM1PRA	Performance right	-	28/06/2026	4,680,647	7
KM1PRB	Performance right	-	28/06/2028	4,680,647	7

Unquoted security holders with greater than 20% of an individual class:

Holder	KM1OPT1 Option @ $0.375 Exp 08/01/2026	KM1OPT2 Option @ $0.437 Exp 08/01/2026	KM1OPT3 Option @ $0.500 Exp 08/01/2026
BELL POTTER NOMINEES LTD	399,032	798,064	798,064
CG NOMINEES (AUSTRALIA) PTY	399,032	798,064	798,065
Total number of holders	2	2	2
Total holdings over 20%	2	2	2
Other holder	-	-	-
TOTAL	2	2	2

RESTRICTED SECURITIES SUBJECT TO ESCROW PERIOD

Security Code	Security	Exercise Price	Expiry Date	Number of Securities	Number of Holders
KM1ESC2	Escrow shares to 22/12/2024	-	N/A	5,140,000	20
KM1ESC3	Escrow shares to 08/01/2025	-	N/A	1,393,253	9
KM1ESC4	Escrow shares to 08/01/2026	-	N/A	62,664,250	8

ON-MARKET BUYBACK

There is currently no on-market buyback program for any of Kali Metals Limited's listed securities.

ASX ADDITIONAL INFORMATION (CONTINUED)

TENEMENT SCHEDULE AS AT 30 JUNE 2024

PILBARA PROJECT

Tenement	Beneficial Interest Held
E45/4722-I	100.00%
E45/4887	100.00%
E45/4919	100.00%
E45/5146	100.00%
E45/5943	100.00%
E45/5934	100.00%
E45/5935	100.00%
E45/4700	100.00%
E45/5970	100.00%
E45/3856-I	100.00%
E45/4616-I	100.00%
E45/5813	100.00%

HIGGINSVILE PROJECT

Tenement	Beneficial Interest Held (Lithium and associated mineral rights[1])
E15/1037	100.00%
E15/1094	100.00%
E15/1197	100.00%
E15/1199	100.00%
E15/1203	100.00%
E15/1223	100.00%
E15/1260	100.00%
E15/1298	100.00%
E15/1402	100.00%
E15/1423	100.00%
E15/1448	100.00%
E15/1458	100.00%
E15/1459	100.00%
E15/1461	100.00%
E15/1462	100.00%
E15/1464	100.00%
E15/1487	100.00%
E15/1512	100.00%
E15/1533	100.00%
E15/1541	100.00%
E15/1586	100.00%
E15/1613	100.00%

Tenement	Beneficial Interest Held (Lithium and associated mineral rights[1])
E15/1620	100.00%
E15/1628	100.00%
E15/1792	100.00%
E15/1793	100.00%
E15/1822	100.00%
E15/1853	100.00%
E15/1863	100.00%
E15/1882	100.00%
E15/1939	100.00%
E15/1940	100.00%
E15/786	100.00%
E15/808	100.00%
E15/810	100.00%
E15/828	100.00%
E63/1051	100.00%
E63/1117	100.00%
E63/1142	100.00%
E63/1165	100.00%
E63/1712	100.00%
E63/1724	100.00%
E63/1725	100.00%
E63/1726	100.00%
E63/1727	100.00%
E63/1728	100.00%
E63/1738	100.00%
E63/1756	100.00%
E63/1763	100.00%
E63/1876	100.00%
E63/1881	100.00%
E63/1900	100.00%
E63/1901	100.00%
E63/2107	100.00%
E63/2108	100.00%
E63/2275	100.00%
M15/1132	100.00%
M15/1133	100.00%
M15/1134	100.00%
M15/1135	100.00%
M15/1790	100.00%
M15/1792	100.00%
M15/1806	100.00%
M15/1814	100.00%

Tenement	Beneficial Interest Held (Lithium and associated mineral rights[1])
M15/1828	100.00%
M15/1872	100.00%
M15/1873	100.00%
M15/225	100.00%
M15/231	100.00%
M15/289	100.00%
M15/31	100.00%
M15/325	100.00%
M15/338	100.00%
M15/348	100.00%
M15/351	100.00%
M15/352	100.00%
M15/375	100.00%
M15/506	100.00%
M15/507	100.00%
M15/512	100.00%
M15/528	100.00%
M15/580	100.00%
M15/581	100.00%
M15/597	100.00%
M15/610	100.00%
M15/616	100.00%
M15/620	100.00%
M15/629	100.00%
M15/639	100.00%
M15/640	100.00%
M15/642	100.00%
M15/651	100.00%
M15/665	100.00%
M15/680	100.00%
M15/681	100.00%
M15/682	100.00%
M15/683	100.00%
M15/684	100.00%
M15/685	100.00%
M15/710	100.00%
M15/748	100.00%
M15/757	100.00%
M15/758	100.00%
M15/786	100.00%
M15/815	100.00%
M15/817	100.00%

Tenement	Beneficial Interest Held (Lithium and associated mineral rights[1])
M15/820	100.00%
M63/165	100.00%
M63/230	100.00%
M63/236	100.00%
M63/255	100.00%
M63/269	100.00%
M63/279	100.00%
M63/329	100.00%
M63/366	100.00%
M63/368	100.00%
M63/515	100.00%
M63/516	100.00%
M63/660	100.00%
M63/662	100.00%
P15/5958	100.00%
P15/5959	100.00%
P15/6179	100.00%
P15/6229	100.00%
P15/6230	100.00%
P15/6231	100.00%
P15/6234	100.00%
P15/6239	100.00%
P15/6240	100.00%
P15/6575	100.00%
P15/6582	100.00%
P15/6657	100.00%
P15/6658	100.00%
P15/6664	100.00%
P15/6847	100.00%
P15/6848	100.00%
P15/6863	100.00%
P15/6864	100.00%
P63/1468	100.00%
P63/1587	100.00%
P63/1588	100.00%
P63/1589	100.00%
P63/1590	100.00%
P63/1591	100.00%
P63/1592	100.00%
P63/1593	100.00%
P63/1594	100.00%
P63/2011	100.00%

Tenement	Beneficial Interest Held (Lithium and associated mineral rights[1])
P63/2012	100.00%
P63/2013	100.00%
P63/2014	100.00%
P63/2015	100.00%
P63/2021	100.00%
P63/2022	100.00%
P63/2023	100.00%
P63/2024	100.00%
P63/2025	100.00%
P63/2050	100.00%
P63/2051	100.00%
P63/2064	100.00%
P63/2067	100.00%
P63/2080	100.00%
P63/2094	100.00%
P63/2095	100.00%
P63/2097	100.00%
P63/2100	100.00%
P63/2101	100.00%
P63/2102	100.00%
P63/2119	100.00%
P63/2120	100.00%
P63/2121	100.00%
P63/2122	100.00%
P63/2125	100.00%
P63/2126	100.00%
P63/2203	100.00%
P63/2204	100.00%
P63/2205	100.00%
P63/2206	100.00%
P63/2207	100.00%
P63/2208	100.00%
P63/2209	100.00%
P63/2210	100.00%
P63/2211	100.00%
P63/2232	100.00%
P63/2233	100.00%
P63/2234	100.00%
P63/2235	100.00%
P63/2236	100.00%
P63/2237	100.00%
P63/2241	100.00%

Tenement	Beneficial Interest Held (Lithium and associated mineral rights[1])
P63/2242	100.00%
P63/2243	100.00%
P63/2244	100.00%
P63/2245	100.00%
P63/2246	100.00%
P63/2247	100.00%
P63/2248	100.00%
P63/2249	100.00%
P63/2250	100.00%
P63/2251	100.00%
P63/2252	100.00%
P63/2253	100.00%
P63/2254	100.00%
P63/2255	100.00%
P63/2256	100.00%
P63/2257	100.00%
P63/2258	100.00%
P63/2260	100.00%

[1] Lithium (in any and all forms) and all associated tantalum, base metals, caesium and rubidium contained within lithium bearing ores, in all cases excluding Third Party Minerals, gold, silver, platinum, nickel, copper and cobalt.

P15/6778	100% (excluding Jem stones)

LACHLAN FOLD BELT PROJECT

Tenement	Beneficial Interest Held
EL007784	100.00%
EL007786	100.00%
EL007787	100.00%
EL9403	100.00%
EL9507	100.00%