

BurnVoir Corporate Finance Limited
Level 12, 28 O'Connell Street
SYDNEY NSW 2000

15 December 2016

Dear Theo,

Kalium Lakes Limited (ACN 613 656 643) (Company)
Invitation to be granted Advisor Options in Kalium Lakes Limited (Advisor Options)

Important Notice

*Any advice given by or on behalf of Kalium Lakes Limited or any member of its corporate group (**Group**) in relation to the Advisor Options does not take into account your objectives, financial situation and needs. You should consider obtaining your own financial product advice from a person who is licensed by ASIC to give such advice.*

On behalf of the Company, I am pleased to invite you to be granted Advisor Options.

Each Advisor Option represents a right to be issued or transferred (at the Board's discretion) one fully paid ordinary share in the Company (**Share**), subject to the terms and conditions of this invitation letter (**Invitation**).

If you wish to accept the Invitation, you must complete the Application Form (as set out in Schedule 1) and return a signed copy via to Gareth Widger, Company Secretary (gareth.widger@kaliumlakes.com.au) by **5pm (Sydney time)** on or before **Friday 16 December 2016**.

By making an application to the Company, you agree to be bound by the terms of the Invitation, and the Company's Constitution.

If you have any questions about this Invitation, please contact Gareth Widger, Company Secretary on 0419 918 272.

Yours sincerely

Brett Hazelden
Managing Director
Kalium Lakes Limited

INVITATION

Eligible Person	BurnVoir Corporate Finance Limited (ACN 097 814 134) (you, BCF or Eligible Person).
Number of Advisor Options	You may apply for up to 1,500,000 options in response to this Invitation (Advisor Options).
Nature of Advisor Options	Each Advisor Option represents a right to be issued or transferred one (1) ordinary share in the capital of the Company, subject to the terms and conditions of this Invitation.
Grant Date	The date set out on your Option certificate (Certificate).
Advisor Option acquisition price	You are not required to pay a fee to acquire an Advisor Option under this Invitation.
Exercise price	The exercise price is AU\$0.25 (Exercise Price).
General risks associated with participation in the Plan	<p>General risks associated with accepting this Invitation are set out below.</p> <p>Before applying for Advisor Options pursuant to this Invitation, you should consider these risks:</p> <ul style="list-style-type: none"> • you are not permitted to transfer your Advisor Options (see Disposal Restrictions set out below); and • if you are entitled to and do exercise your Advisor Options and subsequently receive Shares: <ul style="list-style-type: none"> - the value of those Share may rise and fall according to investor sentiment, general economic conditions and outlook, international and local stock markets, employment, inflation, interest rates, government policy, taxation and regulation - there is no guarantee that an active trading market for the Shares will exist or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX at any time and this may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which you are able to sell your Shares.
Information on share price	<p>The Shares are expected to be listed on the Australian Securities Exchange (ASX).</p> <p>Once the Company is listed on the ASX, you may obtain details of the current market price of the Shares by logging on to the ASX website (www.asx.com.au) and searching for “Kalium Lakes Limited” or the Company’s website www.kaliumlakes.com.au</p>

	The Company also undertakes to make available to you, within a reasonable time of your request, the current market price of the Shares.
Vesting conditions	The Advisor Options the subject of this Invitation will be issued as fully vested options (i.e. there are no vesting conditions).
Exercise of Advisor Options	<p>You may exercise your Advisor Options by:</p> <p>(a) the delivery of a notice to the Company in the form set out in Schedule 2 (Notice of Exercise) along with the Certificate for the Advisor Options; and</p> <p>(b) the payment of the Exercise Price, at any time prior to the Expiry Date (defined below).</p> <p>If you do not deliver a signed Notice of Exercise by the Expiry Date, that Advisor Option will automatically lapse and be forfeited.</p> <p>As soon as practicable after the valid exercise of your Advisor Options, the Company will arrange for you to receive the requisite number of Shares.</p> <p>The Company may fulfil a validly exercised Advisor Option by:</p> <ul style="list-style-type: none"> - issuing Shares to you; - purchasing the Shares 'on-market'; or - a combination of the two above methods. <p>For the avoidance of doubt, the Shares that are received by you following exercise of the Advisor Options will not be subject to any additional vesting conditions.</p>
Expiry Date	3 years from the Grant Date.
Disposal restrictions	<p>You must not sell, assign, grant a security interest over, hedge or otherwise deal with your Advisor Options unless the relevant dealing is effected by force of law on death or legal incapacity your legal personal representative. Furthermore, pursuant to the ASX Listing Rules, you may not dispose or otherwise deal with the Advisor Options or Shares issued on exercise of your Advisor Options, for a period of two (2) years from the date on which quotation of the Company's Shares on the ASX commences, except as otherwise permitted under the ASX Listing Rules (Restriction Period).</p> <p>You agree to execute any restriction agreement in relation to your Advisor Options in order to comply with the escrow restrictions prescribed by the ASX. You hereby authorise the Company, as your agent and attorney, and in your name and on your behalf, to execute at any time after execution of this invitation letter, any restriction agreement and further to complete, amend or alter any schedules to any restriction agreement in order to comply with the escrow restrictions prescribed by the ASX.</p> <p>Following the end of the Restriction Period, except as set out in the Company's Securities Trading Policy and applicable laws, no specific disposal restrictions will</p>

	apply to any Shares that you receive as a result of the exercise of your Advisor Options.
Adjustment of Advisor Options	<p>Your Advisor Options will be adjusted upon:</p> <ul style="list-style-type: none"> • a reconstruction of the issued capital in the Company (including any subdivision, consolidation, reduction or cancellation of such issued capital); • a bonus issue of Shares; and • a rights issue. <p>The terms of any such adjustment are set out in Annexure 1.</p>

Schedules

- Schedule 1: Application Form – **to be completed, signed and returned by the Eligible Person**
- Schedule 2: Notice of Exercise

Annexure

- Annexure 1: Terms of Adjustment of Advisor Options

On request

- Kalium Lakes Limited Constitution
- Kalium Lakes Limited Securities Trading Policy

SCHEDULE 1
APPLICATION FORM

TO: Kalium Lakes Limited (**Company**)

ATTENTION: Company Secretary

RE: Kalium Lakes Limited Advisor Options

Capitalised terms in this Application Form have the meaning given to them in the invitation letter issued by the Company to the individual named in Part A of this application form on 15 December 2016 (**Invitation**).

A: Personal details (please use block letters)

Entity name

ACN

Registered office address

..... Post Code

B: Application

*I refer to the invitation to apply for 1,500,000 Advisor Options made by Kalium Lakes Limited (**the Company**) to us on 15 December 2016 and hereby apply to be granted (insert number) Advisor Options on the terms and conditions set out in the Invitation.*

C: Acknowledgment (Eligible Person)

I, (*insert name of Eligible Person*) acknowledge that:

1. I agree to be bound the terms and conditions set out in my Invitation and the Constitution of the Company.
2. The Advisor Options granted to us under the Invitation are issued subject to the Invitation and the Constitution of the Company.
3. Advisor Options granted under the Invitation cannot be assigned, transferred, encumbered or otherwise disposed of by us, unless such assignment or transfer occurs by force of law.
4. I have had the opportunity to obtain independent advice in relation to tax and all other matters relevant to me and have satisfied myself as to all the consequences of this application to the Company.

5. The Board of the Company may accept this application in whole or in part.

D: Consent to disclosure of personal information (Eligible Person)

By signing this Application Form, we declare that all statements made by us in this form are complete and accurate and consent to the use and disclosure of our personal information for the purposes related to or required by the Invitation.

This consent is given to the Company and each member of the Group, any third party administrator appointed by the Company, and any advisers to any of the abovementioned.

Signature of on behalf of the Eligible Person:

Date:

IMPORTANT NOTES:

You do not need to send any money with this Application Form.

This form must be returned to the Company so that it is received by the date and time specified in the Invitation.

SCHEDULE 2
NOTICE OF EXERCISE

TO: Kalium Lakes Limited (**Company**)
ATTENTION: Gareth Widger, Company Secretary
RE: Kalium Lakes Limited Advisor Options

I _____ (the "**Participant**")
of _____

hereby exercise our Advisor Options to acquire:

_____ Shares (fully paid ordinary) in the capital of the Company at an
Exercise Price of \$ _____ per Advisor Option and enclose payment in full of
\$ _____

I request you to allocate such number of Shares as we are entitled to following exercise of the Advisor Options and to register the Shares in our name, and we agree to accept the Shares subject to the Constitution of the Company and the terms of the Invitation.

All capitalised terms in this notice of exercise have the same meaning as set out in the Invitation from Kalium Lakes Limited to BurnVair Corporate Finance Limited (ACN 097 814 134) dated 15 December 2016, unless otherwise indicated.

Signature of on behalf of the Eligible Person

Dated this _____ day of _____ 2016

ANNEXURE 1

TERMS OF ADJUSTMENT OF OPTIONS

Capitalised terms in this Annexure have the same meaning given to those terms in the Listing Rules (defined below) unless stated otherwise in the Advisor Options Invitation from Kalium Lakes Limited to BurnVair Corporate Finance Limited (ACN 097 814 134) dated 15 December 2016.

1. Reorganisation

If there is a reorganisation of the capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such capital of the Company), your rights will be changed to the extent necessary to comply with the listing rules of the ASX (**Listing Rules**) applicable to a reorganisation of capital at the time of the reorganisation.

2. Bonus Issue

- (a) If Shares are issued by the Company pro rata to shareholders generally by way of Bonus Issue (other than an issue in lieu of dividends or by way of dividend reinvestment), you are entitled, upon exercise of the Advisor Options, to receive, in addition to the Shares in respect of which the Advisor Options are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the Bonus Issue, held Shares equal in number to the Shares in respect of which the Advisor Options are exercised.
- (b) Additional Shares to which you become so entitled will, as from the time Shares are issued pursuant to the Bonus Issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Advisor Options are exercised for the purposes of subsequent applications of paragraph 2(a) of this Annexure, and any adjustments which, after the time just mentioned, are made under paragraph 1 of this Annexure to the number of Shares will also be made to the additional Shares.

3. Pro Rata Issue

If there is a Pro Rata Issue (except a Bonus Issue) to the holders of Shares, the Exercise Price (if any) of each Advisor Option will be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N+1}$$

where:

O' = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying securities into which one option is exercisable;

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date;

S = the subscription price for a security under the pro rata issue;

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

4. No other participation

Subject to paragraphs 1 to 3 of this Annexure (inclusive), during the currency of any Advisor Options and prior to their exercise, you are not entitled to participate in any new issue of Shares of the Company as a result of your holding of Advisor Options.

5. Application of adjustment

- (a) In the application of the terms set out in this Annexure, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between BCF and the holders of other securities in the Company, subject to the Listing Rules and other applicable laws.
- (b) Unless otherwise provided in this Annexure, the Eligible Person has no right to:
 - (i) change the Exercise Price; or
 - (ii) change the number of Shares over which the Advisor Option can be exercised.