



**KALIUM LAKES LIMITED**

**ACN 613 656 643**

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**PROSPECTUS**

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This Prospectus also contains an offer of up to 1,000 Shares at an issue price of \$0.31 to raise up to \$310 (**Cleansing Offer**). The Cleansing Offer is included primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date of the Cleansing Offer.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

## IMPORTANT INFORMATION

This Prospectus is dated 21 December 2018 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the office of the Company at Unit 1, 152 Balcatta Rd Balcatta, WA 6021 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.3).

The Securities offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks applicable to the Company.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

This Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's principal place of business by contacting the Company. The Cleansing Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

Applications for Securities will only be accepted on an Application Form that is provided by the Company, with a copy of this Prospectus in either paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless a complete and unaltered copy of this Prospectus accompanies it.

No person is authorised to give any information or to make any representation in connection with the Cleansing Offer that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Cleansing Offer.

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia.

Applicable law may restrict the distribution of this Prospectus in jurisdictions outside Australia and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus is important and should be read in its entirety before deciding to participate in the Cleansing Offer. This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 3.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AWST, unless otherwise indicated.

# CORPORATE DIRECTORY

## Company

Kalium Lakes Limited (ABN: 98 613 656 643)

## Directors

Mal Randall - Non-Executive Chairman  
Brett Hazelden - Managing Director  
Brendan O'Hara - Non-Executive Director  
Rudolph van Niekerk - Executive Director

## Chief Financial Officer

Chris Achurch

## Joint Company Secretaries

Chris Achurch and Gareth Widger

## Registered Office

Unit 1, 152 Balcatta Road  
Balcatta WA 6021

## Website and Email

Email: [info@kaliumlakes.com.au](mailto:info@kaliumlakes.com.au)  
[www.kaliumlakes.com.au](http://www.kaliumlakes.com.au)

## Auditors

RSM  
Level 32, Exchange Tower  
2 The Esplanade  
Perth WA 6000  
GPO Box R1253  
Perth WA 6844

## Share Registry

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth WA 6000

Phone (within Australia): 1300 850 505  
Phone (outside Australia): +61 3 9415 4000

## Solicitors

DLA Piper Australia  
Level 31, Central Park  
152-158 St Georges Terrace  
Perth WA 6000 Australia

## Home Exchange

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

## ASX Code

KLL

## PROPOSED TIMETABLE

Event	Indicative Date
Lodgement of Prospectus with ASIC	21 December 2018
Opening Date	21 December 2018
Closing Date	21 December 2018

*The above timetable is indicative only and subject to change. Subject to compliance with all applicable laws, the Directors reserve the right to vary these dates, including the Closing Date of the Cleansing Offer at any time after the Opening Date, without prior notice.*

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# 1. Details of the Cleansing Offer

## 1.1 The Cleansing Offer

Pursuant to this Prospectus, the Company is also inviting investors identified by the Directors to apply for up to 1,000 New Shares in aggregate at an issue price of \$0.31 per New Share, to raise up to \$310 (before costs) (**Cleansing Offer**).

The Company is only extending the Cleansing Offer to specific parties on invitation from the Directors. The Company will only provide Application Forms to these parties.

This Prospectus has been issued to facilitate secondary trading of:

- (a) the 7,440,179 Shares issued to "Sophisticated Investors" or "Professional Investors" within the meaning of sections 708(8) and 708(11) of the Corporations Act pursuant to an equity capital raising (refer to announcement 'A\$2.8 Million Share Placement' dated 17 December 2018) (**Placement Shares**);
- (b) the 5,000,000 Shares issued to AIC Resources Limited for the acquisition of a portion of tenement E69/3247 (refer to announcement '10 Mile Lake West – New Tenement' dated 29 October 2018) (**AIC Shares**); and
- (c) the 5,000,000 Shares issued on 17 October 2018 to the holders of performance rights, which vested in accordance with the conversion terms of the Kalium Lakes Performance Rights Plan (**Performance Shares**).

A prospectus is required under the Corporations Act to enable the recipients of the Placement Shares, AIC Shares and the Performance Shares to on-sell those Shares within 12 months of their issue. The Company did not issue the Placement Shares, AIC Shares and the Performance Shares with the purpose of the persons to whom they were issued selling or transferring the Placement Shares, AIC Shares and the Performance Shares, or granting, issuing or transferring interests in the Placement Shares, AIC Shares and the Performance Shares within 12 months of the issue, however this Prospectus provides them with the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Cleansing Offer; and
- (b) ensure that the on-sale of the Placement Shares, AIC Shares and the Performance Shares does not breach section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act.

## 1.2 Minimum subscription

There is no minimum subscription in relation to the Cleansing Offer.

## 1.3 Oversubscriptions

The Company will not accept any oversubscriptions in relation to the Cleansing Offer.

## 1.4 Effect on control

The Cleansing Offer will have no impact on the control of the Company as no person as a result of the Cleansing Offer will increase their voting power in the Company:

- (a) from 20% or below to more than 20% of issued capital of the Company; or
- (b) from a starting point that is above 20% and below 90% of issued capital of the Company.

## **1.5 Not underwritten**

The Cleansing Offer is not underwritten.

## **1.6 Applications**

Applications for New Shares under the Cleansing Offer must only be made by investors offered New Shares by the Company under the Cleansing Offer and using the Application Form provided by the Company. By completing such an Application Form, you will be taken to have declared that all details provided and statements made by you are complete and accurate, and that you have received personally the application form together with a complete and unaltered copy of the Prospectus.

Payment for New Shares must be made in full at the issue price of \$0.31 per New Share. Completed Application Forms and accompanying cheques made payable to '**Kalium Lakes Limited**' and crossed '**Not Negotiable**', must be mailed or delivered to the address specified in the Application Form by no later than the Closing Date of the Cleansing Offer. The Company reserves the right to close the Cleansing Offer early.

## **1.7 ASX listing**

Application for Official Quotation by ASX of the New Shares will be made within seven days after the date of this Prospectus. If the New Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of the Prospectus, or such period as varied by ASIC, the Company will not issue any New Shares and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

## **1.8 Allotment**

The issue of New Shares pursuant to the Cleansing Offer will take place as soon as practicable after the Closing Date of the Cleansing Offer. Pending the issue of the New Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account, as required by the Corporations Act. The Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of all the New Shares under the Cleansing Offer. The Directors reserve the right to reject any application or to allocate any Applicant fewer New Shares than the number applied for. Where the number of New Shares issued is less than the number applied for, or when no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date of the Cleansing Offer. Interest will not be paid on moneys refunded.

The Company's decision on the number of New Shares to be issued to an Applicant under the Cleansing Offer will be final.

## **1.9 Defects in applications**

If an Application Form is completed incorrectly or if the accompanying payment is the wrong amount, the Company may, in its absolute discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

## **1.10 Applicants outside Australia**

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities. The

distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### **1.11 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares under the Cleansing Offer.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for New Shares under the Cleansing Offer.

### **1.12 Enquiries concerning Prospectus**

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on (08) 9240 3200.

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## 2. Purpose and effect of the Cleansing Offer

### 2.1 Effect on capital structure

The effect of the Cleansing Offer on the capital structure on the Company, assuming the maximum number of New Shares is issued, is as follows:

<b>Class</b>	<b>Number</b>
Shares on issue as at the date of this Prospectus <sup>1</sup>	187,233,644
New Shares to be issued under the Cleansing Offer	1,000
<b>Total Shares on issue on completion of the Cleansing Offer</b>	<b>187,234,644</b>
Options on issue at the date of this Prospectus	16,174,818
<b>Total Options on issue on completion of the Cleansing Offer</b>	<b>16,174,818</b>
Performance Rights on issue at the date of this Prospectus	15,000,000
<b>Total Performance Rights on issue on completion of the Cleansing Offer</b>	<b>15,000,000</b>

**Notes:**

(1) Includes the Placement Shares, AIC Shares and Performance Shares

### 2.2 Effect of the Offer on the Company

After paying for the expenses of the Offer of approximately \$5,000, there will be no proceeds from the Offer. The expenses of the Offer exceeding \$310 (being the amount raised if the Offer is fully subscribed) will be met from the Company's existing cash reserves. The Offer will have a minimal effect on the Company's financial position, being receipt of funds of \$310 less costs of preparing the Prospectus.

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## 3. Risk Factors

New Shares are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors that may affect its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks described in this Section 3 are not an exhaustive list of the risks faced by the Company or by investors in the Company. It should be considered in conjunction with other information in this Prospectus. The risks described in, and others not specifically referred to, in this Section 3 may in the future materially affect the financial performance and position of the Company and the value of New Shares offered under this Prospectus. The New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those securities. The risks described in this Section 3 also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. None of the Directors or any person associated with the Company guarantees the Company's performance, the performance of the New Shares the subject of the Cleansing Offer or the market price at which the New Shares will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 3, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether to apply for New Shares.

### 3.1 Risks specific to the Company

#### (a) Development of the Beyondie Potash Project

The Company has prepared estimates of future production targets, revenue profiles, operating cash costs and capital costs for its operations. No assurance can be given that such estimates will be achieved or that the Company will have access to sufficient capital to develop the Beyondie Potash Project.

Production targets and operating costs may be affected by a variety of factors, including the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. Other risks impacting production and operating cost estimates include increases in labour costs, general inflationary pressures, currency exchange rates and other unforeseen circumstances such as health and safety outcomes.

The success of the Company will also depend upon the Company having access to sufficient capital, being able to maintain permits and obtaining all required approvals for its activities.

Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition..

#### (b) Financing

The Company will require significant financing for capital expenditure to develop the Beyondie Potash Project and to fund its operating costs. The Company will require financing from external sources to meet such requirements. There can be no assurance that such financing, whether equity or debt, will be available to the Company, and if it is,

whether the terms of such equity or debt financing will be commercially acceptable. The ability of the Company to arrange financing will depend, in part, on prevailing market conditions as well as the business performance of the Company.

If the Company obtains additional financing through the issuance of equity or convertible securities, the interests of shareholders in the Company may be diluted. Additional debt financing may involve restrictions on the Company's future financing and operating activities. Any failure of the Company to obtain required financing on acceptable terms could have a material adverse effect on the Company's financial condition, results of operations and its liquidity and may require the Company to postpone, reduce or terminate the development.

(c) **Environmental and other statutory approvals**

The Company's project and operations are subject to Commonwealth and State laws, regulations and specific conditions regarding approvals to explore, construct and operate. There is a risk that such laws, regulations and specific conditions may impact the profitability of the project and the ability for the project to be satisfactorily permitted. Key approvals from the Environmental Protection Authority (EPA), Department of Mines and Petroleum (DMP), Department of Water (DoW) plus many other agencies may take longer to be obtained or may not be obtainable at all. The Company has identified that the process will have disturbances associated with ponds, purification facility, pipelines, bores, trenches, roads, waste NaCl, residue bitters which may be subject to specific disposal conditions.

(d) **Offtake**

To date, the Company has entered into a term sheet with German fertiliser producer and distributor K+S. The Company may experience in delays in converting, or may be unable to negotiate a binding offtake agreement on acceptable terms. The Company may have difficulty in finding additional offtake partners who are prepared to enter into long-term offtake agreements. If the Company is unable to negotiate long-term offtake agreements, then the expansion of the project may be delayed or prevented. Assuming the Company is able to secure sales or offtake agreements in the future, it may depend upon its customers, the loss of any of which or the inability to collect payment from could adversely affect the results of the Company's financial condition.

(e) **Resource estimates and classification**

The resource estimates for the Beyondie Potash Project are estimates only and no assurances can be given that any particular level of recovery of potash will in fact be realised. Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when originally calculated may change significantly when new information or techniques become available. In addition, by their very nature, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

A significant proportion of the Company's Mineral Resource estimates are in the Inferred Mineral Resources category, which is the lowest of the three Mineral Resource categories defined by the JORC Code, reflecting limited sampling and a relatively low degree of geological certainty. While material may only be included in a Mineral Resource calculation if there are reasonable prospects of eventually economically extracting it, investors should be aware that the inclusion of a material in a Mineral Resource estimate does not require a conclusion that a material may be economically extracted at the yield indicated or at all. Mineralisation only qualifies to be categorised as an Ore Reserve once it has been demonstrated to be economically recoverable.

Mineral Resources are delineated, in order of increasing confidence, into Inferred, Indicated and Measured Mineral Resources. The JORC Code defines an Inferred Mineral Resource as: "that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It

is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes”.

According to the commentary accompanying the JORC Code: “the Inferred category is intended to cover situations where a mineral concentration or occurrence has been identified and limited measurements and sampling completed, but where the data are insufficient to allow the geological and/or grade continuity to be confidently interpreted. While it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur. Confidence in the estimate of Inferred Mineral Resources is not sufficient to allow the results of the application of technical and economical parameters to be used for detailed planning in pre-feasibility or feasibility studies. For this reason, there is no direct link from an Inferred Mineral Resource to any category of Ore Reserves. Caution should be exercised if this category is considered in technical and economic studies such as scoping studies”.

Only Mineral Resources in the Measured or Indicated Mineral Resources categories can be converted to the status of an Ore Reserve. As a result, any future development of the Company’s Inferred Mineral Resources will depend on the Company being able to further upgrade the Inferred Mineral Resources to the Measured or Indicated categories, and/or discover additional resources in the Measured or Indicated categories, and subsequently convert them to Ore Reserves by demonstrating that they can be economically extracted under reasonably assumed operating conditions.

As further information becomes available through additional fieldwork and analysis, the Company's resource estimates are likely to change. This may result in alterations to development and mining plans that may, in turn, adversely affect the Company's operations.

(f) **Inability to abstract brine volume**

The Company has utilised a number of specialist consultants in determining its ability to abstract brine consistently from the deposits but there is a risk that the Company will be unable to abstract the brine in volumes required to meet project timetables and production. This can occur due to low permeability of aquifer material, variability in the deposit and continuity of the various aquifer layers. As a result pumping rates may be lower than expected, or require additional bores and/or trenches. Each bore is likely to have a specific life expectancy and will eventually run dry as brine is extracted. This life expectancy may be variable and shorter than expected.

(g) **Variability in brine**

The brine deposit may be variable due to the geological layering of the host rock, the location within the palaeochannel, inflows of other waters carrying other impurities or fresh water all of which will affect the brine chemistry across the deposit. Added to this there is also the potential for dilution after rainfall which may influence changes in the chemistry of brine recovery. The variability may cause different evaporation rates, alternative salt evaporites being formed in the evaporation ponds, require additional pumping volumes due to lower grades.

(h) **Purification facility design, operation, recovery and product specifications**

The Company is using internationally recognised consultants in the design of the process and selection of suitable equipment to achieve production capacity and specification to market requirements. However, project development remains inherently risky due to the number of variables that need to be managed. This could lead to equipment not performing as required or expected, resulting in difficulty maintaining product specification, not achieving name plate design capacity, not achieving expected potassium recoveries, increased maintenance and overall operating costs.

This risk also applies to non-process plant equipment and facilities, recognising that the Beyondie Potash Project by its nature is operating with corrosive fluids and subject to environmental impacts of salinity which may result in premature or otherwise unexpected failure of critical equipment such as bore pumps.

(i) **Evaporation Pond Design**

The Company will need to confirm the construction methodology, evaporation rates, leakage rates and other potential performance parameters of the brine. There is a scale up risk that, in the construction and operation of the evaporation ponds, these performance parameters could vary to the current pond and pump testing findings and therefore may impact the basis of design and operation, and potentially the capital and operation costs, of the full size project. There is also a risk of structural failures or leakage.

(j) **Commodity price volatility**

If the Company achieves success leading to mineral production, the revenue the Company will derive through the sale of commodities exposes the Company to commodity price and exchange rate risk. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. Such factors include the supply and demand for commodities such as potash, forward selling activities, technological advancements and other macro-economic factors.

(k) **Shortage of available fuel and fresh water**

The Company intends to run a gas supply pipeline from the Goldfields Gas Transmission Pipeline. However, at this stage there is no guarantee that the required agreements will be in place in time for production commencement affecting cost estimates. The fallback position is to run the entire site on diesel fuel brought in by bulk tanker.

There is a risk that such supply of diesel may be disrupted for a number of reasons, including inclement weather, which will affect the Company's ability to continue running the process plant and all other energy reliant equipment on site, which will affect production.

Additionally, the process plant is reliant on fresh water for the production of significant volumes of steam. A potentially suitable source of water has been identified however, the total volume, extraction rate and quality of water is yet to be proved, which poses a risk to project development and operation, and may incur additional costs in the sourcing and development of other bore fields.

(l) **Project delays and cost overruns**

The Company's strategy includes a staged approach to development of its Beyondie Potash Project. The Company's ability to successfully develop and potentially commercialise its Beyondie Potash Project on schedule may be affected by factors including project delays and costs overruns.

The Company's ability to develop and potentially commercialise the Beyondie Potash Project also depends on the successful implementation of the pump tests and the effective migration of knowledge gained from pump test work into the full scale operating plant to achieve a satisfactory ramp up to full scale production as per the project schedule.

If the Company experiences project delays or cost overruns, this could result in the Company not realising its operational or development plans or result in such plans costing more than expected or taking longer to realise than expected.

(m) **Inclement Weather and Natural Disasters**

The Company's operational activities are subject to a variety of risks and hazards, which are beyond its control, including hazardous weather conditions such as excessive rain, flooding and fires.

Severe storms and high rainfall leading to flooding and associated damage may result in disruption to the evaporation process in the ponds, scouring damage to trenches, roadways and pond walls. Floodwaters within the pond areas will increase the total evaporation time and affect the production schedule.

Additionally, as some of the brine production is from surface trenches, these trenches may become flooded during severe weather. This may affect the quality and consistency of the brine and the ability to continue surface extraction by trenches within the lakes areas, until the flood waters subside.

Any of the above occurrences will affect profitability.

(n) **New operational commodity and lack of experience**

The Company recognises that as a potential leader in the Australian production of potash products there may initially be a lack of suitably trained operators for the overall project, which has been explicitly designed for the extraction, and treatment of brine to produce this group of products to market specifications.

Furthermore, this risk could manifest itself during the commissioning stage for the same reasons expressed above which could lead to increased capital costs and delays in achieving operational ramp up.

(o) **Title Risk**

The Company's granted tenements permit the Company to undertake exploration. Each tenement carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in a tenement if the conditions are not met or if there are insufficient funds available to meet expenditure commitments.

Exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Various conditions may also be imposed as a condition of renewal. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of the tenements comprising the Company's projects. The Company makes no assurance that the renewal applications will be granted or applications approved.

(p) **Exploitation, exploration and mining licences**

The tenements that have been granted only permit the Company to undertake exploration on the tenements. In the event that the Company successfully delineates economic deposits on any of the tenements, it will need to apply for a mining lease to undertake development and mining on the tenement. There is no guarantee that the Company will be granted a mining lease if one is applied for.

Potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of the Beyondie Potash Project exploration tenements, or any other tenements that may be acquired in the future, 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.

(q) **Nature of mineral exploration and mining**

Possible future development at the Beyondie Potash Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically

recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the exploration or development of its projects and treatment of deposits.

The success of the Company will also depend upon the Company having access to sufficient capital, being able to maintain permits and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the permits, a reduction in the cash reserves of the Company and possible relinquishment of the tenements.

(r) **Change in Regulations**

Adverse changes in Federal or Western Australia government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations and mining and exploration activities of the Company. The current system of exploration and mine permitting in Western Australia may change resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. Increased royalties or any other changes to the royalty regime could result in higher operating costs for the Company's operations and may have an adverse effect on the Company's business, results, financial condition and prospects.

(s) **Commercial risks of mineral exploration and extraction**

The tenements are at various stages of exploration and potential investors should understand that mineral exploration and development are a high-risk undertakings. There can be no assurance that exploration of the tenements or any other tenements that may be acquired in the future, will result in the discovery of any economic deposits. Even if the Company identifies a viable deposit at the Beyondie Potash Project or elsewhere, there is no guarantee that the ore deposit can be economically exploited.

(t) **Currency volatility**

International prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken in account in Australian Dollars, consequently exposing the Company to the fluctuations and volatility of the rate of exchange between the United States Dollar and the Australian Dollar as determined in international markets.

(u) **Dependence on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on the efforts of senior management and its key personnel. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The loss of key personnel could cause a significant disruption to the business and could adversely affect our operations.

(v) **New projects and acquisitions**

The Company may make acquisitions in the future as part of future growth plans. In addition to the tenements comprising the Beyondie Potash Project, the Company has applied for additional tenements and may evaluate and acquire other interests in new potash projects, by way of acquisition or investment. The Directors of the Company will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that are likely to provide returns to shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of the Company's cash resources and issuances of equity securities, which might involve a substantial dilution to Shareholders.

(w) **Environmental risk**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects, the Company's activities including the Beyondie Potash Project are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the required standard of environmental obligation, including compliance with all environmental laws.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidents or other unforeseen circumstances, which could subject the Company to extensive liability.

(x) **Additional funds**

Additional funding may be required by the Company to undertake or continue its exploration and development activities. In particular, additional funding may be required by the Company in the event exploration costs exceed the Company's estimates and will be required once those funds are depleted. To effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional equity or other finance will be required. Further to this, if commercial quantities of minerals are discovered and the Company commences mining activities then further funding may be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of exploration, development or production on the tenements or even loss of a tenement interest.

There can be no assurance that the Company will be able to obtain further financing on a timely basis, on favourable terms or that such further funding will be sufficient to enable the Company to implement its planned commercial strategy. These factors may adversely affect the financial performance of the Company. Further, if additional funds are raised by issuing equity securities, this may result in dilution for some or all of the Shareholders.

(y) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be available or of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

(z) **Contractual Disputes**

As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

(aa) **Third Party Risk**

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients.

Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

(bb) **Competition**

Although there is currently no Australian production of SOP, there are other mining exploration companies in Australia that are currently seeking to explore, develop and produce SOP. The Company will have no influence or control over the activities or actions of its competitors and other industry participants, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. Competitors may have significant additional experience and / or resources to explore, develop and produce competing products, which may adversely affect the Company's financial position or prospects.

## 3.2 General Risks

(a) **Securities investments**

Applicants should be aware that there are risks associated with any securities investment.

There is no guarantee that an active trading market in the New Shares will develop or that the price of the New Shares will increase. The prices at which the New Shares trade may be above or below the price of the relevant Cleansing Offer and may fluctuate in response to a number of factors.

Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the New Shares, regardless of Company's operational performance.

(b) **Economic risk**

Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, include, but not are but not limited to:

- (i) general economic conditions;
- (ii) changes in Government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) industrial disputes in Australia and overseas;
- (v) changes in investor sentiment toward particular market sectors;

- (vi) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (vii) natural disasters, social upheaval or war.

(c) **Dilution**

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities, the percentage ownership of Shareholders may be reduced and diluted.

(d) **Share market**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of the Securities may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

There is also no guarantee that an active market in the Securities will develop or that the price of the Securities will increase. There may be relatively few buyers or sellers of Securities on the ASX at any particular time.

(e) **Legal proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company. Legal proceedings brought by third parties including but not limited to customers, business partners or employees could negatively affect the business in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

(f) **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(g) **Macro-economic risks**

Changes in the general economic outlook in Australia and globally may affect the performance of the Company and its projects. Such changes may include:

- (i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);

- (ii) increases in expenses (including the cost of goods and services used by the Company);
- (iii) new or increased government taxes, duties or changes in taxation laws; and
- (iv) fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

(h) **Broader general risks**

There are also a number of broader general risks that may affect the Company's performance. These include:

- (i) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption; and
- (ii) higher than budgeted costs associated with the provision of service offerings.

(i) **Currency risk**

In the future, the Company may operate in multiple international jurisdictions, which exposes the Company to multiple currencies and their future currency fluctuations. This may affect future profitability of the Company.

(j) **Taxation risk**

The acquisition and disposal of New Shares will have tax consequences that will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring New Shares. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for New Shares under this Prospectus.

(k) **Accounting standards**

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

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## **4. Additional information**

### **4.1 Rights attaching to New Shares**

A summary of the rights attaching to New Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities that attach to New Shares in any specific circumstances, the Shareholder should seek legal advice.

#### **(a) General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

#### **(b) Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend Rights**

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion which the amount paid on the Share is to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). No dividend shall carry interest as against the Company.

#### **(d) Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the

contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder Liability**

As the New Shares issued under the Cleansing Offer contained in this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(g) **Variation of Rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## **4.2 Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below).

## **4.3 Copies of documents**

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the annual financial report most recently lodged by the Company;
- (b) any half-year financial report lodged by the Company after the lodgement of the annual financial report referred to in paragraph (a) and before the lodgement of this Prospectus;
- (c) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the annual report referred to in paragraph (a) and before the date of issue of this Prospectus, being as follows:

<b>Date Lodged</b>	<b>Subject of Announcement</b>
22 October 2018	Research and Development - Tax Offset
29 October 2018	10 Mile Lake West - New Tenement
29 October 2018	A1C: AIC Enters into Agreement with KLL
29 October 2018	Appendix 3B
31 October 2018	Quarterly Cashflow Report
31 October 2018	Quarterly Activities Report
1 November 2018	Amended Appendix 3B
8 November 2018	K-plus-S Completes Offtake Due Diligence
13 November 2018	Beyondie Gas Pipeline Licence Approval
21 November 2018	Results of Meeting
6 December 2018	Release of Restricted Securities
12 December 2018	Beyondie SOP Project and Company End of Year Update
13 December 2018	Trading Halt
17 December 2018	A\$2.8 Million Share Placement
21 December 2018	Issue of Placement Shares
21 December 2018	Appendix 3B

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the office of the Company at Unit 1, 152 Balcatta Road, Balcatta WA 6021:

- (i) this Prospectus;
- (ii) the Constitution; and
- (iii) the consents referred to in Section 4.16 and the consents provided by the Directors to the issue of this Prospectus.

#### **4.4 Information excluded from continuous disclosure notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

#### **4.5 Transaction specific Prospectus**

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### **4.6 Determination by ASIC**

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

#### **4.7 Directors' interests**

Except as disclosed in this Prospectus, no Director and no firm in which a Director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

#### 4.8 Directors' interests in Securities

Set out in the table are details of the Directors' relevant interests in the Securities at the date of this Prospectus:

Director	Shares	Options	Performance Rights
Malcolm Randall	479,184	4,000,000 <sup>(1)</sup>	-
Rudolph van Niekerk	3,615,600	-	900,000
Brett Hazelden	14,719,066	-	3,150,000
Brendan O'Hara	-	2,000,000 <sup>(1)</sup>	-

Note:

1. Options each with an exercise price of \$0.25 and an expiry date of 16 December 2019.

#### 4.9 Directors' remuneration

The remuneration of the Directors for the previous two financial years is as follows:

Director	Financial Year	Short term benefits	Post-employment benefits	Share-based payments	Total
Malcolm Randall	2018	\$75,000	\$5,700	-	\$80,700
	2017	\$57,903	\$5,501	\$356,000	\$419,404
Rudolph van Niekerk	2018	\$275,000	\$23,750	-	\$298,750
	2017	\$114,461	\$7,917	72,000	\$194,378
Brett Hazelden	2018	\$306,125	\$25,000	-	\$331,125
	2017	\$265,390	\$25,212	252,000	\$542,602
Brendan O'Hara	2018	\$56,249	\$4,394	-	\$60,643
	2017	\$42,178	\$4,007	\$178,000	\$224,185

#### 4.10 Substantial shareholders

Based on publicly available information as at the date of this Prospectus, the following persons have voting power of above 5% or more in the Company:

Shareholder	Number of Shares Held	Shares Held %
Brent Smoothy	59,855,083	32%
Thomas Ellis	14,548,093	8%
Brett Hazelden	14,719,066	8%

#### 4.11 Related Party Transactions

At the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus.

#### 4.12 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

The Company's legal advisors will be paid fees of approximately \$5,000 (plus GST) in relation to the preparation of this Prospectus.

#### 4.13 Market price of Shares

The highest and lowest market sale prices of Shares on ASX during the three months immediately preceding the date of this Prospectus and the respective dates of those sales were:

Highest:	\$0.48
Lowest:	\$0.32
Latest	\$0.32

#### 4.14 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

#### 4.15 Expenses of the Offer

The estimated expenses of the Offer are as follows:

	<b>\$</b>
ASIC lodgement fee	3,206
Legal expenses	5,000
<b>Total</b>	<b>8,206</b>

#### 4.16 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Computershare Investor Services Pty Limited and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time. However, a charge may be made for additional statements.

#### 4.17 Consents

DLA Piper Australia has given, and, as at the date hereof, has not withdrawn, its written consent to being named in this Prospectus as Australian solicitors to the Company. DLA Piper Australia has not authorised or caused the issue of this Prospectus or the making of the Cleansing Offer. DLA Piper Australia makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Computershare has given, and, as at the date hereof, has not withdrawn, its written consent to being named in this Prospectus as Australian solicitors to the Company. Computershare has not authorised or caused the issue of this Prospectus or the making of the Cleansing Offer. Computershare makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement with ASIC of this Prospectus.

#### 4.18 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes in this privacy disclosure statement and may disclose it for those purposes to the Company's share registry and

its related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. The Company may charge a fee for access. Applicants seeking access to the information must make a request in writing to the Company's registered office.

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## 5. Authorisation

This Prospectus is authorised by each of the Directors. This Prospectus is signed for and on behalf of the Company by:



**Malcolm Randall**  
Non-Executive Chairman

21 December 2018

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## 6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**Acceptance** means a valid application for Shares made pursuant to this Prospectus on an Application Form.

**Applicant** means a person who submits an Application Form.

**Application Form** means the application form provided by the Company with a copy of this Prospectus.

**Application Monies** means application monies for Shares received by the Company from an Applicant.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**AWST** means Australian Western Standard Time.

**Board** means the board of Directors.

**Chairman** means chairman of the Board.

**CHESS** means ASX Clearing House Electronic Subregister System.

**Cleansing Offer** has the meaning given in Section 1.1.

**Closing Date**, in relation to an Offer, means the closing date of that Offer as specified in the Indicative Timetable as varied from time to time.

**Company** or **Kalium** means Kalium Lakes Limited ACN 613 656 643.

**Constitution** means the constitution of the Company.

**Corporations Act** means Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Listing Rules** means the Listing Rules of ASX.

**New Shares** means the shares offered pursuant to the Cleansing Offer (as applicable).

**Option** means the right to acquire one Share in the capital of the Company.

**Prospectus** means this prospectus dated 21 December 2018.

**Section** means a section of this Prospectus.

**Securities** mean any equity securities issued or granted by the Company.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.