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**KALIUM LAKES LIMITED**  
**ACN 613 656 643**

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## **NOTICE OF GENERAL MEETING**

**For a general meeting of the Company to be held at Unit 1, 152 Balcatta Road, Balcatta WA 6021, on Wednesday, 27 February 2019 at 9.00am (WST)**

*This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9240 3200***

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## **NOTICE OF GENERAL MEETING**

Notice is hereby given that a general meeting of shareholders of Kalium Lakes Limited (**Company**) will be held at Unit 1, 152 Balcatta Road, Balcatta WA 6021, on Wednesday, 27 February 2019 at 9.00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday 25 February 2019 at 4:00pm (WST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) will, unless the context requires otherwise, have the meaning given to them in Schedule 1.

# AGENDA

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## 1. Resolution 1 - Ratification of Prior Issue of AIC Securities

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of:*

- (a) 5,000,000 Shares; and
- (b) 5,000,000 Options,

*to AIC on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a AIC or any of its associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 2. Resolution 2 - Ratification of Prior Issue of Placement Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 7,440,179 Shares on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the Placement or any associate of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 3. Resolution 3 - Approval of Issue of Smoothy Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,612,904 Shares to Mr Brent Smoothy (and/or his nominees) on the terms and conditions in the Explanatory Memorandum.”*

#### **Voting Exclusion**

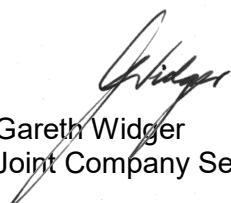
The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Brent Smoothy or any of his associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 24 January 2019

By order of the Board

  
Gareth Widger  
Joint Company Secretary

## **EXPLANATORY MEMORANDUM**

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### **1. Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

- Section 2: Action to be taken by Shareholders
- Section 3: Background
- Section 5: Resolution 1 - Ratification of Prior Issue of AIC Securities
- Section 5: Resolution 2 - Ratification of Prior Issue of Placement Shares
- Section 6: Resolution 3 - Approval of Issue of Smoothy Shares
- Schedule 1: Definitions
- Schedule 2: Terms and Conditions of the AIC Options

A Proxy Form is located at the end of this Explanatory Memorandum.

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### **2. Action to be taken by Shareholders**

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### **2.1 Proxies**

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 9.00am (WST) on Monday 25 February 2019, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

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## 3. Background

### 3.1 AIC Tenement Acquisition

On 29 October 2018 the Company announced (ASX release: "10 Mile Lake West – New Tenement") that it had entered into an agreement with AIC Resources Limited (**AIC**) to acquire a portion of AIC's tenement E69/3247 and that it had lodged a new tenement application in respect of the land acquired, being the application for 10 Mile Lake West (E69/3594). The new tenement is located adjacent to the Company's current Beyondie Sulphate Of Potash Project tenements and the grant of the new tenement is subject to standard statutory processes.

In consideration for the acquisition of the tenement, the Company issued to AIC:

- (a) 5 million Shares; and
  - (b) 5 million Options (**AIC Options**),
- (together, the **AIC Securities**).

The AIC Securities are subject to 12 months escrow from the date of issue, being 26 October 2018.

The AIC Options are issued on the terms and conditions contained in Schedule 2.

### 3.2 Placement

On 17 December 2018 the Company announced (ASX release: "\$2.8 Million Share Placement") that the Company is undertaking a placement of Shares at an issue price of \$0.31 per Share to qualified institutional and sophisticated investors in Australia and internationally to raise approximately \$2.8 million (before costs) (**Placement**).

On 21 December 2018 the Company issued 7,440,179 Shares at \$0.31 per Share pursuant to the Placement (**Placement Shares**), raising a total of \$2,306,455 (before costs). Resolution 2 seeks Shareholder approval to ratify the prior issue of the Placement Shares.

Mr Brent Smoothy, the Company's largest Shareholder, has committed to subscribe for \$500,000 worth of Shares, being 1,612,904 Shares, pursuant to the Placement (**Smoothy Shares**). The issue of the Smoothy Shares remains subject to Shareholders passing Resolution 3.

If Resolution 3 is approved, the Company anticipates that the Smoothy Shares will be issued on or around 1 March 2019.

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## 4. Resolution 1 – Ratification of Prior Issue of AIC Securities

### 4.1 General

Listing Rule 7.1 provides that the Company is entitled to issue Equity Securities up to 15% of its issued share capital through placements during any 12-month period, without needing prior Shareholder approval (**15% Placement Capacity**).

In addition to its 15% Placement Capacity, the Company has obtained Shareholder approval pursuant to Listing Rule 7.1A at its 2018 annual general meeting to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the Company's 2018 annual general meeting, without needing prior Shareholder approval (**10% Placement Capacity**).

Listing Rule 7.4 provides that if the Company in general meeting ratifies the prior issue of securities made pursuant to Listing Rule 7.1 or Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rule 7.1 or Listing Rule 7.1A) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1 or Listing Rule 7.1A.

The effect of passing Resolution 1 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% Placement Capacity under Listing Rule 7.1 and the 10% Placement Capacity under Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

## 4.2 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the Placement as follows:

- (a) On 26 October 2018, the Company issued the AIC Securities, being:
  - (i) 5,000,000 Shares; and
  - (ii) 5,000,000 Options.
- (b) The AIC Securities were issued:
  - (i) **Shares:** as fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares; and
  - (ii) **Options:** on the terms and conditions contained in Schedule 2.
- (c) The AIC Securities were issued to AIC Resources Limited.
- (d) No funds were raised from the issue of the AIC Securities as they were issued for nil cash consideration in connection with the acquisition of a portion of AIC's tenement, E69/3247.
- (e) A voting exclusion statements are included in the Notice for Resolution 1.

## 4.3 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1.

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# 5. Resolution 2 - Ratification of Prior Issue of Placement Shares

## 5.1 General

Listing Rule 7.1 provides that the Company is entitled to issue Equity Securities up to 15% of its issued share capital through placements during any 12-month period, without needing prior Shareholder approval (**15% Placement Capacity**).

In addition to its 15% Placement Capacity, the Company has obtained Shareholder approval pursuant to Listing Rule 7.1A at its 2018 annual general meeting to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the Company's 2018 annual general meeting, without needing prior Shareholder approval (**10% Placement Capacity**).

Listing Rule 7.4 provides that if the Company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 or Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rule 7.1 or Listing Rule 7.1A) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1 or Listing Rule 7.1A.

The effect of passing Resolution 2 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% Placement Capacity under Listing Rule 7.1 and the 10% Placement Capacity under Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

## **5.2 Specific information required by Listing Rule 7.5**

In accordance with Listing Rule 7.5, information is provided in relation to the Placement as follows:

- (a) On 21 December 2018, the Company issued the Placement Shares, being 7,440,179 Shares
- (b) The issue price of the Placement Shares was \$0.31 per Share.
- (c) The Placement Shares were issued as fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- (d) The Placement Shares were issued to qualified institutional and sophisticated investors in Australia, New Zealand, Hong Kong, Singapore, the UK and the US identified by the lead manager, Kerr Allan Financial Pty Ltd, who are not related parties or associates of related parties of the Company.
- (e) The funds raised from the issue of the Placement Shares will be used to continue to fund early capital works, Front End Engineering & Design (FEED), progressing project financing, general overheads and working capital, to advance the Beyondie Sulphate Of Potash Project.
- (f) A voting exclusion statements are included in the Notice for Resolution 2.

## **5.3 Director Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 2.

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# **6. Resolution 3 - Approval of Issue of Smoothy Shares**

## **6.1 General**

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Smoothy Shares.

As at the date of this Notice, Mr Brent Smoothy (together with his associates) has voting power of 32.05% (being a total of 60,018,499 shares). Subject to Shareholders passing Resolution 3, Mr Brent Smoothy's voting power (together with his associates) will increase to 32.91%. The issue of the Smoothy Shares to will be in compliance with the Corporations Act.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

## **6.2 Listing Rule 10.11**

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval. The Directors consider that, even though Mr Brent Smoothy is not a related party of the Company under the Corporations Act, he is likely to be a person whose relationship with the Company is, in ASX's opinion, such that approval is required under Listing Rule 10.11.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required, in accordance with exception 14 of Listing Rule 7.2.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 3 will be to allow the Company to issue the Smoothy Shares to Mr Brent Smoothy (and/or his nominee) without using up the Company's 15% Placement Capacity under Listing Rule 7.1.

## **6.3 Chapter 6 of the Corporations Act**

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in the issued voting shares of a company if, because of the acquisition, that person's or another

person's voting power in the company increases from 20% or below to more than 20% or a starting point that is above 20% and below 90%.

That general prohibition is subject to a number of exceptions in section 611 of the Corporations Act. Relevantly, item 9 in section 611 of the Corporations Act allows an acquisition by a person if, throughout the 6 months before the acquisition, that person has had voting power in the relevant company of at least 19% and, as a result of the acquisition, the person would not have voting power in the company more than 3 percentage points higher than they had 6 months before the acquisition (commonly known as the "3% creep" exception).

The voting power of Mr Brent Smoothy (together with his associates) 6 months before the anticipated issue date, being 27 August 2018, of the Smoothy Shares was 33.19%. Following the issue of the Smoothy Shares, the subject of Resolution 3, Mr Brent Smoothy's voting power (together with his associates) will be 32.91%. Accordingly, the voting power of Mr Brent Smoothy (together with his associates) following the issue of the Smoothy Shares will not be more than 3% higher than his voting power 6 months prior to the issue of the Smoothy Shares.

In the circumstances, the Board considers that the 3% creep exception applies to the proposed issue of the Smoothy Shares to Mr Brent Smoothy (and/or his nominees) on the basis that the voting power of Mr Brent Smoothy (together with his associates) as at 27 August 2018 and 27 February 2019 (the anticipated date of issue of the Smoothy Shares) will not have increased by more than 3%.

#### **6.4 Specific information required by Listing Rule 10.13**

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The Smoothy Shares will be issued to Mr Brent Smoothy (and/or his nominees).
- (b) The maximum number of Shares to be issued to Mr Brent Smoothy (and/or his nominees) is 1,612,904 Shares.
- (c) The Smoothy Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) Mr Brent Smoothy is considered a related party on the basis that ASX considers him to be a person whose relation with the Company, being a person with a voting power of more than 30% in the Company, is such that Shareholder approval should be obtained in accordance with Listing Rule 10.11.
- (e) The issue price of the Smoothy Shares will be \$0.31 per Share.
- (f) The Smoothy Shares will be fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- (g) The funds raised from the issue of the Smoothy Shares will be used to continue to fund early capital works, Front End Engineering & Design (FEED), progressing project financing, general overheads and working capital, to advance the Beyondie Sulphate Of Potash Project.
- (h) A voting exclusion statement is included in the Notice for Resolution 3.

#### **6.5 Directors recommendation**

Directors recommend that Shareholders vote in favour of Resolution 3.



## Schedule 1 - Definitions

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**10% Placement Capacity** has the meaning given in Section 5.1.

**15% Placement Capacity** has the meaning given in Section 5.1.

**AIC** has the meaning given in Section 3.1.

**AIC Options** has the meaning given in Section 3.1.

**AIC Securities** has the meaning given in Section 3.1.

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

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Board** means the board of Directors.

**Chairman** means the person appointed to chair the Meeting convened by the Notice.

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

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

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

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

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

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Option** means an option which entitles the holder to subscribe for one Share.

**Placement** has the meaning given in Section 3.2.

**Placement Share** has the meaning given in Section 3.2.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

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

**Shareholder** means a registered holder of a Share.

**Smoothy Share** has the meaning given in Section 3.2.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

## Schedule 2 - Terms and Condition of the AIC Options

### 1 Entitlement

Each AIC Option entitles the holder (**Holder**) to subscribe for one ordinary share (**Share**) in Kalium Lakes Limited (**Company**) upon exercise.

### 2 Exercise Price and Expiry Date

2.1 The exercise price of each AIC Option is \$0.50 (**Exercise Price**).

2.2 Each AIC Option will expire on 30 June 2025 (**Expiry Date**).

### 3 Exercise Period

Each AIC Option is exercisable at any time on and from the date that is one year from the date of issue and prior to the Expiry Date (**Exercise Period**). After this time, any unexercised AIC Options will automatically lapse.

### 4 Notice of Exercise

The AIC Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each AIC Option being exercised. Any Notice of Exercise of an AIC Option received by the Company will be deemed to be a notice of the exercise of that AIC Option as at the date of receipt.

### 5 Shares Issued on Exercise

Shares issued on exercise of the AIC Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests.

### 6 Quotation of Shares

The Company will apply to ASX for official quotation of the Shares issued upon the exercise of the AIC Options.

### 7 Timing of Issue of Shares and Quotation of Shares on Exercise

Within 15 Business Days after the later of the following:

7.1 receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each AIC Option being exercised; and

7.2 when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of a Notice of Exercise as set out in clause 4 above,

the Company will:

7.3 allot and issue the number of Shares required under these terms and conditions in respect of the number of AIC Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

7.4 if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

7.5 if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the AIC Options.

If, for any reason, a notice delivered under paragraph 7.3 is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

## 8 Participation in New Issues

There are no participation rights or entitlements inherent in the AIC Options and Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the AIC Options.

## 9 Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

9.1 the number of Shares which must be issued on the exercise of an AIC Option will be increased by the number of Shares which the Holder would have received if the Holder of an AIC Option had exercised the AIC Option before the record date for the bonus issue; and

9.2 no change will be made to the Exercise Price.

## 10 Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an AIC 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 AIC Option.

O = the old Exercise Price of the AIC Option.

E = the number of underlying Shares into which one AIC Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

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

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

## 11 Adjustments for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Holder may be varied to comply with the ASX Listing Rules that apply to the reconstruction at the time of the reconstruction.

**12 Quotation of AIC Options**

The Company will make no application for quotation of the AIC Options.

**13 AIC Options Transferable**

The AIC Options are non-transferable.

**14 Lodgement Requirements**


Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable'. The application for Shares on the exercise of the AIC Options with the appropriate remittance must be lodged at the Company's registry.

# KALIUM LAKES

ABN 98 613 656 643

KLL  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:

 **Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

 **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

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### Vote online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 9:00am (WST) Monday, 25 February 2019**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Kalium Lakes Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Kalium Lakes Limited to be held at Unit 1, 152 Balcatta Road, Balcatta, Western Australia on Wednesday, 27 February 2019 at 9:00am (WST) and at any adjournment or postponement of that meeting.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Ratification of Prior Issue of AIC Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Issue of Smoothy Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / /

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