



**Kalium Lakes Limited**  
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## **NOTICE OF ANNUAL GENERAL MEETING**

For the annual general meeting of the Company to be held at the offices of RSM, Level 32/2 The Esplanade, Perth, WA, 6000 on Wednesday 13 November 2019 at 09:00 a.m. (WST)

*This Notice and the accompanying Explanatory Memorandum 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**

**Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice**

**Notice is hereby given that the annual general meeting of shareholders of Kalium Lakes Limited (Company) will be held at the offices of RSM, Level 32/2 The Esplanade, Perth, WA, 6000 on Wednesday 13 November 2019 at 09:00 a.m. (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 11 November 2019 at 09.00 a.m. (WST).

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

## **AGENDA**

### **Annual Report**

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

### **1. Resolution 1 – Remuneration Report**

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 section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."*

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

#### **Voting Exclusion**

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## 2. Resolution 2 – Re-election of Malcolm Randall

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 articles 6.14 and 6.17 of the Constitution and for all other purposes, Mr Malcolm Randall, retires by rotation and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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## 3. Resolution 3 – Approval of 10% Placement Facility

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in the 10% Placement Facility and any person who might obtain a material benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

However, the Company need 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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## 4. Resolution 4 – Ratification of Placement

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 34,974,915 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) a person who participated in the Placement; or
- (b) an associate of that person (or those persons).

However, the Company need 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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## 5. Resolution 5 – Issue of Shares to Stephen Dennis

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 up to 500,000 Shares to Stephen Dennis (and/or his nominee) 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) Stephen Dennis; or
- (b) an associate of Stephen Dennis.

However, the Company need 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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## 6. Resolution 6 – Adoption of Management Option Plan

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 7.2, exception 9 and for all other purposes, Shareholders approve the Management Option Plan and the grant of Options and the issue of the underlying Shares of such Options 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) a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); or
- (b) an associate of that Director (or those Directors).

However, the Company need 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or  
(b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## 7. Resolution 7 – Adoption of Performance Rights Plan

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 7.2, exception 9 and for all other purposes, Shareholders approve the Performance Rights Plan and the grant of Performance Rights and the issue of the underlying Shares of such Performance Rights 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) a Director (except one who is ineligible to participate in any performance rights scheme in relation to the Company); or  
(b) an associate of that Director (or those Directors).

However, the Company need 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or  
(b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## 8. Resolution 8 – Adoption of Tax Exempt Share Plan

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 7.2, exception 9 and for all other purposes, Shareholders approve the Tax Exempt Share Plan and the grant of Plan 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) a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); or  
(b) an associate of that Director (or those Directors).

However, the Company need 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or  
(b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## 9. Resolution 9 - Renewal of Proportional Takeover Provisions

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

*"That, for the purposes of sections 136(2) and 648G of the Corporations Act and for all other purposes, Shareholders approve the renewal of the Proportional Takeover Provisions in the Constitution on the terms and conditions in the Explanatory Memorandum."*

Dated 1 October 2019  
By order of the Board

A handwritten signature in black ink, appearing to read 'G. Widger', is written over the printed name and title.

Gareth Widger  
Company Secretary

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**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 to be held at the offices of RSM, Level 32/2 The Esplanade, Perth, WA, 6000, on 13 November 2019 at 09:00 a.m. (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

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:	Annual Report
Section 4:	Resolution 1 - Remuneration Report
Section 5:	Resolution 2 - Re-election of Malcolm Randall
Section 6:	Resolution 3 - Approval of 10% Placement Facility
Section 7:	Resolution 4 - Ratification of Placement
Section 8:	Resolution 5 - Issue of Shares to Stephen Dennis
Section 9:	Resolution 6 - Adoption of Management Option Plan
Section 10:	Resolution 7 - Adoption of Performance Rights Plan
Section 11:	Resolution 8 - Adoption of Tax Exempt Share Plan
Section 12:	Resolution 9 - Renewal of Proportional Takeover Provisions
Schedule 1:	Definitions
Schedule 2:	Details of issues of Equity Securities
Schedule 3:	Summary of terms of the Management Option Plan
Schedule 4:	Summary of terms of the Performance Rights Plan
Schedule 5:	Summary of terms of the Tax Exempt Share Plan

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.

To vote by proxy, please complete and sign the enclosed Proxy Form and return it by:

- (a) post to:  
Kalium Lakes Limited  
C/- Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia
- (b) facsimile to: Computershare Investor Services via facsimile:  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555;
- (c) email to: [info@kaliumlakes.com.au](mailto:info@kaliumlakes.com.au),

so that it is received not later than 09:00 a.m. (WST) on 11 November 2019, being at least 48 hours before the Meeting. Proxy Forms received later than this time will be invalid.

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.

If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that body corporate's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

**2.2 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)**

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or

- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or  
(b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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### 3. Annual Report

In accordance with section 317(1) of the Corporations Act the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at [www.kaliumlakes.com.au](http://www.kaliumlakes.com.au);  
(b) ask questions about, or comment on, the management of the Company; and  
(c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;  
(b) the conduct of the audit;  
(c) accounting policies of the Company in relation to the preparation of the financial statements; and  
(d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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### 4. Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2018 annual general meeting. Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2020 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

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

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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### 5. Resolution 2 – Re-election of Malcolm Randall

Article 6.14 of the Constitution requires one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded down to the nearest whole number) to retire at each annual general meeting.

Article 6.17 of the Constitution states that a Director who retires under article 6.14 is eligible for re-election.

Resolution 2 therefore provides that Mr Randall retires by rotation and seeks re-election as a Director.

Details of the qualifications and experience of Mr Randall are in the Annual Report.

Resolution 2 is an ordinary resolution.

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

The Board (excluding Mr Randall) supports the re-election of Mr Randall and recommends that Shareholders vote in favour of Resolution 2.

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### 6. Resolution 3 - Approval of 10% Placement Facility

#### 6.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement

Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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

## 6.2 Listing Rule 7.1A

### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue one quoted classes of Equity Securities, being its Shares.

### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

#### (A x D) – E

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without Shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

### (d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 383,927,963 Shares and will have capacity to issue:

- (i) 57,589,194 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 3, 38,392,796 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) above).

### (e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

### (f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the 10% Placement Period).

## 6.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

## 6.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,
- which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (d) The table also shows:
- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
  - (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.250 50% decrease in Issue Price	\$0.50 Issue Price	\$1.00 100% increase in Issue Price
Current Variable A 383,927,963 Shares	10% Voting Dilution	38,392,796 Shares	38,392,796 Shares	38,392,796 Shares
	Funds raised (\$)	9,598,199	19,196,398	38,392,796
50% increase in current Variable A 575,891,944 Shares	10% Voting Dilution	57,589,194 Shares	57,589,194 Shares	57,589,194 Shares
	Funds raised (\$)	14,397,299	28,794,597	57,589,194
100% increase in current Variable A 767,855,926 Shares	10% Voting Dilution	76,785,593 Shares	76,785,593 Shares	76,785,593 Shares
	Funds raised (\$)	19,196,398	38,392,796	76,785,593

**The table has been prepared on the following assumptions:**

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (ii) No Listed Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
  - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - (vii) The issue price is \$0.50, being the closing price of the Shares on ASX on 1 October 2019.
- (e) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (f) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.
- (j) Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the subscribers under the 10% Placement Facility will be the vendors of the new resources assets or investments.



- (k) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2018 annual general meeting. In the 12 months preceding the date of the Meeting, the Company issued a total of 204,134,498 Equity Securities which represents approximately 113.5% of the total number of Equity Securities on issue at 21 November 2018. Refer to Schedule 2 for details of the Equity Securities issued in the preceding 12 months.
- (l) A voting exclusion statement is included in the Notice for Resolution 3.
- (m) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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## **7. Resolution 4 – Ratification of Placement**

### **7.1 Background**

On 26 July 2019, the Company announced that it had conducted a placement to institutional investors (**Placement**) together with an accelerated non-renounceable pro-rata entitlement offer. The Company issued 34,974,915 Shares at an issue price of \$0.50 per Share (**Placement Shares**) to institutional investors on 2 August 2019 under the Placement.

The funds raised from the issue of the Placement Shares are being used to part fund the equity component of construction on the Company's Beyondie Sulphate of Potash Project and to provide anticipated working capital until first production.

### **7.2 Listing Rules 7.1 and 7.4**

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1. The Company confirms that the issue of Shares under the Placement did not breach Listing Rule 7.1.

The effect of passing Resolution 4 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

### **7.3 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) 34,974,915 Placement Shares were issued on 2 August 2019 to sophisticated and professional investors introduced by Macquarie Capital (Australia) Limited.
- (b) The Placement Shares were issued at an issue price of \$0.50 per Share.
- (c) The Placement Shares are fully paid ordinary shares ranking equally to the Shares on issue.
- (d) The funds raised were used to part fund the equity component of construction on the Company's Beyondie Sulphate of Potash Project and to provide anticipated working capital until first production.
- (e) A voting exclusion statement is included in the Notice for Resolution 4.

### **7.4 Director Recommendation**

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

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## **8. Resolution 5 – Issue of Shares to Stephen Dennis**

### **8.1 Background**

In accordance with Listing Rule 10.11 Shareholder approval is required for the issue of Shares to a related party. Mr Stephen Dennis is a related party of the Company. Subject to obtaining the approval contemplated by this Resolution 5, Mr Dennis has committed to subscribing for shares on equal terms offered under the Placement and the entitlement offer.

The Company seeks to issue 500,000 Shares (**Related Party Shares**) to Mr Stephen Dennis at an issue price of \$0.50 per Share, being on terms equal to those offered to participants under the Placement.

Resolution 5 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 5.

### **8.2 Section 208 of Corporations Act**

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Mr Stephen Dennis, a Director, is a related party of the Company.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Related Party Shares because the Related Party Shares will be issued to Mr Dennis on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms. The terms of the participation are at the same issue price as the Placement Shares issued to institutional investors under the Placement.

### **8.3 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.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 5 will be to allow the Company to issue up to 500,000 Shares to Mr Dennis (and/or his nominee) without using up the Company's 15% placement capacity under Listing Rule 7.1.

### **8.4 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 Related Party Shares will be issued to Mr Stephen Dennis (and/or his nominee).

- (b) The maximum number of Related Party Shares to be issued to Mr Stephen Dennis (and/or his nominee) is 500,000.
- (c) The Related Party 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) The Related Party Shares will be issued at \$0.50 per Share.
- (e) The Related Party Shares will rank equally in all respects with the Company's existing Shares on issue.
- (d) The funds raised were used to part fund the equity component of construction on the Company's Beyondie Sulphate of Potash Project and to provide anticipated working capital until first production.
- (i) A voting exclusion statement is included in the Notice for Resolution 5.
- (j) Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 5.

## 8.5 Directors recommendation

Directors (other than Mr Stephen Dennis) recommend that Shareholders vote in favour of this Resolution.

## 9. Resolution 6 – Adoption of Management Option Plan

### 9.1 General

Resolution 6 seeks Shareholder approval for the adoption of the employee incentive scheme titled management option plan (**Management Option Plan**) in accordance with Listing Rule 7.2 (Exception 9(b)).

The objective of the Management Option Plan is to engage, attract, retain and incentivise the services of employees, consultants and directors of a high calibre. The Management Option Plan will also provide selected employees and officers with the opportunity to participate in the future growth of the Company.

Any future issue of Options (and the issue of underlying Shares of such Options) under the Management Option Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

Resolution 6 is an ordinary resolution.

### 9.2 Listing Rule 7.1 and Listing Rule 7.2, Exception 9

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to convert to equity (such as a Performance Right), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, Exception 9 provides an exception to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, Exception 9 is that any issues of securities under the Plan are treated as having been made with the approval of shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 9 lasts for a period of three years.

A summary of the material terms of the Management Option Plan is set out in Schedule 3 to this Notice. A copy of the Management Option Plan can be obtained by contacting the Company.

### 9.3 Specific information required by Listing Rule 7.2

In accordance with Listing Rule 7.2 Exception 9, information is provided as follows:

- (a) The material terms of the Management Option Plan are summarised in Schedule 3.
- (b) This is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the Management Option Plan.
- (c) Since 23 December 2016, being the date the Company was admitted to official quotation on the ASX, the Company issued the following Options under the previous management option plan:
  - (i) 7,500,000 Options, each with an exercise price of \$0.25 and expiring on 16 December 2019; and
  - (ii) 1,000,000 Options, each with an exercise price of \$0.525 and expiring on 17 May 2021.
- (d) A voting exclusion statement is included in the Notice for Resolution 6.

### 9.4 Directors recommendation

Each of the Directors has an interest in the outcome of this Resolution and accordingly do not make a voting recommendation to Shareholders.

## 10. Resolution 7 – Adoption of Performance Rights Plan

### 10.1 General

Resolution 7 seeks Shareholder approval for the adoption of the Company's performance rights plan (**Performance Rights Plan**) in accordance with Listing Rule 7.2 (Exception 9(b)).

The objective of the Performance Rights Plan is to engage, attract, retain and incentivise the services of directors, consultants and employees of a high calibre. The Performance Rights Plan will also provide selected employees and officers with the opportunity to participate in the future growth of the Company.

Any future issue of Performance Rights (and the issue of underlying Shares of such Performance Rights) under the Performance Rights Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

Resolution 7 is an ordinary resolution.

### 10.2 Listing Rule 7.1 and Listing Rule 7.2, Exception 9

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to convert to equity (such as a Performance Right), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, Exception 9 provides an exception to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, Exception 9 is that any issues of securities under the Plan are treated as having been made with the approval of shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 9 lasts for a period of three years.

A summary of the material terms of the Performance Rights Plan is set out in Schedule 4 to this Notice. A copy of the Performance Rights Plan can be obtained by contacting the Company.

### 10.3 Specific information required by Listing Rule 7.2

In accordance with Listing Rule 7.2 Exception 9, information is provided as follows:

- (a) The material terms of the Performance Rights Plan are summarised in Schedule 4.
- (b) This is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the Performance Rights Plan.
- (c) Since 23 December 2016, being the date the Company was admitted to official quotation on the ASX, the Company issued 20,000,000 Performance Rights expiring on 2 September 2021 under the previous performance rights plan with the following performance conditions:
  - (i) 5,000,000 Performance Rights will vest upon the completion of a definitive feasibility study;
  - (ii) 5,000,000 Performance Rights will vest upon securing funding for the development and construction of the commercial sulphate of potash (SOP) product operation; and
  - (iii) 10,000,000 Performance Rights will vest upon achievement of the first commercial production of SOP
- (d) A voting exclusion statement is included in the Notice for Resolution 7.

### 10.4 Directors recommendation

Each of the Directors has an interest in the outcome of this Resolution and accordingly do not make a voting recommendation to Shareholders.

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## 11. Resolution 8 – Adoption of Tax Exempt Share Plan

### 11.1 General

Resolution 8 seeks Shareholder approval for the adoption of the Company's tax exempt share plan (**Tax Exempt Share Plan**) in accordance with Listing Rule 7.2 (Exception 9(b)).

The objective of the Tax Exempt Share Plan is to engage, attract, retain and incentivise the services of consultants and employees of a high calibre. The Tax Exempt Share Plan will also provide selected employees with the opportunity to participate in the future growth of the Company.

Resolution 8 is an ordinary resolution.

### 11.2 Listing Rule 7.1 and Listing Rule 7.2, Exception 9

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to convert to equity (such as a Performance Right), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, Exception 9 provides an exception to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, Exception 9 is that any issues of securities under the Plan are treated as having been made with the approval of shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 9 lasts for a period of three years.

A summary of the material terms of the Tax Exempt Share Plan is set out in Schedule 5 to this Notice. A copy of the Tax Exempt Share Plan can be obtained by contacting the Company.

### 11.3 Specific information required by Listing Rule 7.2

In accordance with Listing Rule 7.2 Exception 9, information is provided as follows:

- (a) The material terms of the Tax Exempt Share Plan are summarised in Schedule 5.
- (b) This is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the Tax Exempt Share Plan.
- (c) No securities have been issued under the Tax Exempt Share Plan.
- (d) A voting exclusion statement is included in the Notice for Resolution 8.

### 11.4 Directors recommendation

Directors recommend that Shareholders vote in favour of this Resolution.

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## 12. Resolution 9 - Renewal of Proportional Takeover Provisions

### 12.1 General

Section 648G(1) of the Corporations Act provides that a company's proportional takeover approval provisions, unless sooner omitted from its constitution, cease to apply at the end of 3 years from adoption or renewal as appropriate unless otherwise specified.

When the provisions cease to apply the company's constitution is modified by omitting the provisions.

A company may renew its proportional takeover approval provisions in the same manner in which a company can modify its constitution (i.e. by special resolution of shareholders).

The Company's Constitution (including the proportional takeover provisions set out in schedule 5) was adopted on 14 July 2016. Accordingly the proportional takeover provisions included in the Constitution applied until 14 July 2019 and now need to be renewed.

Resolution 9 is a special resolution which will enable the Company to modify its Constitution by renewing schedule 5 for a period of 3 years from the date of Shareholder approval. It is noted that Shareholder approval will not result in a change to the wording of schedule 5 of the Constitution.

The Company may seek further Shareholder approval to renew this clause for further periods of up to 3 years on each occasion.

A copy of the proposed Constitution is available at the Company's registered office and on its website <https://www.kaliumlakes.com.au/>.

### 12.2 Proportional takeover provisions (schedule 5 of Constitution)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

The proportional takeover provisions set out in schedule 5 of the Constitution provides that a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Constitution and the Corporations Act.

This schedule will cease to have effect on the third anniversary of the date of the adoption of the last renewal of the clause.

Information required by section 648G of the Corporations Act

- (a) Effect of proportional takeover provisions
  - (i) Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed or the deadline for obtaining such approval has passed.
- (b) Reasons for proportional takeover provisions
  - (i) A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.
- (c) Knowledge of any acquisition proposals
  - (i) As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.
- (d) Advantages and disadvantages of proportional takeover provisions during the period in which they have been in effect
  - (i) The Directors consider that the proportional takeover provisions had no advantages or disadvantages for them during the period in which they have been in effect.
  - (ii) The advantages and disadvantages of the proportional takeover provisions for Shareholders include those set out immediately below, which were applicable during the period in which they have been in effect.
- (e) Potential advantages and disadvantages of proportional takeover provisions
  - (i) The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

## 12.3

### Board Recommendation

The Directors do not believe the potential disadvantages outweigh the potential advantages of renewing the proportional takeover provisions and as a result consider that renewal of the proportional takeover provision set out in schedule 5 of the Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 9.

## 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 Facility** has the meaning given in Section 6.1.

**10% Placement Period** has the meaning given in Section 6.2(f).

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2019.

**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.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of directors of the Company.

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

**Closely Related Party** means:

(a) a spouse or child of the member; or

(b) has the meaning given in section 9 of the Corporations Act.

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

**Company Secretary** means the secretary to the Company.

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

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

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

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

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

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

**Financial Report** means the annual financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

**Invitation** has the meaning given in the Company's Performance Rights Plan Rules.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listed Option** means an Option listed on ASX.

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

**Managing Director** means the managing director of the Company.

**Management Option Plan** has the meaning given in Section 9.1 of this Notice.

**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.

**Performance Right** means a performance right granted in the Company.

**Performance Right Recipient** has the meaning given to that term in Section 10.1 of this Notice.

**Performance Rights Plan** has the meaning given in Section 10.1 of this Notice.

**Placement** has the meaning given in Section 7.1 of this Notice.

**Placement Shares** has the meaning given in Section 7.1 of this Notice.

**Plan Shares** means the Shares issued under the Tax Exempt Share Plan.

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

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Related Bodies Corporate** has the meaning given to that term in section 50 of the Corporations Act.

**Related Party Shares** has the meaning given in Section 8.1 of this 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 shareholder of the Company.

**SOP** has the meaning given to that term in Section 10.3.

**Strike** has the meaning given to that term in Section 4.

**Tax Exempt Share Plan** has the meaning given in Section 11.1 of this Notice.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means volume weighted average price.

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

## Schedule 2 - Details of issues of Equity Securities

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium market price (per cent.) to	Consideration
1.	21 December 2018	7,440,179	Ordinary Shares	Placement to Sophisticated and Institutional Investors.	\$0.31	Share price at date of issue: \$0.28  Premium to market price: 10.7%	<p>Total consideration: \$2,306,455</p> <p>If cash consideration, amount of consideration spent (A\$): \$2,306,455</p> <p>If cash consideration, what consideration was spent on: Continue to fund early capital works, front end engineering and design (FEED), progressing project financing, general overheads and working capital, to advance the Beyondle Sulphate of Potash Project (BSOPP).</p> <p>If cash consideration, intended use for remaining consideration: -</p> <p>If non cash consideration, current value: -</p>
2.	28 February 2019	1,612,904	Ordinary Shares	Placement of Ordinary Shares to Brent Smooty.	\$0.31	Share price at date of issue: \$0.39  Discount to market price: 20.5%	<p>Total consideration: \$500,000</p> <p>If cash consideration, amount of consideration spent (A\$): \$500,000</p> <p>If cash consideration, what consideration was spent on: Continue to fund early capital works, front end engineering and design (FEED), progressing project financing, general overheads and working capital, to advance the Beyondle Sulphate of Potash Project (BSOPP).</p> <p>If cash consideration, intended use for remaining consideration: -</p> <p>If non cash consideration, current value: -</p>

No.	Date of issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium market price (per cent.) to	Consideration
3.	14 March 2019	254,110	Ordinary Shares	Participant of the Kallium Lakes Limited Option Plan.	N/A	N/A	Total consideration N/A
4.	21 March 2019	240,017	Ordinary Shares	Participant of the Kallium Lakes Limited Option Plan.	N/A	N/A	Total consideration N/A
5.	3 April 2019	1,458,362	Ordinary Shares	Participant of the Kallium Lakes Limited Option Plan.	N/A	N/A	Total consideration: N/A
6.	9 April 2019	18,904,487	Ordinary Shares	Greenstone Management (Delaware) II LLC in its capacity as general partner of Greenstone Resources II (Australia) Holdings L.P.	\$0.44	Share price at date of issue: \$0.51 Discount to market price: 13.7%	Total consideration: \$8,317,974 If cash consideration, amount of consideration spent (A\$): \$8,317,974
							If cash consideration, what consideration was spent on: Purchase of long lead items, pond construction, bores, tendries, pumping equipment, accommodation, site preparation, installation, RED S, staff, administration and workshops.
							If cash consideration, intended use for remaining consideration: -
							If non cash consideration, current value: -
7.	18 April 2019	861,478	Ordinary Shares	Participant of the Kallium Lakes Limited Option Plan.	N/A	N/A	Total consideration: N/A
8.	23 April 2019	28,401,101	Ordinary Shares	Greenstone Management (Delaware) II LLC in its capacity as general partner of Greenstone Resources II (Australia) Holdings L.P.	\$0.44	Cashless exercise pursuant to the Kallium Lakes Limited Management Option Plan Share price at date of issue: \$0.51	Total consideration: \$12,496,484 If cash consideration, amount of consideration spent (A\$): \$12,496,484

No.	Date of issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium market price (per cent.) to	Consideration
						Discount to market price: 13.7%	If cash consideration, what consideration was spent on:  Purchase of long lead items, pond construction, bores, trenches, pumping equipment, accommodation village installation, RFDS airstrip, administration and workshops.  -  -  If non cash consideration, intended use for remaining consideration:  -  If non cash consideration, current value:  Total consideration:\$ \$38,124,232  If cash consideration, amount of consideration spent (A\$): \$11,000,000  If cash consideration, what consideration was spent on:  Construction of the Beyondle Sulphate of Potash Project (BSOPP) and anticipated working capital until first production.  If cash consideration, intended use for remaining consideration:  Construction of the Beyondle Sulphate of Potash Project (BSOPP) and anticipated working capital until first production.  If non cash consideration, current value: \$4,35,000 Current value: \$435,000 <sup>1</sup>
9.	2 August 2019	(a) 34,974,915 (b) 41,273,549 (c) 870,000	Ordinary Shares	Placement to Institutional investors and Institutional component of the accelerated non-renounceable pro rata entitlement offer.	\$0.50	Share price at date of issue: \$0.53  Discount to market price: 5.7%	Total consideration: \$38,124,232  If cash consideration, amount of consideration spent (A\$): \$11,000,000  If cash consideration, what consideration was spent on:  Construction of the Beyondle Sulphate of Potash Project (BSOPP) and anticipated working capital until first production.  If cash consideration, intended use for remaining consideration:  Construction of the Beyondle Sulphate of Potash Project (BSOPP) and anticipated working capital until first production.
10.	22 August 2019	(a) 34,922,946 (b) 30,475,860	Ordinary Shares	Shareholders who participated in the Company's accelerated non-renounceable rights issue (ARNEO).	\$0.50	Share price at date of issue:\$0.49  Premium to market price: 2%	Total consideration: \$32,699,403  If cash consideration, amount of consideration spent (A\$): -  If cash consideration, what consideration was spent on: -

<sup>1</sup> Based on a share price of \$0.50, being the closing price of the Shares on ASX on 1 October 2019



No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium market price (per cent.)	to	Consideration
								Construction of the Beyondle Sulphate of Potash Project (BSOPP), and anticipated working capital until first production.
								If cash consideration, intended use for remaining consideration:
								If non cash consideration, current value:
								-
								Total consideration:
								\$1,222,295
								If cash consideration, amount of consideration spent (A\$):
								-
								If cash consideration, what consideration was spent on:
								-
								If cash consideration, intended use for remaining consideration:
								Construction of the Beyondle Sulphate of Potash Project (BSOPP) and anticipated working capital until first production.
								If non cash consideration, current value:
								-
11.	3 September 2019	2,444,590	Ordinary Shares	Greenstone Management (Delaware) III LC as shortfall from the ARNEO.	\$0.50	Share price at date of issue: \$0.50  Discount to market price: Nil		

# Schedule 3 - Summary of the Terms and Conditions of the Management Option Plan

## 1. Eligibility

A person who has been determined by the Board to be eligible to participate in the Management Option Plan (**Eligible Person**).

## 2. Invitation

The Board may, from time to time, in its absolute discretion, invite any Eligible Person to apply for up to a specified number of Options, upon the terms set out in the Management Option Plan (**Invitation**).

## 3. Issue Price

Options will be issued for no consideration and shall have an exercise price as determined by the Board.

## 4. Grant of Options

Once the Company has received and accepted a duly signed and completed application form for Options from an Eligible Person, the Company will grant Options to such person (the **Participant**), with effect from grant date, upon the terms set out in the Invitation and the Management Option Plan.

## 5. Determination of Performance Condition

An Option that is granted subject to service-based conditions and/or performance hurdles (**Performance Conditions**) vests when both of the following have occurred:

- (a) the Performance Conditions applicable to that Option have been determined by the Board (acting reasonably) to be satisfied, are waived by the Board, or are deemed to have been satisfied under the Management Option Plan; and
- (b) the Company notifying a Participant informing him or her that the Option has vested.

## 6. Exercise on vesting

A vested Option may be exercised by a Participant at any time from the date of vesting until such time as the vested Performance Rights lapse in accordance with the Management Option Plan

## 7. Disposal Restrictions

A Participant agrees that any Shares issued upon exercise of a vested Option will be subject to any disposal restrictions as set out in the Invitation and determined by the Board.

## 8. Lapsing of Options

An Option will lapse upon the earlier to occur of:

- (a) the date determined by the Board and specified in the Invitation as the expiry date; or
- (b) if the Invitation does not specify an expiry date, the date which is 15 years from the date of grant.

## 9. Issue of Shares

Subject to the Corporations Act, the Listing Rules and the Management Option Plan, the Company must issue to, or procure the transfer to, the Participant the number of Shares the Participant is entitled to be issued in respect of vested Options that are exercised.

## 10. Share ranking

All Shares issued under the Options will rank equally with all other issued Shares, and will be entitled in full to those dividends which have a record date for determining entitlements after the date of issue.

## 11. Listing of Shares on ASX

The Company will apply for official quotation of all Shares issued under the Management Option Plan on ASX.

## 12. Change of Control

If a Change of Control event occurs the Board may in its absolute discretion determine the manner in which any or all of the Options (whether vested or unvested) will be dealt with. Unless otherwise specified in the Invitation.

## 13. Adjustment for bonus issues

If Shares are issued pro rata to Shareholders generally by way of bonus issue, the number of Options to which each Participant is entitled shall be increased by that number of securities which the Participant would have been issued if the Options then held by the Participant were exercised immediately prior to the record date of the bonus issue.

## 14. Pro rata issues

A Participant will not be entitled to any adjustment to the number of Shares issued under the Management Option Plan that he or she is entitled to or adjustment to any Performance Condition which is based, in whole or part, on the Company's share price, as a result of the Company undertaking a rights issue.

**15. Adjustment for reorganisation**

In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the number of Options shall be reconstructed (as appropriate) in accordance with the Listing Rules (applying at that time) and in a manner which is fair as between the Participants and the holder of Shares.

**16. Amendments**

Subject to the Management Option Plan and the Listing Rules, the Board may from time to time amend or supplement the Management Option Plan rules in any respect. However, no amendment may be made by the Board to the rules which reduces the rights of Participants without their prior written consent, other than an amendment introduced primarily:

- (a) for the purpose of complying with, or conforming to, the Listing Rules, any class order on which the Company is relying or present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Management Option Plan or like plans;
- (b) to correct any manifest error or mistake; or
- (c) to take into consideration possible adverse tax implications in respect of the Management Option Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a Court of competent jurisdiction.

## Schedule 4 - Summary of the Terms and Conditions of the Performance Rights Plan

### 1. Eligibility

A person that has been determined by the Board to be eligible to participate in the Performance Rights Plan from time to time (**Eligible Participant**).

### 2. Invitation

An invitation to an Eligible Participant to apply for the grant of one or more Performance Rights. This invitation will be accompanied by an application form that must be completed by the Eligible Participants (**Application Form**).

### 3. Exercise Price

The price to be paid by the Eligible Participant when exercising their Performance Right is specified in their invitation. For the avoidance of doubt, the Exercise Price of a Performance Right might be nil.

### 4. Grant of Performance Rights

The Company will grant the Eligible Participants Performance Rights upon receipt of a duly signed and completed Application Form

### 5. Determination of Performance Condition

Eligible Participants will have the performance conditions set out in their invitation (**Performance Conditions**). Satisfaction of the Performance Conditions may be tested by a relevant date as specified in the invitation or be tested against the terms and conditions of the Performance Rights Plan.

### 6. Exercise on Vesting

Performance Rights will automatically vest upon the satisfaction of the Performance Conditions set out in the Eligible Participant's invitation (or the terms and conditions attached to that Performance Right). A Performance Right may only be exercised once it has vested.

### 7. Disposal Restrictions

An Eligible Participant agrees that any Shares issued upon exercise of a vested Performance Right will be subject to any disposal restrictions as set out in the invitation letter and as determined by the Board.

### 8. Lapsing of Performance Rights

The Performance Rights will lapse on the earlier of the following:

- (a) the date determined by the Board and specified in an invitation as the "expiry date"; or
- (b) if an invitation does not specify an "expiry date", the date which is 15 years from the date that Performance Right was granted to the Eligible Participant.

### 9. Cash Settlement or Equity Settlement

Subject to the Corporations Act, the Listing Rules and the Performance Rights Plan, the Company may (in its absolute discretion):

- (a) issue to, or procure the transfer to, the Eligible Participant the number of Shares the Eligible Participant is entitled to be issued in respect of vested Performance Rights that are exercised (**Equity Settled**); or
- (b) pay a cash amount to the Eligible Participant, equal to the VWAP on the ASX for the 10 trading days prior to the day on which the Performance Rights are validly exercised, in accordance with the Performance Right Plan (**Cash Settled**).

### 10. Share ranking

All Shares issued under the Performance Rights will rank equally with all other issued Shares, and will be entitled in full to those dividends which have a record date for determining entitlements after the date of issue.

### 11. Listing of Shares on ASX

The Company will apply for official quotation of all Shares issued under the Performance Rights Plan on ASX.

### 12. Change in Control

The Board may in its absolute discretion determine the manner in which any or all of the Eligible Participant's Performance Rights (whether vested or not) will be dealt with if a change in control event occurs in respect of the Company. For the purposes of this item 4, a "**Change in Control Event**" means:

- (a) a change in control of the Company;
- (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial

ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its Associates) owning 50% or more of the issued capital of the Company;

- (c) where a takeover bid is made to acquire more than 50% of the issued capital (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to more than 50% of the issued capital of the Company) and the takeover bid becomes unconditional and the bidder (together with its Associates) has a relevant interest in 50% or more of the issued capital of the Company;
- (d) where a person (either alone or together with its associates) becomes the legal or the beneficial owner of, or acquires a relevant interest in, more than 50% of the issued capital of the Company;
- (e) where a person (either alone or together with its associates) becomes entitled to acquire or acquires an equitable interest in more than 50% of the issued capital of the Company;
- (f) a resolution is passed for the voluntary winding-up of the Company;
- (g) an order is made for the compulsory winding up of the Company; or
- (h) any other event determined by the Board in good faith to constitute a "Change of Control Event" for the purposes of the Performance Rights Plan,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Company or any of its Related Bodies Corporate.

### **13. Adjustment for bonus issues**

If Shares are issued pro rata to Shareholders generally by way of bonus issue, the number of Performance Rights to which each Eligible Participant is entitled shall be increased by that number of securities which the Eligible Participant would have been issued if the Performance Rights then held by the Eligible Participant were exercised immediately prior to the record date of the bonus issue.

### **14. Pro rata issues**

An Eligible Participant will not be entitled to any adjustment to the number of Shares issued under the Performance Rights Plan that he or she is entitled to or adjustment to any Performance Condition which is based, in whole or part, on the Company's share price, as a result of the Company undertaking a rights issue.

### **15. Participation in new issue**

There are no participation rights or entitlements inherent in the Performance Rights and holders of Performance Rights will not, in respect of their Performance Rights, be entitled to participate in new issues of capital offered to Shareholders.

### **16. Adjustment for reorganisation**

In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the number of Performance Rights shall be reconstructed (as appropriate) in accordance with the Listing Rules (applying at that time) and in a manner which is fair as between the Eligible Participants and the holder of Shares.

### **17. Amendments**

Subject to the Performance Rights Plan and the Listing Rules, the Board may from time to time amend or supplement the Performance Rights Plan rules in any respect. However, no amendment may be made by the Board to the rules which reduces the rights of Eligible Participants without their prior written consent, other than an amendment introduced primarily:

- (a) for the purpose of complying with, or conforming to, the Listing Rules, any class order on which the Company is relying or present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Performance Rights Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) to allow the implementation of an employee share trust arrangement pursuant to the Performance Rights Plan; or
- (d) to take into consideration possible adverse tax implications in respect of the Performance Rights Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a Court of competent jurisdiction.

## Schedule 5 - Summary of the Terms and Conditions of the Tax Exempt Share Plan

### 1. Eligibility

A person that is considered to be a "Qualifying Employee" is eligible to participate in the Tax Exempt Share Plan. The term "**Qualifying Employee**" means:

- (a) a full-time or part-time employee of a member of the Company or any of its Related Bodies Corporate; or
- (b) such other individual employed or engaged by a member of the Company or any of its Related Bodies Corporate whose engagement falls within "relationships similar to employment" categories under section 83A.325 of the *Income Tax Assessment Act 1997* (Cth) (**ITAA**).

### 2. Invitation

The Board may make an Invitation to the Qualifying Employee following a determination that the Qualifying Employee can participate in the Tax Exempt Share Plan for the grant of shares under the plan (**Plan Shares**). This invitation will be accompanied by an application form that must be completed for an application for Plan Shares (**Application Form**).

### 3. Issue Price

The Plan Shares will be issued for nil consideration and shall have an exercise price as determined by the Board.

### 4. Grant of Plan Shares

The Company will grant the Qualifying Employees Plan Shares upon receipt of a duly signed and completed Application Form.

### 5. Determination of Reduction Condition

The Company will use all reasonable endeavours to ensure that the Tax Exempt Share Plan and the Plan Shares issued under the Tax Exempt Share Plan satisfy the reduction conditions set out in section 83A-35 of the ITAA (**Reduction Conditions**).

### 6. Disposal Restrictions

The Plan Shares will be subject to a holding lock period for a period from the date the Plan Shares are granted to the earlier of (**Holding Lock Period**):

- (a) the date three years after the Plan Shares are granted or such date as determined by the Board to have satisfied the Reduction Conditions; or
- (b) the date after the date on which the Qualifying Employee ceases to be employed by the Company or any of its Related Bodies Corporate.

During the Holding Lock Period, the Qualifying Employee has no right to transfer, encumber or otherwise dispose of the Plan Shares, or to permit another person to take action or remove or circumvent the disposal restriction over their Plan Shares.

Upon expiry of the Holding Lock Period, the Company will take all actions necessary to ensure that the Qualifying Employee can deal with their Plan Shares.

### 7. Share ranking

All Plan Shares will rank equally with all other issued Shares, and will be entitled in full to those dividends which have a record date for determining entitlements after the date of issue.

### 8. Listing of Shares on ASX

The Company will apply for official quotation of all Shares issued under the Tax Exempt Share Plan on ASX.

### 9. Adjustment for bonus issues

If Shares are issued pro rata to Shareholders generally by way of bonus issue, the number of Plan Shares held by a Qualifying Employee will be increased in the same ratio as Shares issued under the bonus issue. Bonus Shares issued to, or for the benefit of, a Qualifying Employee will be subject to the same conditions as the Plan Shares provided for under the Tax Exempt Share Plan.

### 10. Pro rata issues

Qualifying Employees must give the Company written notice of their intention to participate in a rights issue. The Shares issued to the Qualifying Employees pursuant to the rights issue will not be subject to the rules of the Tax Exempt Share Plan.

### 11. Amendments

Subject to the Tax Exempt Share Plan and the Listing Rules, the Board may from time to time amend or supplement the Tax Exempt Share Plan rules in any respect. However, no amendment may be made by the Board to the rules which reduces the rights of Qualifying Employees without their prior written consent, other than an amendment introduced primarily:

- (a) for the purpose of complying with, or conforming to, the Listing Rules, any class order on which the Company is relying or present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Tax Exempt Share Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) to allow the implementation of an employee share trust arrangement pursuant to the Tax Exempt Share Plan; or
- (d) to take into consideration possible adverse tax implications in respect of the Tax Exempt Share Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a Court of competent jurisdiction.

# KALIUM LAKES

ABN 98 613 656 643

KLL

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

## Need assistance?



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



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00am (WST) Monday, 11 November 2019.**

## Proxy Form

### 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

**If you are attending in person, please bring this form with you to assist registration.**

##### Corporate Representative

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

### Lodge your Proxy Form:

**XX**

#### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

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

#### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

#### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



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



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

XX

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 Annual General Meeting of Kalium Lakes Limited to be held at the offices of RSM, Level 32/2 The Esplanade, Perth, Western Australia on Wednesday, 13 November 2019 at 9:00am (WST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 6, 7 and 8 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 6, 7 and 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 6, 7 and 8 by marking the appropriate box in step 2.

## 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
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Malcolm Randall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Shares to Stephen Dennis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Adoption of Management Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Adoption of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Adoption of Tax Exempt Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Renewal of Proportional Takeover Provisions	<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.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address   
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

