



KALIUM LAKES LIMITED

ACN 613 656 643

PROSPECTUS

For an offer of up to 100 Shares at an issue price of A\$0.15 per Share to raise up to A\$15

THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 708A(11) OF THE CORPORATIONS ACT FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF THE CONTINGENT SHARES AND KUMARINA SHARES.

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

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

IMPORTANT INFORMATION

General

This Prospectus is dated, and was lodged with ASIC on, Thursday, 9 July 2020. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

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

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

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

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

No action has been taken to permit the offer of New Shares under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

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

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

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

CORPORATE DIRECTORY

Company

Kalium Lakes Limited (ACN 613 656 643)

Directors

Malcolm Randall - Non-Executive Chairman
Brett Hazelden - Managing Director
Stephen Dennis – Non-Executive Director
Dale Champion – Non-Executive Director
Brent Smoothly – Non-Executive Director
Mark Sawyer – Non-Executive Director

Chief Financial Officer

Chris Achurch

Joint Company Secretaries

Chris Achurch and Gareth Widger

Registered Office

Unit 1, 152 Balcatta Road
Balcatta WA 6021

Website and Email

Email: info@kaliumlakes.com.au
www.kaliumlakes.com.au

Auditors*

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

Share Registry

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

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

Solicitors

DLA Piper Australia
Level 21, Dexus Place
240 St Georges Terrace
Perth WA 6000 Australia

Home Exchange

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

ASX Code

KLL

**This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.*

PROPOSED TIMETABLE

Event	Date*
Lodgement of Prospectus with ASIC and ASX	Thursday, 9 July 2020
Opening Date of Offer	Thursday, 9 July 2020
Closing Date	Thursday, 9 July 2020

**These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice.*

TABLE OF CONTENTS

Section	Page No
1. Details of the Offer	1
2. Effect of the Offer	5
3. Risk Factors.....	6
4. Additional Information	15
5. Authorisation	23
6. Glossary of Terms.....	24

RISK FACTORS

There a number of risks associated with investing in the Company and in the share market generally. The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can affect the value of an investment in the Company.

An investment in the Company is speculative in nature and investors should be aware that they may lose some or all of their investment. Prospective investors should read this Prospectus in its entirety, and in particular, consider the risk factors detailed in Section 3.

1. Details of the Offer

1.1 The Offer

The Company is offering, pursuant to this Prospectus, up to 100 Shares (**New Shares**) at an issue price of A\$0.15 each (**Offer**).

All of the New Shares offered under this Prospectus will rank equally with the existing Shares on issue as at the date of this Prospectus. Refer to Section 4.1 for a description of the material rights and liabilities attaching to the Shares.

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

On 9 July 2020 issued:

- (a) 2,589,604 Shares to an entity associated with Mr Brett Hazelden, a Director;
- (b) 8,634,245 Shares to an entity associated with Mr Rudolph van Niekerk, a former Director;
- (c) 312,543 Shares to Mr Stephen Dennis, a Director; and
- (d) 8,769,017 Shares to Greenstone Resources II (Australia) Holdings L.P.,

(together, the **Contingent Shares**).

On Thursday, 9 July 2020, the Company has also issued 13,931,488 Shares to Kumarina Holdings Pty Ltd ATF Smoothy Investment A/C, an entity associated with Mr Brent Smoothy, a Director, (**Kumarina Shares**) in lieu of cash payment of outstanding invoices owing.

Refer to the ASX announcements on 2 June 2020, 16 June 2020, 3 July 2020, 9 July 2020, the Entitlement Offer Prospectus and Notice of Meeting for further details.

This Prospectus has been issued, and the Offer is being undertaken, to facilitate secondary trading of the Contingent Shares and the Kumarina Shares, as they were issued without disclosure under Part 6D.2 of the Corporations Act.

1.2 Purpose of the Offer

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Section 708A(5) of the Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). The Company has been suspended from trading on the ASX for more than 5 days in the last 12 months and as a result is precluded from issuing a 'cleansing' notice in accordance with section 708A(5) of the Corporations Act.

Section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or

- (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

The primary purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act to remove any trading restrictions that may have attached to the Kumarina Shares and the Contingent Shares issued by the Company so that the holders of the Kumarina Shares and the Contingent Shares, if they choose to, may sell those Kumarina Shares and Contingent Shares within the 12 months following their issue, without the issue of a prospectus. The Company did not issue the Kumarina Shares or the Contingent Shares with the purpose of the persons to whom they were issued selling or transferring the Kumarina Shares or Contingent Shares or granting, issuing or transferring interests in the Kumarina Shares or Contingent Shares within 12 months of the issue, however this Prospectus provides them with the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

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

1.3 Closing Date

The Closing Date for the Offer is 7.00 pm (WST) on Thursday, 9 July 2020. The Company reserves the right, subject to the Corporations Act and the Listing Rules to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

1.4 Minimum Subscription

There is no minimum subscription in relation to the Offer.

1.5 Oversubscriptions

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

1.6 Applications

The Company will send this Prospectus, together with the Application Form, to selected persons whom the Directors determine are eligible to participate in the Offer.

If you wish to subscribe for New Shares under the Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Company's discretion, in accordance with the instructions in the Application Form.

1.7 ASX Listing

Application for Official Quotation by ASX of the New Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus.

If the New Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not issue any New Shares and will repay all Application Monies for the New Shares within the time prescribed under the Corporations Act, without interest.

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

1.8 Allotment

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

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

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

1.9 Defects in Applications

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

1.10 Applicants Outside Australia

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the New Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.11 Risks of the Offer

An investment in Shares of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company, which are explained in Section 3.

1.12 Taxation Implications

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

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

1.13 Major Activities and Financial Information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2019 is contained in the annual report which is available on the Company's website at www.kaliumlakes.com.au.

A summary of the major activities and financial information relating to the Company for the half year ended 31 December 2019 is contained in the half yearly report which is available on the Company's website at www.kaliumlakes.com.au.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its annual report for the year ended 30 June 2019 with ASX on 11 October 2019 are detailed in Section 4.3.

Copies of these documents are available free of charge from the Company or the Company's website: www.kaliumlakes.com.au. Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.14 Privacy

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

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

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

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.15 Enquiries Concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company telephoning +61 (0) 8 92403200 between 8:30am to 5.00pm (WST), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

2. Effect of the Offer

2.1 Effect of the Offer on the Company

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

Class	Number
Shares on issue as at the date of this Prospectus	836,494,682
New Shares to be issued under the Offer	100
Total Shares on issue on completion of the Offer	836,494,782
Options on issue as at the date of this Prospectus	41,826,668
Total Options on issue on completion of the Offer	41,826,668
Performance Rights on issue as at the date of this Prospectus	10,000,000
Performance Rights on issue on completion of the Offer	10,000,000

2.2 Market Price of Shares

The highest and lowest market sale prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: A\$0.49 per Share on 21 February 2020

Lowest: A\$0.13 per Share on 25 June 2020

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was A\$0.165 per Share on Wednesday, 8 July 2020.

2.3 Dividend Policy

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

3. Risk Factors

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

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

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

3.1 Risks Specific to the Company

(a) Development of the Beyondie Potash Project

The Company's ability to successfully develop and commercialise the BSOPP may be affected by factors including project delays and additional costs overruns. If the Company experiences further project delays or additional cost overruns this could result in the Company not realising its operational or development plans or result in such plans costing more than expected or taking longer to realise than expected.

The Company has endeavoured to take appropriate action to mitigate the risks of further project delays and additional cost overruns (including by entering into "lump-sum" contracts with some of its third party contractors and varying certain of its existing contractual arrangements) but the occurrence of an event that results in project delays and/or additional cost overruns may have a material adverse effect on the Company's performance and the value of its assets.

The Company has prepared estimates of capital expenditure and costs (which have been reviewed and verified by an independent expert) and, where possible and appropriate, has entered into "lump-sum" contracts with some of its third party contractors to mitigate and reduce the risk of increases in the capital expenditure for the development of the BSOPP. However, as is the case with all "lump-sum" contracts, if the scope of what is required to be delivered under those contracts changes because of, for example, the impact of COVID-19, inclement weather, force majeure events, changes in law, directions or actions from the Company, unforeseen design changes, or delivery failures, the relevant "lump-sum" price will increase.

In addition, although the various components of the production plant and associated infrastructure for the BSOPP will be designed and constructed by a number of separate contractors, these components being designed and constructed by the separate contractors must technically interface together in order for the BSOPP to be complete and for production to commence. The Company retains the legal and technical risk in those various components technically interfacing and must manage this risk throughout the design and construction of the BSOPP. The level of interface required between the EPC Contractor and the purification plant engineering, procurement and supply contractor to wet

commission the process plant (including the purification plant component) also presents a technical and cost risk. Failure to achieve this may result in delays in the construction and development of the BSOPP, which may adversely impact on the Company's future cash flows, profitability, results of operations and financial condition.

(b) **Future Operations of the Beyondie Potash Project**

The Company has prepared operating cash costs, future production targets and revenue profiles for its future operations at the BSOPP. However, production targets and operating costs may be adversely affected by a variety of factors, including the delineation of economically recoverable mineralisation, unfavourable geological conditions, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, further cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. In addition, there may be other risks that can impact production and operating cost estimates, including increases in labour costs, general inflationary pressures, currency exchange rates and other unforeseen circumstances such as health and safety outcomes.

Any unforeseen increases in capital or operating costs of the BSOPP could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition. No assurance can be given that the Company's estimates will be achieved or that the Company will have access to sufficient capital to develop the BSOPP due to an increase in capital and operating costs estimates.

(c) **Staff and Owners Team Recruitment and Retention**

The Company's ability to execute its de-risking strategy is dependent on the performance and expertise of its key management personnel and the owners team. The Company relies on experienced and qualified technical staff in respect to the development, construction and operation of the BSOPP and there is a risk that the Company may not be able to attract and retain key staff, and members of the owners team, or be able to find effective replacements in a timely manner. The loss of staff, or any delay in their replacement, and the inability of the Company to hire additional staff could impact the Company's development of the BSOPP and its ability to achieve its de-risking strategy.

There is also a risk that the Company will be unable to retain existing staff, or recruit new staff, on terms of retention that are as attractive to the Company's as past agreements. The loss of key personnel could cause a significant disruption to the business and could adversely affect our operations.

There is a risk that the Company may not be able to recruit suitably qualified and talented staff in a time frame that meets the growth objectives of the Company. This may result in delays in the construction and development of the BSOPP, which may adversely impact on the Company's future cash flows, profitability, results of operations and financial condition.

(d) **Contractual Risks**

The Company has entered into a number of key contractual arrangements with various third parties, including but not limited to its various project construction and delivery counterparties (including, DRA) and its offtake counterparty (being, K+S). These arrangements contain customary termination events in respect to various matters, including but not limited to termination events in respect to the Company entering into any composition or arrangement with its creditors. As at the date of this Prospectus, no contractual third party has invoked, nor have they waived, a right to terminate any arrangement with the Company based on the forbearance arrangements entered into by the Company and/or the recapitalisation measures that are being effected by the Company.

(e) **COVID-19 Risks**

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange.

To date, the COVID-19 pandemic has not had any material impact on the Company's operations, however, any infections on site at the BSOPP could result in the Company's operations being suspended and construction otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as adverse implications on the Company's future cash flows, profitability and financial condition.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.

Generally, most contractors engaged to design and construct the BSOPP will have an entitlement to claim additional costs if COVID-19 increases the cost of performing their works and services or delays the provision of those works and services.

The Company has implemented a COVID-19 mitigation plan in order to minimise the risk of infection for individuals. The plan includes, enhancing temperature and questionnaire screening, establishing flexible and remote working plans, identifying mandatory self-quarantine, and isolation areas on site, optimising site works to manage within COVID-19 limitations, managing site manning levels to limit COVID-19 risk and optimising usage of installed accommodation, continuing operation and maintenance of existing brine bore fields, trenches and evaporation ponds and working to the "Framework for COVID-19 in the Resources sector".

In addition, the Company has also minimised the risk in respect to COVID-19 by developing an optimised execution strategy and construction schedule to allow for major activities to be done sequentially.

The Company will continue to review its COVID-19 mitigation plan and update its plan based on the latest guidance from health professionals and the government as the situation develops.

(f) **Dependence on Key Contractors**

The Company has outsourced substantial parts of the development and construction of the BSOPP to third party contractors. Such contractors may not be available to perform services for the Company, when required, or may only be willing to do so on terms that are not acceptable to the Company. Further, performance may be constrained or hampered by capacity constraints, mobilisation issues, plant, equipment and staff shortages, labour disputes, managerial failure and default or insolvency. Contractors may not comply with provisions in respect of quality, safety, environmental compliance and timeliness, which may be difficult to control. In the event that a contractor underperforms or is terminated, the Company may not be able to find a suitable replacement on satisfactory terms within time or at all. These circumstances could have a material adverse effect on the Company's operations and the development and construction of the BSOPP.

(g) **Future Capital Requirements**

The Company may require further financing to continue to operate in the future if, for example, it fails to meet its construction timeline or there is otherwise a material departure from the Company's production or cost guidance. Any additional equity financing that the Company may undertake in the future may dilute existing shareholdings. Debt financing, if available, may involve restrictions on financing and operation activities.

There can be no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and the time in which any such financing can

be obtained will be acceptable to the Company. This may have an adverse effect on the Company's financial position and prospects.

(h) **Operational Risks**

The Company's operational and development activities will be subject to numerous operational risks, many of which are beyond the Company's control. The Company's operations may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions, mechanical difficulties, shortages in or increases in the costs of labour, consumables, spare parts, plant and equipment, external services failure (including energy and water supply), industrial disputes and action, difficulties in commissioning, ramp up and operating plant and equipment, IT system failures, mechanical failure or plant breakdown, and compliance with governmental requirements. Hazards incidental to the mining, exploration and development of mineral properties such as unusual or unexpected geological formations, difficulties and/or delays associated with groundwater and dewatering of existing pits may be encountered by the Company. Industrial and environmental accidents could lead to substantial claims against the Company for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, clean up responsibilities, penalties and the suspension of operations.

There is no certainty that the production ramp up process will not uncover failures or deficiencies in processes, systems, plant and equipment required for the BSOPP, and addressing such failures or deficiencies may result in the Company incurring unexpected costs and production ramp-up delays. Any of these outcomes could have a material adverse impact on the Company's results of operation and financial performance, including but not limited to the Company's ability to operate on a cashflow positive basis.

Any inability to resolve any unexpected problems relating to these operational risks or adjust costs profiles on commercial terms could adversely impact continuing operations, production targets, Mineral Resources and Ore Reserves estimates and the assessment of recoverable amount of the Company's assets. Production guidance and targets are subject to assumptions and contingencies which are subject to change as operations performance and market conditions change or other unexpected events arise.

(i) **Commodity Price Volatility**

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

If the Company achieves development success which leads to viable production, its financial performance will be highly dependent on the prevailing commodity prices and exchange rates. These factors can affect the value of the Company's assets and the supply and demand characteristics of potash, and may have an adverse effect on the viability of the Company's development and production activities, its ability to fund those activities and the value of its assets.

(j) **Currency Volatility**

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

(k) **Purification Facility Design, Operation, Recovery and Product Specification**

The Company is using internationally recognised consultants in the design of the process and selection of suitable equipment to achieve production capacity and specification to

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

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

(l) **Inability to Abstract Brine Volume**

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

(m) **Variability in Brine**

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

(n) **Resource and Reserve Estimates and Classification**

The Mineral Resource and Ore Reserve estimates for the BSOPP are estimates only and are expressions of judgement based on knowledge, experience and industry practice. In addition, by their very nature, Mineral Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. No assurances can be given that any particular level of recovery of potash will in fact be realised.

(o) **Evaporation Pond Design**

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

(p) **Title Risk**

The Company's activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities including compliance with the Company's work program requirements, which in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Although the Company has no reason to think that the tenements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

(q) **Exploitation, Exploration and Mining Licences**

The Company has been granted two mining leases, various miscellaneous licences and exploration licences. The Company's activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licenses and leases, which may be withdrawn or made subject to limitations. The maintaining of licences and leases, obtaining renewals, or getting licences and leases granted, often depends on the Company being successful in obtaining required statutory approvals for its proposed activities and that the licences and tenements, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

(r) **Change in Regulations**

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

(s) **Environmental Risk**

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

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

(t) **Environmental and Other Statutory Approvals**

The Company's project and operations are subject to Commonwealth and State laws, regulations and specific conditions regarding approvals to explore, construct and operate. There is a risk that such laws, regulations and specific conditions may impact the profitability of the project and the ability for the project to be satisfactorily permitted. Key and on-going approvals required, may take longer to be obtained or may not be obtainable at all.

(u) **Insurance**

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

(v) **Third Party Risk**

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

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

(w) **Contractual Disputes**

As with any contractual arrangement, there is a risk that the business and operations could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally.

(x) **Competition**

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

(y) **New Commodity and Lack of Operational Experience**

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

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

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

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

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

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

Any of the above occurrences could impact the profitability of the Company.

3.2 General Risks

(a) **Economic Risk**

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

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

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

(b) **Trading Price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks, and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(c) **Legal Proceedings**

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

(d) **Taxation Risk**

The acquisition and disposal of New Shares will have tax consequences that will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring New Shares. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept liability or responsibility with respect to any tax consequences of applying for New Shares under this Prospectus.

(e) **Accounting Standards**

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

3.3 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of its New Shares.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus. Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should

consult their professional adviser before deciding whether to apply for New Shares pursuant to this Prospectus.

4. Additional information

4.1 Rights Attaching to Shares

A summary of the rights attaching to the New Shares is set out below. The New Shares issued pursuant to this Prospectus will rank pari passu in all respects with existing Shares. This summary is qualified by the full terms of Company's Constitution (a full copy of the Constitution is available from Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to shares in any specific circumstances, the Shareholder should seek legal advice.

The following is a summary of the more significant rights and liabilities attaching to the New Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) General Meetings

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

Shareholders may requisition meetings in accordance with the Corporations Act.

(b) Voting Rights

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

- (i) each Shareholder entitled to vote may vote in person or by proxy or attorney;
- (ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one vote in respect of each Share carrying the right to vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

(c) Dividend Rights

The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends.

(d) Winding-up

If the Company is wound up and a surplus remains, such surplus must be distributed to the Shareholders in proportion to the number of Shares held by them, irrespective of the amounts paid up on the Shares.

(e) **Shareholder Liability**

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

(f) **Transfer of Shares**

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

(g) **Variation of Rights**

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

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

(h) **Alteration of Constitution**

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

4.2 **Company is a Disclosing Entity**

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares are in the same class as Shares that have been quoted on the official list of the ASX during the 3 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the

Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date of the Offer:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2019 being the most recent annual financial report of the Company lodged with ASIC before the issue of this Prospectus; and
 - (ii) the half year financial report of the Company for the 6 months ended 31 December 2019 lodged with ASIC after the lodgement of the annual financial report mentioned in paragraph (i) and before the issue of this Prospectus; and
 - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

4.3 Copies of Documents

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

- (a) the Annual Report, being the last financial year for which an annual financial report was lodged with ASIC in relation to the Company before the issue of the Prospectus; and
- (b) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date Lodged	Subject of Announcement
14/10/2019	Gas Supply Infrastructure Contracts Awarded
16/10/2019	SOP Purification Plant Construction Contract Awarded
17/10/2019	Investor Presentation Construction Update October 2019
18/10/2019	Release of Restricted Securities
24/10/2019	Research and Development - Tax Offset
28/10/2019	Wirtgen To Supply BSOPP With Salt Milling Machine
29/10/2019	Quarterly Cashflow Report
29/10/2019	Quarterly Activities Report
13/11/2019	Results of Meeting
14/11/2019	WA Government Gives Green Light
18/11/2019	Change of Director's Interest Notice SD

Date Lodged	Subject of Announcement
18/11/2019	Appendix 3B
19/11/2019	10 Mile West Delivers Highest Grades Recorded
26/11/2019	KLL - EcoMag Investigate High Value Magnesium
03/12/2019	Investor Presentation Macquarie WA Forum November 2019
09/12/2019	Financial Close Achieved
13/12/2019	Appendix 2A
13/12/2019	Change of Director's Interest Notice BH
13/12/2019	Change of Director's Interest Notice MR
13/12/2019	Change of Director's Interest Notice RvN
17/12/2019	Extensive Increase in Aquifer Thickness at Lake Sunshine
19/12/2019	Company Year End Update December 2019
23/01/2020	Quarterly Cashflow Report
23/01/2020	Quarterly Activities Report
29/01/2020	Beyondie (Stage 2) Consistent High Grade Results Comparison
04/02/2020	High Potassium Grades Continue at 10 Mile West
05/02/2020	Investor Presentation February 2020
24/02/2020	Suspension from Official Quotation
09/03/2020	Request for Extension To Voluntary Suspension
23/03/2020	Request For Extension Of Voluntary Suspension
06/04/2020	Request For Extension Of Voluntary Suspension
06/04/2020	New Director Appointment
06/04/2020	Initial Director's Interest Notice
01/05/2020	Board Changes
01/05/2020	Initial Director's Interest Notice
01/05/2020	Initial Director's Interest Notice
01/05/2020	Final Director's Interest Notice
04/05/2020	Extension Of Suspension
11/05/2020	ASX Waiver Decision Listing Rule 10.11.3
21/05/2020	Project Update and A\$61 million Equity Raising
21/05/2020	Investor Presentation - Project Update & Equity Raising
21/05/2020	Half Year Accounts
21/05/2020	Quarterly Cashflow Report
21/05/2020	Quarterly Activities Report
21/05/2020	Appendix 3B
21/05/2020	Prospectus
25/05/2020	Successful Completion of Institutional Entitlement Offer
26/05/2020	Notification to Ineligible Retail Shareholders
26/05/2020	Prospectus Despatch Completed
29/05/2020	Settlement of Placement and Institutional Entitlement Offer

Date Lodged	Subject of Announcement
29/05/2020	Reinstatement to Official Quotation
01/06/2020	Appendix 2A
02/06/2020	Letter to Shareholders
02/06/2020	Notice of General Meeting/Proxy Form
03/06/2020	Change in substantial holding
05/06/2020	Beyondie Works Accelerate
05/06/2020	Change of Director's Interest Notice BH
05/06/2020	Change of Director's Interest Notice SD
05/06/2020	Change of Director's Interest Notice BS
05/06/2020	Change of Director's Interest Notice MR
09/06/2020	Appendix 2A
11/06/2020	Successful Completion of Retail Entitlement Offer
12/06/2020	S&P DJI Announces June 2020 Quarterly Rebalance
16/06/2020	Contingent Placement Update
16/06/2020	Appendix 2A
17/06/2020	Salt Harvester Commissioned at Beyondie
17/06/2020	Change in substantial holding
19/06/2020	Change of Director's Interest Notice SD
19/06/2020	Change of Director's Interest Notice MR
19/06/2020	Change of Director's Interest Notice BH
25/06/2020	First Shipment of SOP Purification Plant Equipment
29/06/2020	General Meeting Update
01/07/2020	Major Maiden Ten Mile West Resource
03/07/2020	Results of Meeting
07/07/2020	Change of Director's Interest Notice BS
09/07/2020	Gas Pipeline Construction Commences
09/07/2020	Appendix 2A

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company at Unit 1, 152 Balcatta Road, Balcatta, Western Australia 6021:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.13 and the consents provided by the Directors prior to the issue of this Prospectus.

4.4 Information Excluded from Continuous Disclosure Notices

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

4.5 Transaction Specific Prospectus

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

4.6 Determination by ASIC

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

4.7 Directors' Interests

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

- (a) has any interest nor has had any interest in the last 2 years prior to the date of this Prospectus in the formation or promotion of the Company, the New Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the New Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the New Shares offered under this Prospectus.

4.8 Directors' Interests in Securities

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

Director	Shares	Options	Performance Rights
Malcolm Randall	3,342,363	-	-
Brett Hazelden	30,978,207 ⁽¹⁾	-	2,100,000
Stephen Dennis	1,333,334	-	-
Dale Champion	3,749,061 ⁽²⁾	-	-
Brent Smoothy	81,843,097 ⁽³⁾	-	7,300,000
Mark Sawyer ⁽⁴⁾	-	-	-

Notes

1. Comprising of 24,587,593 Shares held by Hazelden Corporate Pty Ltd and 6,390,614 Shares held by Mr Brett Hazelden and Ms Tanya Hazelden As Trustees For The Bozden Super Fund Account.
2. Comprising of 60,000 Shares held directly by Mr Dale Champion, 3,249,350 Shares held by Mr Dale James Champion & Mrs Anita Maria Champion As Trustees for The Champion Investment Trust, 278,725 Shares held by Mr Dale James Champion & Mrs Anita Maria Champion As Trustees For The Champion Super Fund and 160,986 Shares held by Mr Dale James Champion As Trustee For VFE Unit Trust. Refer to the initial Director's interest notice dated 6 April 2020 for further details.
3. Comprising of 81,843,097 Shares held by entities associated with Mr Brent Smoothy.
4. Mr Sawyer is Greenstone Australia LP's nominated representative on the Board and is currently one of four directors of Greenstone Management II Limited, which entity is the sole shareholder of the general partner of Greenstone Australia LP.

4.9 Directors' Remuneration

The remuneration (including superannuation) of existing Directors for the past two financial years (30 June year-end) are as follows:

Director	Title	Financial Year to 30 June 2018 \$	Financial Year to 30 June 2019 \$
Malcolm Randall	Non-Executive Chairman	80,700	71,175
Brett Hazelden	Managing Director	331,125	315,254
Stephen Dennis	Non-Executive Director	-	9,680
Dale Champion ⁽¹⁾	Non-Executive Director	-	-
Brent Smoothy ⁽²⁾	Non-Executive Director	-	-
Mark Sawyer ⁽³⁾	Non-Executive Director	-	-
TOTAL		411,825	396,109

Notes:

1. Appointed on 6 April 2020.
2. Appointed on 1 May 2020.
3. Appointed on 1 May 2020.

The Company has entered into non-executive director appointment letters with Messrs Dale Champion, Brent Smoothy and Mark Sawyer pursuant to which they will each receive annual remuneration of A\$47,500 (plus superannuation).

4.10 Interests of Other Persons

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

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

DLA Piper Australia will be paid fees of approximately A\$3,000 (plus GST) in relation to the preparation of this Prospectus.

Computershare Investor Services Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the issue of the Shares under the Offer, and will be paid for these services on standard industry terms and conditions.

4.11 Expenses of the Offer

The estimated expenses of the Offer are as follows:

	A\$
ASIC lodgement fee	3,206
Legal expenses	3,000
Total	6,206

4.12 CHESS

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

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

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

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

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

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

4.13 Consents

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

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

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

5. Authorisation

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

A handwritten signature in black ink, appearing to read 'Malcolm Randall'.

Malcolm Randall
Non-Executive Chairman

9 July 2020

6. Glossary of Terms

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

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

Applicant means a person who submits an Application Form.

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

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

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2019 and includes the corporate directory, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2019, together with a Directors' report in relation to that financial year and the auditor's report for the period to 30 June 2019.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

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

Board means the board of Directors.

BSOPP means the Company's wholly owned Beyondie Sulphate of Potash Project located 160km south-southeast of Newman, Western Australia.

Chairman means chairman of the Board.

CHES means ASX Clearing House Electronic Subregister System.

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

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

Computershare means the Company's Share Registry.

Constitution means the constitution of the Company.

Contingent Placement has the meaning given in Section 1.1.

Contingent Shares has the meaning given in Section 1.1.

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

Director means a director of the Company.

DRA means DRA Pacific Pty Ltd.

Entitlement Offer means the accelerated non-renounceable pro rata offer announced by the Company on 21 May 2020.

Entitlement Offer Prospectus means the Company's prospectus, relating to the Entitlement Offer, dated 21 May 2020.

EPC Contract means the engineering, procurement and construction contract for BSOPP.

EPC Contractor means the contractor employed under the EPC Contract.

JORC Code is the Australasian code of practice that sets minimum standards for public reporting of exploration results, mineral resources and ore reserves.

K+S means K+S Asia Pacific Pte Ltd.

KLI means the Company's wholly-owned subsidiary Kalium Lakes Infrastructure Pty Ltd.

KLP means the Company's wholly-owned subsidiary Kalium Lakes Potash Pty Ltd.

Kumarina Shares has the meaning given in Section 1.1.

Listing Rules means the Listing Rules of ASX.

Mineral Resource has the meaning given by the JORC Code.

New Share has the meaning given in Section 1.1.

Notice of Meeting means the Company's notice of meeting dated 2 June 2020.

Offer has the meaning given in Section 1.1.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Opening Date, in relation to an Offer, means the opening date of that Offer as specified in the indicative timetable as varied from time to time.

Option means an option to acquire a Share.

Ore Reserve has the meaning given by the JORC Code.

Performance Right means a right to acquire a Share.

Prospectus means this prospectus dated 9 July 2020.

Section means a section of this Prospectus.

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

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

Shareholder means a holder of Shares.

Share Registry means Computershare Investor Services Pty Ltd.

SOP means sulphate of potash.

WST means Australian Western Standard Time.