

KALIUM



KALIUM LAKES LIMITED

ACN 613 656 643

PROSPECTUS

For an offer to Eligible Shareholders of up to 200,000,000 New Shares at an issue price of A\$0.04 per New Share under a share purchase plan (**SPP**) to raise up to A\$8 million (before costs) (**SPP Offer**).

Any New Shares not subscribed for under the SPP Offer will form the Shortfall. The offer to issue the Shortfall is a separate offer under this Prospectus (**SPP Shortfall Offer**).

The issue of New Shares under the SPP Offer and SPP Shortfall Offer is subject to the Company obtaining Shareholder approval. If Shareholder approval is not obtained, no New Shares will be issued pursuant to the SPP Offer and SPP Shortfall Offer and the Company will refund all Application Monies to Applicants without interest.

This Prospectus is also being issued under section 708A(11) of the Corporations Act for the purpose of facilitating secondary trading of the Tranche 1 Placement 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.

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IMPORTANT INFORMATION

General

This Prospectus is dated 24 August 2022 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No 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). The Company will apply to ASX for Official Quotation by ASX of the New Shares offered under this Prospectus within seven days of the 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 WA 6021 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to Section 4.3).

No person or entity is authorised to give any information or to make any representation in connection with the Offers which is not detailed in this Prospectus. Any information or representation not detailed in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus 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 Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Application Form

Applications for New Shares under this Prospectus can be accepted on an Application Form that accompanies this Prospectus. Please read the instructions in this Prospectus and on the accompanying Application Form regarding the acceptance of the Offers. 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.

Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer of New Shares in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

Shareholders in the United States are not eligible to participate in the SPP Offer. Similarly, Shareholders (including trustees, nominees and custodians) who are acting for the account or benefit of persons in the United States, are not eligible to participate in the SPP Offer on behalf of those persons.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any New Shares in the United States. The New Shares to be offered and sold under the SPP Offer have not been, and will not be, registered under the US Securities Act of 1933, as amended (the **US Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any person acting for the account or benefit of a person in the United States except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of the New

Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Notice to nominees and custodians

Shareholders resident in Australia and New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up any New Shares does not breach regulations in the relevant jurisdiction.

Continuously quoted securities

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.

Exposure period

No exposure period applies to the Offers.

Speculative investment

An investment in the New Shares should be considered highly speculative. Refer to Section 3 for details of the key risks applicable to an investment in the Company.

These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Persons wishing to apply for New Shares should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to Shares.

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, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Forward-looking statements

This Prospectus contains forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information detailed in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements detailed in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Currency

All financial amounts detailed in this Prospectus are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables detailed in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to WST, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 6.

CORPORATE DIRECTORY

Directors

Mr Stephen Dennis – Non-Executive Chairman
Mr Brent Smoothy – Non-Executive Director
Mr Mark Sawyer – Non-Executive Director
Mr Sam Lancuba – Non-Executive Director

Senior Management

Mr Len Jubber – Chief Executive Officer
Mr Jason Shaw – Chief Financial Officer

Joint Company Secretaries

Mr Jason Shaw
Ms Sophie Raven

Registered Office

Unit 1, 152 Balcatta Road
Balcatta WA 6021

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

ASX Code: KLL

Share Registry*

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

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

Auditors*

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

Lawyers

Thomson Geer Lawyers
Level 27, Exchange Tower
2 The Esplanade
Perth WA 6000

** This entity has not been involved in the preparation of this Prospectus and is named for information purposes only.*

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PROPOSED TIMETABLE

Key Dates ¹	Date / time (WST) ²
Record Date for Eligibility to participate in SPP	5:00pm Wednesday, 17 August 2022
Settlement of Shares issued under Tranche 1 Placement (excluding Greenstone)	Tuesday, 23 August 2022
Allotment and trading of Shares issued under Tranche 1 Placement (excluding Greenstone)	Wednesday, 24 August 2022
Lodgement and Dispatch of Prospectus	Wednesday, 24 August 2022
Opening Date	Wednesday, 24 August 2022
Dispatch Notice of Meeting	Friday, 2 September 2022
Settlement of Shares issued under Tranche 1 Placement to Greenstone	Wednesday, 7 September 2022
Allotment and trading of Shares issued under Tranche 1 Placement to Greenstone	Thursday, 8 September 2022
Closing Date	Tuesday, 27 September 2022
Announcement of SPP Offer Results	Wednesday, 28 September 2022
General Meeting to approve Tranche 2 Placement and SPP	Monday, 3 October 2022
Issue of New Shares under the SPP	Tuesday, 4 October 2022
Quotation of New Shares under the SPP on ASX	Wednesday, 5 October 2022
Dispatch of Holding Statements for New Shares under the SPP	Wednesday, 5 October 2022
Settlement of Shares issued under Tranche 2 Placement	Thursday, 6 October 2022
Issue and trading of Shares issued under Tranche 2 Placement	Friday, 7 October 2022

Notes:

1. Refer to Section 1.3 for details in respect to the SPP Shortfall Offer, including the timing of issue of New Shares under the SPP Shortfall Offer.
2. 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 without prior notice.

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 Offers

1.1 The SPP Offer

The share purchase plan (**SPP**) offer is an offer to each Eligible Shareholder to apply for up to A\$30,000 worth of fully paid ordinary shares in the Company (**New Shares**) at an issue price of A\$0.04 per New Share (**SPP Offer Price**) (being up to 200,000,000 New Shares), to raise up to a total of A\$8 million (before costs) (**SPP Offer**).

Eligible Shareholders may apply for New Shares under the SPP Offer, but are not required to do so. New Shares issued under the SPP Offer will rank equally in all respects with the Company's existing Shares. Refer to Section 4.1 for a description of the rights and liabilities attaching to the New Shares.

The issue of the New Shares under the SPP Offer is subject to the Company obtaining Shareholder approval. Refer to Section 1.16 for further details.

In certain circumstances, a listed company may undertake a SPP in accordance with *ASIC Corporations (Share and Interest Purchase Plan) Instrument 2019/547 (Class Order)*. The Class Order allows a company to conduct a SPP without the use of a prospectus. However, due to the fact that the Company has previously been suspended from trading on ASX for more than five days in the previous 12 months, the Company is unable to rely on the disclosure relief granted by the Class Order and therefore it is undertaking the SPP Offer under a transaction specific prospectus pursuant to section 713 of the Corporations Act.

1.2 Placement

On 18 August 2022, the Company announced that it had received firm commitments for a two-tranche placement of 550 million New Shares (**Placement Shares**) to institutional and sophisticated investors at the SPP Offer Price to raise a total of A\$22 million (before costs) (**Placement**). The Placement comprises:

- (a) Tranche 1: a placement of 177,256,832 Shares (**Tranche 1 Placement**) to raise approximately A\$7.1 million utilising the Company's existing placement capacity pursuant to Listing Rule 7.1; and
- (b) Tranche 2: a conditional placement of up to 372,743,168 Shares (**Tranche 2 Placement**) to raise approximately A\$14.9 million, subject to shareholder approval at the Company's general meeting (**Meeting**) to be held on or around 3 October 2022.

142,522,883 Tranche 1 Placement Shares will be issued on 24 August 2022. The remaining 34,733,949 Tranche 1 Placement Shares will be issued to Greenstone Resources II (Australia) Holdings L.P. acting through its general partner, Greenstone Management (Delaware) II LLC (**Greenstone**) on or around 8 September 2022.

Refer to the ASX announcement and investor presentation dated 18 August 2022 (**Investor Presentation**) for further information.

1.3 Shortfall

Any New Shares not subscribed for under the SPP Offer (**Shortfall**) will form the SPP shortfall offer (**SPP Shortfall Offer**) which is made by the Company to investors as a separate offer under this Prospectus. The issue price for the New Shares to be issued under the SPP Shortfall Offer will be A\$0.04 per New Share, being the price at which the SPP Shares have been offered under the SPP Offer. There is no maximum limit on the number of SPP Shares that an investor may apply for under the SPP Shortfall Offer, however, investors will be limited to the extent that there is any Shortfall.

Investors, including existing Shareholders, who wish to apply for Shortfall pursuant to the SPP Shortfall Offer under this Prospectus should contact Computershare Investor Services Pty Limited on 1300 631 724 (within Australia) or +61 03 9415 4087 (outside Australia) between 8:30am and

5:00pm (Sydney time) or via the contact panel at www.investorcentre.com/contact to request a SPP Shortfall Application Form.

Refer to Section 4.1 for a description of the rights and liabilities attaching to the New Shares. The issue of the New Shares under the SPP Shortfall Offer is subject to the Company obtaining Shareholder approval at the Meeting. Refer to Section 1.16 for further details.

The Directors reserve the right to issue New Shares under the SPP Shortfall Offer at their absolute discretion and may issue to an applicant a scaled back, lesser number of, or no, SPP Shortfall Shares than the number for which the applicant applies pursuant to the SPP Shortfall Application Form. If the number of New Shares issued under the SPP Shortfall Offer is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded.

An Application for New Shares under the SPP Shortfall Offer accompanied by payment of Application Monies does not guarantee the allotment of New Shares under the SPP Shortfall Offer. New Shares under the SPP Shortfall Offer in respect to Applications for Shortfall (accompanied by payment of Application Monies) received:

- (a) prior to the Closing Date, will be issued to Shortfall applicants on or around the date New Shares are issued under the SPP Offer; and
- (b) after the Closing Date, will be issued to Shortfall applicants as and when determined by the Directors but no later than 3 January 2023 (being within three months from the date of the Meeting),

subject to the Directors accepting an Application for Shortfall (including any determinations in respect to scale back).

New Shares under the SPP Shortfall Offer will not be offered or issued to any Applicant if, in the view of the Directors, to do so would increase the Applicant's voting power in the Company above 19.9% or otherwise result in a breach of the Listing Rules, the Corporations Act or other applicable law.

1.4 Removal of Secondary Trading Restrictions

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 after the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5) within 5 days of the date of issue of the securities. Section 708A(11) of the Corporations Act provides another exemption from the general requirement under section 707(3) 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.

A secondary 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 Tranche 1 Placement Shares

(which includes the Tranche 1 Placement Shares to be issued to Greenstone under the Tranche 1 Placement on or around 8 September 2022) issued by the Company so that the holders of the Tranche 1 Placement Shares, if they choose to, may sell the Tranche 1 Placement Shares within the twelve months following their issue, without the issue of a prospectus. The Company did not issue the Tranche 1 Placement Shares with the purpose of the persons to whom they were issued selling or transferring the Tranche 1 Placement Shares, or granting, issuing or transferring interests in the Tranche 1 Placement Shares within 12 months of the issue, however this Prospectus provides them with the ability to do so should they wish.

1.5 Purpose of this Prospectus

The purpose of this Prospectus is to:

- (a) make the SPP Offer;
- (b) make the SPP Shortfall Offer; and
- (c) ensure that the on-sale of the Tranche 1 Placement 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.

1.6 Minimum subscription

There is no minimum amount to be raised under the Offers.

1.7 Not underwritten

The Offers are not underwritten.

1.8 Shareholders eligible to participate in the SPP Offer

Only the following Shareholders may participate in the SPP Offer:

- (a) who were registered holders of Shares as at 5.00pm (WST) on the Record Date of 17 August 2022; and
- (b) whose registered address was in Australia or New Zealand,

(the **Eligible Shareholders**).

The Company has determined that it is either unlawful or impracticable for holders of Shares with registered addresses in jurisdictions other than Australia (and its external territories) and New Zealand to participate in the SPP Offer.

To participate in the SPP Offer, follow the instructions in the SPP Application Form or apply online at <https://kaliumlakessppoffer.thereachagency.com>.

If you are the only registered Shareholder of a holding of Shares, but you receive more than one SPP Offer (for example, because you hold Shares in more than one capacity), you may only apply for one parcel of New Shares with a value of up to A\$30,000 (which may be subject to scale back in accordance with Section 1.11). Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder.

The Company reserves the right to reject any application for New Shares under this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

1.9 Closing Date

The closing date for the SPP Offer is 5.00pm (WST) on Tuesday, 27 September 2022 (**Closing Date**). 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

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also be varied accordingly.

1.10 Application Forms

(a) SPP Offer

If you wish to subscribe for New Shares under the SPP Offer, please pay your Application Monies in accordance with the instructions in the SPP Application Form.

Pursuant to the SPP Offer, Eligible Shareholders may apply for a maximum of A\$30,000 worth of New Shares. Eligible Shareholders may participate by selecting one of the following options (**SPP Application Amount**) to purchase New Shares under the SPP Offer:

Parcel	SPP Application Amount	Number of New Shares
A	\$30,000	750,000
B	\$25,000	625,000
C	\$20,000	500,000
D	\$15,000	375,000
E	\$10,000	250,000
F	\$5,000	125,000
G	\$2,000	50,000

The above table details the number of New Shares that would be issued for different SPP Application Amounts (assuming there is no scale back of applications). Where the amount applied for results in a fraction of a Share, the number of New Shares issued will be rounded down to the nearest whole number.

Any Application Monies received for more than an Applicant's final allocation of New Shares (only where the amount is A\$1.00 or greater) will be refunded, without interest.

Eligible Shareholders may apply for the SPP Offer by following the procedures set out in either Sections 1.12 or 1.13. The SPP Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any New Shares offered under the SPP Offer. You cannot withdraw or revoke your application once you have made payment via BPAY® or EFT.

(b) SPP Shortfall Offer

Investors who wish to apply for New Shares under the SPP Shortfall Offer, should contact Computershare Investor Services Pty Limited on 1300 631 724 (within Australia) or +61 03 9415 4087 (outside Australia) between 8:30am and 5:00pm (Sydney time) or via the contact panel at www.investorcentre.com/contact to request a SPP Shortfall Application Form and pay your Application Monies in accordance with the instructions in the SPP Shortfall Application Form.

1.11 Scale back

The Company intends to raise up to A\$8 million under the SPP Offer. If applications for more than the maximum amount of the SPP Offer are received before the Closing Date, the Company intends to scale back applications at its sole discretion and in the manner it sees fit (subject to any scale back arrangements not resulting in any Director or an associate of a Director being scaled back on a more favourable basis than any other Eligible Shareholder who is scaled back).

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Applications under the SPP Offer will be allocated at the absolute discretion of the Company and the final allocation decision will be at the sole discretion of the Board.

If the scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allocated will be rounded down to the nearest whole number of New Shares. If the Company scales back an application or purported application, the Company will promptly return to the Shareholder the relevant Application Monies, without interest, following allotment of the New Shares.

1.12 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the SPP Application Form.

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the SPP Application Form, but are taken to have made the declarations in the SPP Application Form; and
- (b) if you do not pay an amount equal to one of the SPP Application Amounts detailed in the table in Section 1.10, you will be deemed to have applied for the SPP Application Amount that is the next lowest compared to your payment. In this event, the additional Application Monies will be refunded promptly, and without interest, following the Allotment Date.

It is your responsibility to ensure that your BPAY® payment is received by the Company's share registry by no later than 5.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with respect to electronic payment and you should therefore take this into consideration when making payment. No interest will be paid on any Application Monies received or refunded.

1.13 Payment by electronic funds transfer (EFT) – New Zealand only

If you are an Eligible Shareholder located in New Zealand, you may elect to make payment by EFT. Please follow the instructions on the SPP Application Form for details on how to pay via EFT. Please note that should you choose to pay by EFT:

- (a) you do not need to submit the SPP Application Form but are taken to have made the declarations on that SPP Application Form; and
- (b) if you have multiple holdings you will have multiple EFT unique reference numbers. To ensure that you receive your Share Application in respect of each holding, you must use the unique reference number shown on each personalised SPP Application Form when paying for any New Shares that you wish to apply for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be refunded to the Applicant without interest.

1.14 Effect of making an application

If you apply for, and make payment to acquire, New Shares under the SPP Offer, you:

- (a) will be deemed to have represented and warranted that:
 - (i) you are an Eligible Shareholder;
 - (ii) you have read and understood the terms and conditions of the SPP Offer detailed in this Prospectus;
 - (iii) you subscribe for New Shares in accordance with those terms and conditions; and

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- (iv) you agree to be bound by the Company's constitution as in force from time to time;
 - (b) acknowledge that you have received a copy of this Prospectus and an accompanying SPP Application Form, and read them both in their entirety;
 - (c) acknowledge that once any payment of Application Monies via BPAY® or EFT is made, you may not withdraw your application or funds provided except as allowed by law;
 - (d) acknowledge that the market price of New Shares may rise or fall between the date of this SPP Offer and the Allotment Date, and that the price you pay for New Shares pursuant to this Prospectus may exceed the market price of the New Shares on the Allotment Date;
 - (e) accept the risk associated with any refund that may be dispatched to you at your address as shown on the share register;
 - (f) are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
 - (g) represent that you are not in the United States and you are not acting for the account or benefit of a person in the United States;
 - (h) acknowledge that this Prospectus does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
 - (i) acknowledge the statement of risks in Section 3 of this Prospectus and that investments in the Company are subject to risk;
 - (j) understand that the New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
 - (k) you acknowledge and agree that if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in standard (regular way) brokered transactions on ASX, where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or the purchaser is, a person in the United States;
 - (l) you acknowledge that the New Shares may only be offered and sold outside the United States to eligible shareholders in "offshore transactions" (as defined and in reliance on Regulation S under the US Securities Act);
 - (m) acknowledge and agree that if you are acting as a trustee, nominee or custodian: (i) each beneficial holder on whose behalf you are participating is resident in Australia or New Zealand; and (ii) you have not sent this Prospectus or any other materials relating to the SPP Offer to any person in the United States;
 - (n) acknowledge that you have not been provided with investment advice or financial product advice by the Company or its Directors and have made your own enquiries before making an investment decision; and
 - (o) certify that you have not applied for, or instructed a Custodian to apply on your behalf for Shares with an application price which exceeds A\$30,000 in aggregate.

1.15 Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in the Class Order) (**Custodian**), you may apply for up to the maximum of New Shares for each beneficiary for whom

you act as Custodian provided you provide a certificate to the Company (**Custodian Certificate**) with the following information:

- (a) that you held Shares in the Company on behalf of one or more other persons (each a **Participating Beneficiary**) at 5:00pm (WST) on the Record Date who have subsequently instructed you to apply for New Shares under the SPP Offer on their behalf;
- (b) the number of Participating Beneficiaries and their names and addresses;
- (c) the number of Shares that you hold on behalf of each Participating Beneficiary;
- (d) the dollar amount of New Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another Custodian, to apply for on their behalf;
- (e) that the application price for New Shares applied for under the SPP Offer for each Participating Beneficiary for whom you act does not exceed A\$30,000;
- (f) that a copy of this Prospectus was given to each Participating Beneficiary; and
- (g) where you hold Shares on behalf of a beneficiary indirectly through one or more interposed Custodians, the name and address of each interposed Custodian.

By making payment on behalf of a Participating Beneficiary, you certify that you are the Custodian for the Participating Beneficiary and that the above information in this Section 1.15 and the information detailed in the SPP Application Form is true and correct as at the date of the Application.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact Computershare Investor Services Pty Limited on 1300 631 724 before the Closing Date.

The Company reserves the right to reject any application for Shares under this Prospectus to the extent that it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

1.16 Allotment and shareholder approval

The issue of the New Shares under the SPP Offer and SPP Shortfall Offer is subject to the Company obtaining Shareholder approval. The Company will shortly dispatch a notice of meeting to Shareholders and convene the Meeting on or around Monday, 3 October 2022.

If Shareholder approval at the Meeting is not obtained, Eligible Shareholders who subscribed for New Shares under the SPP Offer and applicants who subscribed for New Shares under the SPP Shortfall Offer will not be issued with New Shares and the Company will refund all Application Monies to applicants without interest.

The issue of New Shares pursuant to the SPP Offer will take place as soon as practicable after the Meeting. The Company expects that it will allot the New Shares on Tuesday, 4 October 2022 (**Allotment Date**). The Company expects holding statements to be dispatched by Wednesday, 5 October 2022. These dates are subject to change at the discretion of the Company.

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 Directors will determine the recipients of all the New Shares under the SPP 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

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as practicable after the Closing Date of the SPP Offer. 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 Company's decision on the number of New Shares to be issued to an Applicant under the SPP Offer will be final.

1.17 ASX quotation

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

If the New Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of 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.

ASX takes no responsibility for the contents of this Prospectus. 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.

1.18 Refunds

Refunds pursuant to the SPP Offer may be paid under various circumstances, including if Shareholder approval for the issue of New Shares under the SPP Offer is not obtained. If a refund is made, payment will be by cheque mailed to your address as shown on the Company's share register. You will not receive interest on any funds refunded to you.

1.19 Costs of participation

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and allotment of New Shares under the SPP Offer.

1.20 CHESS

The Company participates in the Clearing House Electronic Sub-Register System, known as CHESS, operated by ASX Settlement Pty Limited (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

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

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

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

1.21 Applicants outside Australia

Applicable laws may restrict the distribution of this Prospectus outside of Australia. The SPP Offer under this Prospectus does not, and the Company does not intend it to, constitute an offer 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.

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It is not practicable for the Company to comply with the securities laws of all overseas jurisdictions in which Shareholders reside, having regard to the number of overseas Shareholders, the number and value of those Shares in which the overseas Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the SPP Offer is not being extended, and New Shares will not be issued to Shareholders with a registered address that is outside of Australia or New Zealand or any other jurisdiction where the Company is not satisfied that it is lawfully able to make such an offer or issue this Prospectus without being required to take any further action in the relevant jurisdiction concerned.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of the New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

1.22 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

1.23 Risks factors

An investment in New Shares under this Prospectus 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 detailed in Section 3.

1.24 Taxation implications

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

1.25 Major Activities and Financial Information

A summary of the major activities and financial information relating to the Company can be found in the Company's Interim Financial Report for the half year ended 31 December 2021 lodged with ASX on 15 March 2022 (**Half Yearly Report**) and annual financial report for the year ended 30 June 2021 lodged with ASX on 28 October 2021 (**Annual Report**). The Company has made continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Half Yearly Report and Annual Report.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report are detailed in Section 4.3.

Copies of the Half Yearly Report and Annual Report are available free of charge from the Company. The Directors strongly recommend that Applicants review these documents and all other announcements prior to deciding whether or not to participate in the Offers.

1.26 Privacy

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

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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 set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's or its subsidiaries' 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 the Application Form, the Company may not be able to accept or process your Acceptance.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

Shareholders can access, correct and update the personal information the Company holds about them by contacting the Company or its share registry at the relevant contact numbers detailed in this Prospectus. A fee may be charged for access. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

1.27 Enquiries concerning Prospectus

Enquiries relating to this Prospectus or Offers should be directed to the Shareholder Information Line on 1300 631 724 (within Australia) or +61 03 9415 4087 (outside Australia) between 8:30am and 5:00pm (Sydney time) or via the contact panel at www.investorcentre.com/contact.

2. Purpose and Effect of the SPP Offer and Placement

2.1 Purpose of the SPP Offer and Placement

The Placement and SPP Offer are being undertaken to:

- (a) fund additional working capital during ramp-up of the Company's Beyondie Sulphate of Potash Mine (**BSOPM**), which targets an initial production target run-rate of 80 ktpa by Q1 CY2023; and
- (b) assist in the expansion of the BSOPM to 120 ktpa production run-rate, which is targeted to be achieved by Q3 CY2024.

The additional working capital is primarily required due to the delayed production profile for the BSOPM (refer to ASX announcement dated 1 March 2022 for further details). Refer to the Investor Presentation for details of the Company's use of funds, including the existing cash from its debt facilities.

2.2 Pro-forma Balance Sheet

Detailed below is:

- (a) the unaudited statement of financial position of the Company as at 30 June 2022; and
- (b) the unaudited pro forma statement of financial position of the Company as at 30 June 2022 incorporating the effect of the SPP Offer and Placement, assuming A\$8 million is raised under the SPP Offer.

The unaudited pro forma statement of financial position has been derived from the unaudited statement of financial position of the Company, for the year ended 30 June 2022, and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the SPP Offer and Placement had occurred on 30 June 2022.

The pro-forma information is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

Please refer to Section 4.14 for further details on the estimated expenses of the SPP Offer.

	Unaudited as at 30 June 2022	Placement & SPP Offer Funds (assuming the SPP Offer is fully subscribed) ¹	Unaudited, post Capital Raise ²
	A\$	A\$	A\$
ASSETS			
Current Assets			
Cash and cash equivalents	18,823,926	28,500,000	47,323,926
Restricted cash	2,688,854		2,688,854
Trade and other receivables	2,834,591		2,834,591
Inventory on hand	4,524,848		4,524,848
Total current assets	28,872,219	28,500,000	57,372,219
Non-current assets			
Property, plant and equipment	3,372,790		3,372,790
Mine properties – work in progress	169,995,778		169,995,778

Work in progress	167,280,974		167,280,974
Bank guarantee	610,000		610,000
Right-of-use assets	50,435		50,435
Total non-current assets	341,309,977	-	341,309,977
TOTAL ASSETS	370,182,196	28,500,000	398,682,196
LIABILITIES			
Current liabilities			
Trade and other payables	5,149,387		5,149,387
Provisions	609,113		609,113
Borrowings	-		-
Lease liabilities	-		-
Total current liabilities	5,758,500	-	5,758,500
Non-current liabilities			
Provisions	23,024,000		23,024,000
Borrowings	179,080,406		179,080,406
Total non-current liabilities	202,104,406	-	202,104,406
TOTAL LIABILITIES	207,862,906	-	207,862,906
NET ASSETS	162,319,290	28,500,000	190,819,290
EQUITY			
Contributed equity	243,613,489	28,500,000	272,113,489
Reserves	7,071,356		7,071,356
Accumulated losses	(51,835,724)		(51,835,724)
Current year profit/loss	(36,529,831)		(36,529,831)
TOTAL EQUITY	162,319,290	28,500,000	190,819,290

Notes:

1. Comprises A\$22 million raised under the Placement and A\$8 million under the SPP Offer (assuming the SPP Offer is fully subscribed and/or the Company places all of the Shortfall) less the aggregate of legal fees, share registry fees and lead manager fees (for the Placement) of approximately A\$1,500,000.
2. The above table does not include results of operations after 30 June 2022 or the impact of debt restructure costs of approximately A\$3,500,000. Refer to the Investor Presentation for further details.

2.3 Effect on the Capital Structure

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

	Shares	Options
Securities on issue prior to the Placement and Offers	1,181,712,214	22,677,493
Securities issued under the Tranche 1 Placement	177,256,832 ¹	-

Securities to be issued under the Tranche 2 Placement (subject to shareholder approval)	372,743,168	-
Securities to be issued under the Offers (subject to shareholder approval)	200,000,000	-
Total	1,931,712,214	22,677,493

Note:

1. Includes 34,733,949 Shares to be issued to Greenstone on 8 September 2022. Refer to Section 1.2 for further details.

2.4 Effect of the Offers on control of the Company

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers (refer to Section 4.8).

3. Risk Factors

The New Shares offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company and no assurances can be made that the Company's particular interests or projects will be successful. Potential investors should consider whether the New Shares offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors detailed below.

This list is not exhaustive and potential investors should read this Prospectus in its entirety and if in any doubt consult their professional adviser before deciding whether to participate in the Offers.

3.1 Specific Risks Associated with the Company

Applicants should be aware of the risks specific to an investment in the Company, which may include, but are not limited to those risks detailed below:

(a) Future operations of the BSOPM

As at the date of this Prospectus, the Company has produced a cumulative total of 1,700 tonnes of commercially saleable sulphate of potash (**SOP**). The BSOPM is expected to be operating at an approximate 80 ktpa production run rate by Q1 CY2023. The Company is targeting a 120 ktpa production run rate by Q3 CY2024 and intends to utilise proceeds raised from the Placement and Offers to fund additional working capital during production ramp-up of the BSOPM to 80 ktpa run rate (which additional working capital is required due to the delayed production profile – refer to ASX announcement dated 1 March 2022 for further details) and assist in the expansion of the BSOPM to 120 ktpa run rate. No assurances can be given that the Company will be able to achieve a production increase to 120 ktpa or that the expansion to 120 ktpa will be achieved by Q3 CY2024. Failure to achieve a production increase to 120 ktpa or significant delays to the Company's expansion plans will have a material adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Any unforeseen delays, shutdowns or difficulties encountered in maintaining continued operations at the BSOPM will also materially and adversely impact on the Company's financial condition and cash flow. Further, the Company has prepared operating cash cost estimates, future production targets and revenue profiles for its future operations at the BSOPM. However, these production targets and operating cost estimates may be adversely affected by a variety of factors, including the delineation of economically recoverable mineralisation, unfavourable geological and aquifer conditions, seasonal and unseasonal weather patterns, unplanned technical and operational difficulties encountered in extraction, brine pumping, salt harvesting and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of skilled and unskilled labour, consumables, spare parts and plant and equipment, cost overruns and contracting risk from third parties providing essential services. In addition, there may be other risks that can impact production targets and operating cost estimates, including increases in energy costs, general inflationary pressures, interest rates, currency exchange rates and/or other unforeseen circumstances such as adverse health and safety outcomes.

In addition to this, any unforeseen increases in capital or operating costs of the BSOPM 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 fund the BSOPM expansion to 120 ktpa if there were an increase in capital and operating cost estimates.

(b) Financing arrangements and funding risk

The Company has received approvals from, and entered into revised financing arrangements with, its senior lenders, KfW IPEX-Bank (KfW) and the Northern Australia Infrastructure Facility (NAIF) (together, the **Senior Lenders**) to (amongst other matters) defer principal repayments (by one year until March 2025) in respect to the existing syndicated term loan facilities provided by the Senior Lenders, extend the maturity date

for these existing syndicated term loan facilities to March 2040 and to extend the maturity date for the existing A\$20 million liquidity with the Senior Lenders to January 2026.

It is a requirement under the revised financing arrangements that the Company raises at least A\$20 million (net of costs) in equity capital by 7 October 2022 and the Company is proposing to raise A\$22 million of equity via Placement to satisfy this requirement, with the Tranche 2 Placement to raise up to A\$14.9 million being subject to shareholder approval. Such funding will also provide the Company with the requisite funds to production ramp-up under the revised production profile and to progress the expansion of the BSOPM to 120 ktpa. If the Company fails to obtain the requisite shareholder approval for the Tranche 2 Placement and/or does not complete the Placement (for whatever reason), there will be a funding deficit which will result in the Company not satisfying the requirements under the revised financing arrangements with the Senior Lenders. This will trigger an event of default across all of the Company's senior debt facilities and allow the Senior Lenders to demand immediate repayment of their loans and enforce their security over the Company's assets. Furthermore, the Company will not have sufficient funds to expand the BSOPM to 120 ktpa. If this occurs, the Company will need to seek alternative sources of capital to fund the expansion of the BSOPM to 120 ktpa and re-engage with the Senior Lenders to (amongst other things) seek to renegotiate the terms of its debt facilities, including (but not limited to) procuring a waiver and/or extension to the equity raising requirement. There can be no assurance that the Company will be able to:

- (i) obtain additional financing (whether via equity, debt or a combination of both) on terms that are acceptable and favourable to the Company; or
- (ii) successfully renegotiate revised terms with the Senior Lenders (or achieve revised terms on similar or favourable terms to the Company).

If the Company is unable to obtain additional funding to fund the expansion of the BSOPM to 120 ktpa by Q3 CY2024 and/or is unable to achieve revised terms with the Senior Lenders (or obtains accommodation from the Senior Lenders on less robust and attractive terms), this will have a material adverse impact on the ongoing and future economic feasibility of the BSOPM and, by extension, will materially adversely affect the Company's financial position and viability and its ongoing operations.

(c) **SOP purification plant facility design, operation, recovery and product specification**

The Company has and continues to utilise internationally recognised consultants in the design, commissioning and ramp-up of the operating processes and in the selection of suitable equipment to achieve production targets and capacity and specification to market requirements. However, commissioning and ramp-up of the purification plant to operate at 80 ktpa run rate, followed by project development associated with the expansion to 120 ktpa remains inherently risky due to the number of variables that need to be managed. In addition, there are risks association with gas fuel delivery and power station performance, mechanical plant equipment performance, plant feed grades and rates, flotation performance, flotation agent availability, pumping of product through the plant, temperature control, overall mass balances and compaction plant performance. This could lead to SOP production 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. If this occurs, it may have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Some of the above risks also apply to non-process plant equipment and facilities, recognising that the BSOPM 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.

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(d) **Operational risks**

The Company's operational activities are 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 and evaporation rates, mechanical difficulties, shortages in, or increases in the costs of, skilled and unskilled labour, consumables, spare parts and plant and equipment, external services failure (including energy and water supply), industrial disputes and action, difficulties in commissioning, ramping up and operating plant and equipment, IT system failures and mechanical failure or plant breakdown. Hazards incidental to the mining, exploration and development of mineral properties such as unusual or unexpected geological and aquifer formations, extracted brine grade variability and flow rates, reliability of bores, pumps and trenches, gypsum scaling of brine delivery pipelines, salt corrosion of critical pumping and production equipment, wear and tear on unsealed access roads, difficulties and/or delays associated with fresh groundwater 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.

The production ramp-up process, including the Company's expansion to 120 ktpa, may result in the identification of failures or deficiencies in the processes, systems and plant and equipment required for the BSOPM, 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 problems relating to these operational risks or adjust costs profiles on commercial terms could adversely impact continuing operations, production targets, Mineral Resources and/or 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 may change as operations performance and market conditions change or other unexpected events arise.

(e) **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. Any issues that result in the Company being unable to abstract brine in the volumes required to meet project timetables and production may adversely impact on the revised production profiles and the Company's ability to produce the required potassium plant feed salts to feed the SOP purification plant and to progress the expansion of the BSOPM to 120 ktpa.

(f) **Variability in brine**

The brine deposit may vary 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. 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, and/or require additional pumping volumes due to lower grades. Any variability in brine may adversely impact on the revised production profiles and the Company's ability to produce the required potassium plant feed salts to feed the SOP purification plant and to progress the expansion of the BSOPM to 120 ktpa.

(g) **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 and the ponds' ability to produce potassium plant feed salts at the appropriate design grades and in the required quantities to feed the SOP purification plant. Whilst the operations of the evaporation ponds to date have been verified against the design, the BSOPM is yet to see a prolonged period of producing SOP product (**SOP Product**) and there remains 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 expansion capital and operating costs of the BSOPM. There is also a risk of structural failures or leakage. Any adverse implications on the operations of the evaporation ponds may adversely impact on the Company's operations and the expansion to 120 ktpa.

(h) **Offtake**

The Company has entered into an offtake agreement with German fertiliser producer and distributor K+S. Risks associated with the offtake agreement include, but are not limited to, rising contract prices and marketing fees (as pricing and fees under the offtake agreement are linked to the sales price realised by K+S), disputes regarding variations of tonnages and SOP Product grade and extensions of time and costs, all of which may give rise to delays and/or increased costs. If any of these risks materialise, this could have a material adverse impact on the Company's profitability, financial performance and position.

Further, if K+S, being the Company's only offtake party, reneged on its contractual obligations or otherwise failed to pay for the SOP Product delivered, or decline to receive further SOP Product, this would have a consequential effect on the Company's financial position. If this occurs, there is a risk that future offtake contracts may not be negotiated on similar or more favourable terms.

(i) **Sales and Logistics**

There are risks associated with transport and delivery of SOP Product, including reliance on third party haulage and shipping, availability of haulage trucks, fuel levies, availability and size of on-site and off-site storage for unsold inventory, access to ports, customs and export risks and shipping delays which may have a material adverse impact on the Company's profitability and financial performance.

(j) **Commodity price volatility**

The revenue of the Company will be derived through the sale of SOP Product which exposes the Company to commodity price and exchange rate risk. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. Such factors include the supply and demand for commodities such as SOP Product, forward selling activities, technological advancements and other macro-economic factors.

If the Company successfully expands the BSOPM to 120 ktpa, its financial performance will be highly dependent on the prevailing commodity prices and exchange rates. These factors may affect the value of the Company's assets and the supply and demand of SOP Product, and may have an adverse effect on the viability of the Company's production activities, its ability to fund those activities and the value of its assets.

(k) **Currency and interest rate volatility**

The prices of various internationally traded 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 exchange rate between the United States dollar and the Australian dollar as determined in international markets. The Company's term loan

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facilities with KfW are in United States dollars and are USD LIBOR based, consequently exposing the Company to movements in interest rates in the United States. Movements in interest rates may result from changes in economic conditions, monetary and fiscal policies, international and regional political events or other factors beyond the control of the Company which may adversely affect the financial condition of the Company.

(l) **Staff and owner's team recruitment and retention**

The Company's ability to execute its strategy is dependent on the performance and expertise of its key management personnel and the owner's team. The Company relies on experienced and qualified staff in respect to the operation of the BSOPM and there is a risk that the Company may not be able to attract and retain key staff and members of the owner's 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 production ramp-up and ongoing operation of the BSOPM.

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 as past agreements. The loss of key personnel could cause a significant disruption to the business and could adversely affect the Company's 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 to the expansion of the BSOPM to 120 ktpa, which may adversely impact on the Company's future cash flows, profitability, results of operations and financial condition.

(m) **Dependence on key contractors**

The Company has outsourced substantial parts of the operations of the BSOPM 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 its services are terminated, the Company may not be able to find a suitable replacement on satisfactory terms within the required timeframe or at all. These circumstances could have a material adverse effect on the Company's operations.

(n) **Future capital requirements**

Whilst the funds raised pursuant to the Placement are expected to provide the requisite funding to progress the expansion of the BSOPM to 120 ktpa, the Company may require further financing to continue to operate in the future if, for example, there is a material departure from the Company's production or cost guidance. Further, if any of the matters detailed above occur or eventuate, including, but not limited to, the inability to extract brine volume, variability in brine and issues with the evaporation ponds, this may result in delays to the revised production profile and expansion of the BSOPM to 120 ktpa, which may necessitate the requirement for additional funding.

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 operational activities.

There can be no assurance that the Company will be able to obtain additional financing when required, 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.

(o) **COVID-19**

The COVID-19 pandemic has had a significant impact on the Australian economy, including the ability of individuals, businesses, and the State and Federal governments in Australia to operate. There continues to be uncertainty as to the duration and further impact of COVID-19, including government, regulatory or health authority actions, supply restrictions and unemployment rates in Australia. The negative impact of some or all of these factors on the Australian economy 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.

There is a risk that any infections on site at the BSOPM could result in the Company's operations being suspended for an unknown period of time, or curtailed due to the Company's labour and contract workforce being in isolation either on-site or off-site with COVID-19. Additionally, the COVID-19 pandemic has placed pressure on supply chains, availability of goods and services and shipping and freight, in terms of timing delays and increased costs. These risks all 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.

There is also a risk that other pandemics could occur, which may have effects on global economies and populations that are similar to, or worse than, COVID-19.

(p) **Resource and Reserve estimates and classification**

The Mineral Resource and Ore Reserve estimates for the BSOPM 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 SOP Product will in fact be realised.

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

The BSOPM and operations, including its expansion to a production rate of 120 ktpa, are subject to Australian and Western Australian laws, regulations and specific conditions regarding approvals to explore, construct and operate. There is a risk that such laws, regulations and specific conditions, or any changes thereto, may impact the profitability of the BSOPM and the ability for the BSOPM to be satisfactorily permitted. Key and on-going approvals required may take longer to be obtained or may not be obtainable at all.

The Company has not yet received the relevant approvals to operate at a production rate of 120 ktpa, including Ministerial approval / receipt of an operating licence for 120 ktpa and to undertake expansion works and production from brine in the Ten Mile West tenement area. The failure to receive any of these approvals could have an adverse impact on the Company's operations and activities. Although the Company has no reason to believe that the relevant approvals will not be granted, there is no assurance that such approvals will be granted as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

(r) **Contractual disputes**

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

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

The Company recognises that as the leader and sole producer in the Australian production of SOP Product there may initially be a lack of suitably trained operators for

the BSOPM which has been explicitly designed for the extraction and treatment of brine to produce the SOP Product to market specifications.

Furthermore, this risk could arise during the production ramp-up for the same reasons detailed above which could lead to increased costs and delays in achieving operational ramp-up targets.

(t) **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, salt crystallisation and harvesting process in the ponds and scouring damage to trenches, roadways and pond walls. Flood waters within the pond areas will increase the total evaporation, salt crystallisation and harvesting 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, or subject to silting or collapsing. 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 will impact profitability.

(u) **Climate change risk**

There are a number of climate-related factors that may affect the operations and financial position of the Company. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes and earthquakes) may have an adverse effect of the Company's operations, the Company's ability to transport or sell its Product and/or the Company's future financial performance.

Changes in policy, technological innovation and/or consumer/investor preferences may also adversely impact the operations and financial position of the Company or may result in less favourable pricing for its product, particular in the event of a transition to a lower carbon economy.

(v) **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.

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

The Company has been granted three Mining Leases and various other 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 the 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.

(x) **Change in regulations**

Adverse changes in State or Federal 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.

(y) **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 and operations, the BSOPM is 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.

(z) **Insurance**

The Company insures 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.

(aa) **Health and safety risk**

Mining and exploration activities have inherent hazards and risks. The Company is committed to providing a safe and healthy workplace and environment for its personnel, contractors and visitors. The Company provides appropriate instructions, equipment, preventative measures, first aid information, medical facilities and training to all stakeholders through its health and safety management system. A serious site health and safety incident may result in delays in operations. A health and safety incident that results in serious injury, illness or death may also expose the Company to significant penalties and the Company may be liable for compensation. These liabilities may not be covered by the Company's insurance policies or, if they are covered, may exceed the Company's policy limits or be subject to significant deductibles. Also, any claim under the Company's insurance policies could increase the Company's future costs of insurance. Accordingly, any liabilities for workplace accidents could have a material adverse impact on the Company's liquidity and financial results. In addition, it is not possible to anticipate the effect on the Company's business of any changes to workplace health and safety legislation or directions necessitated by concern for the health of the workforce. Such changes may have an adverse impact on the financial performance and/or financial position of the Company.

(bb) **Force majeure**

The BSOPM may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, pandemics, explosions or other catastrophes, epidemics or quarantine restrictions which may negatively affect the operating and financial performance of the BSOPM.

(cc) **Third party risk**

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

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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.

(dd) **Competition**

Although there is currently no Australian production of SOP Product, there are other mining exploration companies in Australia that are currently seeking to explore, develop and produce SOP Product. 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 BSOPM.

(ee) **Litigation**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

3.2 **General Risks**

A summary of the major general risks are detailed below.

(a) **Securities investments**

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

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

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

(b) **Economic risk**

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

- (i) general economic conditions;
- (ii) changes in Government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) industrial disputes in Australia and overseas;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (vii) natural disasters, social upheaval or war.

(c) **Dilution**

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

(d) **Share market**

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

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

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

(e) **Legal proceedings**

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

(f) **Unforeseen expenses**

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

(g) **Macro-economic risks**

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

- (i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- (ii) increases in expenses (including the cost of goods and services used by the Company);
- (iii) new or increased government taxes, duties or changes in taxation laws; and
- (iv) fluctuations in equity markets in Australia and internationally.

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

(h) **Broader general risks**

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

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

(i) **Currency risk**

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

(j) **Taxation risk**

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

(k) **Accounting standards**

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

3.3 **Investment Speculative**

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 the New Shares offered under this Prospectus. Therefore, the New Shares 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 highly speculative and should consult their professional advisers before deciding whether to apply for New Shares.

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4. Additional Information

4.1 Rights and Liabilities Attaching to New Shares

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

(a) General Meetings

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

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

(b) Voting Rights

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

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

(c) Dividend Rights

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

(d) Winding-up

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

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder Liability**

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

(f) **Transfer of Shares**

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

(g) **Variation of Rights**

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

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

(h) **Alteration of Constitution**

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

4.2 **Company is a Disclosing Entity**

The Company is a 'disclosing entity' (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 three 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 three 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 New Shares on the Company and the rights attaching to the New Shares. 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 the 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:
 - (i) the Annual Report being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) 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.

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

4.3 Copies of Documents

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

- (a) the Half Yearly Report for the period ending 31 December 2021 as lodged with ASX on 15 March 2022;
- (b) the Annual Report for the period ending 30 June 2021 as lodged with ASX on 28 October 2021; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company since the Company lodged its Annual Report and before the date of issue of this Prospectus which are as follows:

Date Lodged	Subject of Announcement
28/10/2021	Annual Report to shareholders
28/10/2021	Investor Presentation – Webinar
29/10/2021	Monthly Activities/Appendix 5B Cash Flow Report
29/10/2021	Quarterly Activities/Appendix 5B Cash Flow Report
01/11/2021	Appendix 2A
02/11/2021	Cleansing Notice

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02/11/2021	Change in substantial holding
02/11/2021	Notification of cessation of securities – KLL
03/11/2021	Beyondie SOP Project - Commissioning Update
17/11/2021	Share Purchase Plan Closure and Results
18/11/2021	Application for quotation of securities - KLL
01/12/2021	Results of Meeting
01/12/2021	Investor Presentation – 2021 Annual General Meeting
03/12/2021	Issue of Shares Under Tranche 2 Placement
03/12/2021	Application for quotation of securities - KLL
06/12/2021	Cleansing Notice
08/12/2021	Change of Director's Interest Notice SD
17/12/2021	Notification of cessation of securities - KLL
22/12/2021	Beyondie SOP Project - Activities Update
25/01/2022	Beyondie SOP Project - Activities Update
31/01/2022	Quarterly Activities/Appendix 5B Cash Flow Report
07/02/2022	Application for quotation of securities - KLL
25/02/2022	Pause in Trading
25/02/2022	Trading Halt
01/03/2022	Operational and Corporate Activities Update
15/03/2022	Half Yearly Report and Accounts
13/04/2022	Appointment of Company Secretary
13/04/2022	Notification of cessation of securities - KLL
29/04/2022	Quarterly Activities/Appendix 5B Cash Flow Report
05/05/2022	Appendix 3Y Change of Director's Interest Notice - S Dennis
31/05/2022	Beyondie Update - Process Design Validated
01/07/2022	Operating and Corporate Activities Update
26/07/2022	Investor Presentation
01/08/2022	First Commercial Sales of Beyondie SOP
01/08/2022	Quarterly Activities and Cashflow Reports - to 30 June 2022
09/08/2022	Pause in Trading

09/08/2022	Trading Halt
11/08/2022	Suspension from Official Quotation
18/08/2022	Response to ASX Price Query
18/08/2022	Firm Commitments for A\$22M Placement and Debt Restructure
18/08/2022	Proposed issue of securities - KLL
18/08/2022	Kalium Lakes Equity Capital Raising Presentation
18/08/2022	Reinstatement to Official Quotation

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

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.15 and the consents provided by the Directors to the issue of this Prospectus.

The announcements are also available through the Company's website at www.kaliumlakes.com.au.

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 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 New Shares under this Prospectus.

4.6 Market Price of Shares

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

Highest:	A\$0.110 per Share on 31 May 2022
Lowest:	A\$0.043 per Share on 23 August 2022

On 23 August 2022, being the last practicable date prior to the date of lodgement of this Prospectus with ASIC, the closing market sale price of the Shares on ASX was A\$0.043 per Share.

4.7 Dividend Policy

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

4.8 Substantial Shareholders

Based on available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue on completion of the Placement and SPP Offer (assuming the SPP Offer is fully subscribed) are detailed below:

	Shares	Voting Power ¹
Greenstone	431,559,657	22.34%
Brent Smoothy	131,843,097	6.83%

Note:

1. If:
 - (a) the SPP Offer is 50% subscribed (and no Shortfall is placed by the Company), then:
 - (i) Greenstone's voting power will be 23.56%; and
 - (ii) Mr Brent Smoothy's voting power will be 7.20%; and
 - (b) nil funds are raised under the SPP Offer (and no Shortfall is placed by the Company), then:
 - (i) Greenstone's voting power will be 24.92%; and
 - (ii) Mr Brent Smoothy's voting power will be 7.61%

4.9 Directors' Interests

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

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the 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 New Shares offered under this Prospectus.

4.10 Directors' Interests in Securities

The Directors' relevant interests in securities at the date of this Prospectus are detailed below:

Director	Shares	Options	Performance Rights
Mr Stephen Dennis	2,611,112 ¹	-	-
Mr Brent Smoothy	81,843,097 ²	-	-
Mr Mark Sawyer	-	-	-
Mr Sam Lancuba	-	-	-

Notes:

1. Mr Stephen Dennis intends to apply for A\$30,000 worth of New Shares under the SPP Offer.
2. On completion of the Placement, Mr Brent Smoothy will have a relevant interest in 131,843,097 Shares.

The above table does not include any New Shares Directors may subscribe for under the SPP Offer.

4.11 Remuneration of Directors

The remuneration of executive Directors is determined by the Board, subject to the provisions of any contract between each of them and the Company.

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal shares.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Directors' remuneration for the past two financial years is detailed in the below table:

Director		Short Term Benefits	Superannuation	Share Based Payments	Total
Mr Stephen Dennis	2022	\$98,699	\$9,870	-	\$108,569
	2021	\$84,132	\$7,993	-	\$92,125
Mr Brent Smoothy	2022	\$67,000	\$6,700	-	\$73,700
	2021	\$57,250	\$5,439	-	\$62,689
Mr Mark Sawyer	2022	\$57,250	-	-	\$57,250
	2021	\$47,500	-	-	\$47,500
Mr Sam Lancuba	2022	\$67,000	\$6,700	-	\$73,700
	2021	\$43,715	4,513	-	\$47,868

4.12 Related party transactions

There are no related party transactions involved in the SPP Offer that are not otherwise detailed in the Prospectus.

4.13 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 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 in connection with the formation or promotion of the Company or the New Shares offered under this Prospectus.

Thomson Geer will be paid fees of approximately \$15,000 (plus GST) in relation to the preparation of this Prospectus. During the two years before the date of this Prospectus, Thomson Geer has provided the Company with legal services and was paid approximately \$426,700 for these services.

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

4.14 Expenses of Offers

The estimated expenses of the Offers are detailed below:

Estimated expenses of the Offers ¹	Amount (A\$)
ASIC lodgement fee	3,206
ASX quotation fee	19,615
Legal fees	15,000
Share registry and marketing fees	120,000
TOTAL	157,821

Note:

1. The SPP Offer is not underwritten and there is no commitment for a broker or advisor fee to be payable. However, if a broker or advisor assists the Company with the placement of any Shortfall, the Company reserves its rights, in its sole discretion, to pay a fee of up to approximately 5% of the amount raised.

4.15 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of New Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) has not authorised or caused the issue of this Prospectus or the making of the SPP Offer;
- (b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (c) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Thomson Geer Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. Thomson Geer Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Computershare Investor Services Pty Limited has given, and, as at the date hereof, has not withdrawn, its written consent to being named in this Prospectus as Australian share registry of the Company.

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 Company by:

A handwritten signature in black ink, appearing to read 'S Dennis', is positioned above the printed name.

Mr Stephen Dennis
Non-Executive Chairman
Dated: 24 August 2022

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6. Glossary

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

A\$ or \$ means Australian dollars.

Acceptance means a valid acceptance of New Shares under the Offers made pursuant to this Prospectus on an Application Form.

Allotment Date has the meaning given in Section 1.16.

Annual Report means the annual financial report of the Company for the period ending 30 June 2021 as lodged with ASX on 28 October 2020.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares under the Offer made on an Application Form.

Application Form means an application form provided by the Company with a copy of this Prospectus, including the SPP Application Form and SPP Shortfall Application Form.

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

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

BSOPM has the meaning given in Section 2.1.

CHESS means ASX Clearing House Electronic Subregistry System.

Class Order has the meaning given in Section 1.1.

Closing Date has the meaning given in Section 1.9.

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

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Custodian has the meaning given in Section 1.15.

Custodian Certificate has the meaning given in Section 1.15.

Directors mean the directors of the Company as at the date of this Prospectus.

EFT means electronic funds transfer.

Eligible Shareholders has the meaning given in Section 1.8.

Greenstone means Greenstone Resources II (Australia) Holdings L.P. acting through its general partner, Greenstone Management (Delaware) II LLC.

Half Yearly Report means the half yearly report of the Company for the period ending 31 December 2021 as lodged with ASX on 15 March 2022.

Investor Presentation has the meaning given in Section 1.2.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESSE.

Listing Rules means the official listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Meeting has the meaning given in Section 1.2(b).

New Shares has the meaning given in Section 1.1.

Offers means the SPP Offer and SPP Shortfall Offer under this Prospectus.

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

Participating Beneficiary has the meaning given in Section 1.15.

Placement has the meaning given in Section 1.2.

Placement Shares has the meaning given in Section 1.2.

Prospectus means this prospectus dated 24 August 2022.

Section means a section of this Prospectus.

Senior Lenders has the meaning given in Section 3.1(b).

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

Shareholder means a holder of Shares.

Shortfall has the meaning given in Section 1.3.

SOP has the meaning given in Section 3.1(a).

SOP Product has the meaning given in Section 3.1(g).

SPP has the meaning given in Section 1.1.

SPP Application Amount has the meaning given in Section 1.10.

SPP Application Form means the application form attached to, or accompanying this Prospectus, to be used for the purposes of applying for New Shares under the SPP Offer.

SPP Offer has the meaning given in Section 1.1.

SPP Offer Price has the meaning given in Section 1.1.

SPP Shortfall Application Form means the application form attached to, or accompanying this Prospectus, to be used for the purposes of applying for New Shares under the SPP Shortfall Offer.

SPP Shortfall Offer has the meaning given in Section 1.3.

SPP Shortfall Shares has the meaning given in Section 1.3.

Tranche 1 Placement has the meaning given in Section 1.2(a).

Tranche 2 Placement has the meaning given in Section 1.2(b).

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