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LAKE WAY FULLY FUNDED AFTER DEBT FACILITY SIGNED AND UNDERWRITTEN EQUITY RAISING

Salt Lake Potash Limited (SO4 or the Company) is pleased to announce that the Lake Way Project (Project) is fully funded following execution of the US\$138m (A\$203m¹) debt financing package and a fully underwritten equity placement (Placement) and accelerated non-renounceable entitlement offer (ANREO) for A\$98.5m at A\$0.50/share (Equity Raising).

HIGHLIGHTS

- The financing package includes two components:
 - US\$138m (A\$203m) Syndicated Facility Agreement (SFA) with Taurus Mining Finance Fund No.2 L.P (Taurus) and the Clean Energy Finance Corporation (CEFC).
 - A fully underwritten A\$98.5m Placement and ANREO at A\$0.50/share, representing a 18% discount to the last closing price, and a 16% discount to 5 day VWAP.
- In combination, these funds will enable the Company to complete the funding and deliver the Project on schedule, with first Sulphate of Potash (SOP) production expected in the March quarter 2021. At full production of 245kt per annum of SOP the Project is expected to generate EBITDA of A\$111m and average annual after tax free cash flow of A\$78m.²
- The incorporation of the CEFC into the Taurus SFA provides a strong endorsement of the Company's contribution towards reducing carbon emissions from the global fertiliser and agriculture industries and follows the recent grant of 'Green' label certification for debt issued to develop the Project. Working with the CEFC, SO4 aims to set new sustainable benchmarks for Australian industry and demonstrate how resources projects can be decarbonised economically.
- The SFA incorporates no refinancing restrictions after 18 months, giving SO4 the flexibility to utilise non-dilutive financing options for early works at its next lake development. A trade-off study is currently underway with a decision on the next lake development expected in the first half of 2021.

¹ Assumes AUD USD 0.68

² Lake Way Bankable Feasibility Study, ASX Announcement 11 October 2019

TONY SWIERICZUK, Chief Executive Officer

“Completion of this financing package is a major milestone in SO4’s evolution. It enables the Company to deliver the Lake Way Project on schedule and sets up the business for growth into the future as we pursue our vision of a multiple lake SOP Province in Western Australia. It is the culmination of a years’ work and we would like to thank our financiers Taurus, the CEFC and our Shareholders for their support in facilitating the development of a new export industry for Australia.”

Taurus Chief Investment Officer, Mike Davies said:

“Taurus has been working with SO4 for more than a year and has been delighted with the progress that has been made in the time that we have advanced US\$45m in funding for the first stage of the project development. Our technical team has worked closely with the SO4 team and have every confidence in the team and the Project to deliver production in the first half of 2021. SO4 is at the forefront of developing an exciting, low-cost and sustainable fertilizer industry for Australia and we are excited to be a partner in bringing this to fruition. The inclusion of CEFC into the Lenders Syndicate is further endorsement of the quality of the project.”

CEFC CEO Ian Learmonth said:

“SO4 will sustainably produce SOP, helping to decarbonise agriculture while meeting the growing demand for food. At the same time, the CEFC is supporting the development of a new export industry for WA, providing another great example of the economic benefits of transitioning to lower emissions. We are excited to have this opportunity to influence and support an important industry of the future.”

ENQUIRIES

Tony Swiericzuk (CEO & Managing Director)

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This announcement has been authorised for release by the Board of Directors.

SYNDICATED FACILITY AGREEMENT

The SFA is a loan agreement between SO4 (and its subsidiaries), Taurus and CEFC. Key terms of the facility are detailed in Table 1.

Table 1: Syndicated Facility Agreement key terms

Facility Amount	US\$138m (Taurus US\$91m, CEFC US\$47m)
Tenor	4 Years (30 September 2024)
Availability Period	Financial close until 30 June 2021
Interest rate	9.0% per annum payable quarterly on drawn funds
Upfront Fee	2.75%
Undrawn Commitment fee	2.5% per annum
Tranches	Bridge: US\$45m currently drawn SFA: US\$138m (including Bridge repayment)
Amortisation/Repayment	No scheduled repayments or debt amortisation until 31 March 2022 (approximately 12 months after first production) Additional cash sweep of 70% of surplus cash available for debt service accelerating SO4's deleveraging
Debt Service Reserve Account	A\$10m prior to project completion, thereafter greater of A\$10m and principal and interest payable in next 6 months
Bullet	US\$92m (67%) at 30 September 2024 (less early repayments)
Refinancing Restrictions	Nil 18 months after signing
Remaining Conditions Precedent	To be satisfied by 15 October 2020

Parties to the SFA include the borrower, Piper Preston Pty Ltd (wholly owned subsidiary of SO4 and holder of the Project), SO4 and its other subsidiaries (Guarantors) and Taurus and CEFC (Lenders).

Conditions for Financial Close

The main conditions for initial drawdown include standard market conditions including signoff on cost to complete, confirmation of the base case financial model and deposit of equity raise funds. The conditions must be satisfied or waived by 15 October 2020 to achieve financial close.

Repayment

The Facility must be repaid by the termination date of 30 September 2024.

Quarterly amortization commences 31 March 2022, approximately 12 months after planned first production, with minimum amortization totaling US\$42.9m before a cash sweep for excess cash.

The cash sweep is 70% of the cash available after debt service (interest and scheduled repayments). The cash sweep is forecast to substantially accelerate de-leveraging and is a mechanism that is designed to improve the refinancing risk associated with the substantial bullet repayment at maturity.

Early Repayment

The Facility can be repaid without penalty on or after 18 months from execution of the SFA. Should the Facility be repaid within 18 months from execution, there is a make good requirement on the interest that would otherwise be payable until that date.

Representations and Warranties, Financial Covenants and Other Undertakings

The SFA contains representations and warranties, general undertakings and financial covenants which are considered standard for this form of debt facility agreement. The security interests held on behalf of the Lenders syndicate are also considered standard for this form of debt facility agreement.

As part of the financing with CEFC, SO4 has committed to powering part of the Project with renewable energy through a 5MW solar farm and an 2MW battery. Third parties have expressed interest in delivering the solar facility at no upfront cost to SO4 under a build, own, operate (BOO) model. The solar facility will reduce the overall cost of power at the Project.

In addition, SO4 is also investigating the potential to improve project economics and increase renewable energy penetration with on-site wind power and other sustainable initiatives. These initiatives all form part of SO4's goal to set new sustainable benchmarks for Australian industry and demonstrate how resources projects can be decarbonised economically.

The introduction of CEFC into the Taurus syndicated facility is a strong endorsement of the green credentials of the Project and its contribution towards reducing carbon emissions from the global fertiliser and agricultural sectors.

Taurus Mandate

In 2019, SO4 mandated Taurus to provide project financing with a staged facility for development of the Lake Way Project. Following execution of the SFA, Taurus holds a 2% Net Revenue Royalty for the Project (including the Royalty for the Bridge facility) in accordance with terms of its mandate, and will be granted 15 million options at a strike price of the 30 day VWAP prior to signing the SFA (\$0.564) and expiring 4 years from issue (subject to shareholder approval).

About the Lenders

Taurus provides debt and equity funding to the mining sector globally. Taurus has significant experience in the financing of mining projects globally across the commodity spectrum including the precious metals, base metals, steel making raw materials and industrial metals space.

The CEFC is a Commonwealth statutory authority that was established to facilitate increased flows of finance into clean energy projects to address some of Australia's toughest emissions challenges - in agriculture, energy generation and storage, infrastructure, property, transport and waste. The CEFC is responsible for investing A\$10 billion in clean energy projects on behalf of the Australian Government and works to deliver a positive return for taxpayers across its portfolio.

EQUITY

To conclude financing for the Project the Company is conducting a fully underwritten A\$98.5m equity raise by way of a Placement and ANREO (together, **Equity Raising**).

The Equity Raising will consist of the issue of 197,074,523 new ordinary shares (**New Shares**) (approximately 56% of existing ordinary shares on issue), to be issued at a fixed offer price of A\$0.50 per share (**Offer Price**), representing:

- An 18% discount to the closing price on 4 August 2020.
- An 16% discount to the 5 day VWAP ending on 4 August 2020.
- An 12% discount to the theoretical ex-rights price (TERP) of \$0.57

Euroz Securities Limited and Canaccord Genuity (Australia) Limited have been appointed as joint lead managers and joint underwriters and bookrunners to the Equity Raising. Material terms of the underwriting agreement are disclosed in Annexure D of this announcement.

Under the Entitlement Offer, eligible shareholders are invited to apply for 1 New Share for every 3.2 shares held as at the Record Date.

Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part will not receive any value in respect of those entitlements not taken up. The Entitlement Offer is non-renounceable, and rights are not transferrable and will not be traded on the ASX or otherwise.

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which is being conducted from today, Wednesday, 5 August 2020. The Company will remain in a trading halt on ASX until the results of the Institutional Entitlement Offer and the Placement are released to ASX, which is anticipated to occur on Tuesday, 11 August 2020.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will be open from Friday, 14 August 2020 to 5pm WST on Tuesday, 25 August 2020 to shareholders on the Record Date who:

- have a registered address in Australia, New Zealand, or the United Kingdom (and certain other jurisdictions, as agreed by the joint lead managers and the Company);
- is not offered to participate in the Institutional Entitlement Offer or otherwise classified as an ineligible institutional investor; and
- is not in the United States and is not acting for the account or benefit of persons in the United States.

Eligible retail shareholders who have applied for their entitlement under the Retail Entitlement Offer will also be entitled to apply for additional New Shares over and above their entitlement with a priority right for up to a maximum of 50% above their entitlement, subject to the Board's discretion to scale back applications for additional New Shares in accordance with the allocation policy to be detailed in the Retail Offer Booklet. The Retail Offer Booklet will be dispatched to eligible retail shareholders and announced on ASX by no later than Friday, 14 August 2020. Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet and accompanying personalised entitlement and acceptance form.

ASX Class Waiver

ASX recently announced temporary capital raising relief (**ASX Class Waiver**) which, amongst other things, permits entities to include in its calculation of placement capacity for the purposes of ASX Listing Rule 7.1 the number of shares that may be issued under the underwritten component of a pro-rata entitlement offer.

As required by the ASX Class Waiver, the Company notified ASX in writing of its intention to rely on the ASX Class Waiver and provided ASX of the details of the Entitlement Offer. ASX has acknowledged that the details notified to ASX are acceptable and that the Company is therefore entitled to the benefit of the ASX Class Waiver as described above (**ASX Waiver**).

The ASX Waiver permitted the Company to issue an additional 16,560,273 Shares under the Placement. For the purposes of the ASX Waiver, the Company notes that the connection between the Equity Raising and the economic impact of the COVID-19 health crisis is the Company's need to 'front end' as much of the Equity Raising as possible. The Company's ability to fund the development of the Lake Way Project is dependent on the success of the Equity Raising. 'Front ending' the Equity Raising, by maximising the amount that may be raised under the Placement, will assist the Company in materially reducing the market-risk it is exposed to for the duration of and following the Entitlement Offer.

Indicative Timetable

Table 2: Indicative Timetable

Event	Date
Announcement of Equity Raising Placement and Institutional Entitlement Offer opens	Wednesday, 5 August 2020
Institutional Entitlement Offer and Placement closes (Southern Hemisphere Investors) (3pm)	Wednesday, 5 August 2020
Institutional Entitlement Offer and Placement closes (Northern Hemisphere Investors) (6am)	Thursday, 6 August 2020
Results of Institutional Entitlement Offer and Placement announced to ASX Trading halt lifted and trading resumes on an 'ex' entitlement basis	Tuesday, 11 August 2020
Record Date for Entitlement Offer	Tuesday, 11 August 2020
Retail Entitlement Offer opens and despatch and announcement of Retail Offer Booklet	Friday, 14 August 2020
Settlement date for New Shares issued under the Institutional Entitlement Offer and Placement	Friday, 14 August 2020
Issue (and normal trading) of New Shares under the Institutional Entitlement Offer and Placement	Monday, 17 August 2020
Retail Entitlement Offer Closing Date (5pm)	Tuesday, 25 August 2020
Settlement and issue of New Shares under the Retail Entitlement Offer	Tuesday, 1 September 2020
Quotation of New Shares under Retail Entitlement Offer	Wednesday, 2 September 2020

The above timetable is indicative only and subject to change without notice. All references to time are to Western Standard Time (WST). The commencement of quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the Underwriting Agreement, the Corporations Act, the ASX Listing Rules and any other applicable laws, the Company reserves the right to amend this timetable at any time without notice.

USES OF FUNDS

The Company intends to apply the funds raised from the Equity Raising together with the SFA primarily towards the development of the Lake Way Project. The funds raised will also be applied towards debt financing costs, debt repayments, corporate overheads, general working capital, and the costs of the capital raising. Sources and uses of funds from June 30th 2020 to June 30th 2021 are summarised in Table 3.

Table 3: Cash sources and uses from 30 June 2020 to 30 June 2021

Sources of funds	A\$m	Uses of funds	A\$m
Beginning cash balance	7.0	Lake Way OPEX	38.7
Lake Way Revenue	18.4	Corporate Overheads	7.6
Senior Debt Drawdown	202.9	Capital Expenditure	190.7
Equity Funding Required	98.5	Debt and Equity Financing Costs	21.3
Equity Raised	15.0	Debt Repayments	66.5
		Other	(3.5)
		DSRA & Cash	20.5
Total Sources	341.8	Total Uses	341.8

Note: Sources and uses assumes AUD USD 0.68

The Company cautions that the above is a statement of current intentions at the date of this announcement. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Company reserves the right to alter the way the funds are applied on this basis. The amounts and timing of the actual expenditures and investments may vary significantly and will depend on numerous factors including the success of development activities and any changes in the business and economic environment.

ANNEXURE A: SPECIFIC RISK FACTORS

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of in evaluating the Company's business and risks of investing in the Company. Potential investors should carefully consider the following factors in addition to the other information presented in this announcement.

The principal risks include, but are not limited to, the following:

1.1 Risks specific to the Company

(a) Development of the Lake Way Project

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

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

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

(b) Risks as to Forecasts

The Company has prepared operating cash costs, future production targets and revenue profiles for its future operations at the Lake Way Project.

These forecasts, although considered to have reasonable grounds, may be adversely affected by a range of factors including: changes or variation in hydrogeological conditions, weather conditions effecting evaporation and/or recharge or other conditions; mining, processing and loading equipment failures and unexpected maintenance problems; limited availability or increased costs of mining, processing and loading equipment and parts and other materials from suppliers; mine safety accidents; adverse weather and natural disasters; and a shortage of skilled labour.

If any of these or other conditions or events occur in the future, they may increase the cost of mining or delay or halt planned commissioning, ramp up and production, which could adversely affect our results of operations or decrease the value of our assets.

The Company has in place a framework for the management of operational risks and an insurance program which provides coverage for a number of these operating risks. However, any unforeseen increases in capital or operating costs of the Lake Way Project could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition. No assurance can be given that the Company's estimates will be achieved or that the Company will have access to sufficient capital to develop the Lake Way Project due to an increase in capital and operating costs estimates.

(c) Foreign Exchange Risk

The SFA is denominated in US dollars whilst many of the planned development and operational activities are denominated in Australian dollars. The Company's ability to fund these activities from the SFA and the Offer may

be adversely affected if the Australian dollar rises against the US dollar. No assurance can be given that the Company's estimates will be achieved or that the Company will have access to sufficient capital to develop the Lake Way Project due to an unanticipated movement in the Australian dollar.

(d) Contractual Risk

The Company is reliant on contractual access rights to conduct certain activities on certain tenements relating to the Lake Way Project, including, for the purposes of constructing the processing plant pending the grant and transfer to Piper Preston of general purpose lease G53/25, which is intended to provide ultimate tenure for the processing plant. The grant of the general purpose lease is contingent on finalization of a variation to the Native Title Agreement. In the event a deed of variation to the Native Title Agreement to procure the grant of G53/25 is not entered into, the Company will continue to be reliant on contractual rights to conduct its activities (including for the purposes of constructing the processing plant).

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

(e) Coronavirus (COVID-19) Risk

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

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

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

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

The Company has implemented a COVID-19 mitigation plan in order to minimise the risk of infection for individuals and will continue to review and update its COVID-19 mitigation plan and update its plan based on the latest guidance from health professionals and the government as the situation develops.

(f) Dependence on Key Contractors and Third Party agreements

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

The operations of the Company generally require the involvement of a number of third parties, including suppliers, contractors and clients. Financial failure, default or contractual non-compliance on the part of such third parties

may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

The Company is currently in negotiations in relation to a number of material contracts with third parties for key processing plant components, including feeders, slurry pumps, thickeners, agitators, heaters, dryer compressed air equipment, chillers and impact crusher. There is no guarantee that negotiations in relation to these third-party agreements will progress or conclude. Failure to obtain key processing plant components under such agreements may have an adverse impact on the Company's operations.

(g) Future Capital Requirements

The Company may require further financing to continue to operate in the future if, for example, it fails to meet its construction timeline or there is otherwise a material departure from the Company's production or cost guidance for the Lake Way Project.

The Company may also require further financing in the future to progress its other projects.

Any additional equity financing will likely be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained if it becomes required, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(h) Underwriting Risk

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with Canaccord Genuity (Australia) Limited and Euroz Securities Limited (together, the **JLMs**), pursuant to which the JLMs have agreed to fully underwrite the Equity Raising and act as lead manager and bookrunner to the Equity Raising, subject to certain terms and conditions. If certain termination events occur, the JLMs may terminate the Underwriting Agreement. Refer to Annexure D for further details.

(i) Offtake Risk

The Company has binding term-sheets for offtake for 92% of the production from the Lake Way Project.

The Company's operations and revenues are dependent on the counterparties to existing and future offtake agreements performing their obligations. Notwithstanding the offtake arrangements contain price floor and 'take or pay' obligations, if counterparties do not take their obligated quantities of product or seek to renegotiate the price or quantity of product, the Company's revenue could be adversely affected.

(j) Operational Risks

The Company's operational and development activities will be subject to numerous operational risks, many of which are beyond the Company's control. The Company's operations may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions, mechanical difficulties, shortages in or increases in the costs of labour, consumables, spare parts, plant and equipment, external services failure (including energy and water supply), industrial disputes and action, difficulties in commissioning, ramp up and operating plant and equipment, IT system failures, mechanical failure or plant breakdown, and compliance with governmental requirements. Hazards incidental to the mining, exploration and development of mineral properties such as unusual or unexpected geological formations, difficulties and/or delays associated with groundwater and

dewatering of existing pits may be encountered by the Company. Industrial and environmental accidents could lead to substantial claims against the Company for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, clean up responsibilities, penalties and the suspension of operations.

Production guidance and targets are subject to assumptions and contingencies which are subject to change as operations performance and market conditions change or other unexpected events arise.

(k) Commodity Price Volatility

The revenue the Company will derive through the sale of sulphate of potash product (SOP Product) exposes the Company to commodity price and exchange rate risk (see above).

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. Such factors include the supply and demand for commodities such as potash, forward selling activities, technological advancements and other macro-economic factors. If the Company achieves development success which leads to viable production, its financial performance will be highly dependent on the prevailing commodity prices and exchange rates.

(l) Resource and Reserve Estimates and Classification

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

(m) Secured Debt Risk

As disclosed in this announcement, the Company has entered into the SFA pursuant to which Taurus Mining Finance Fund No. 2 L.P (**Taurus**) and Clean Energy Finance Corporation (**CEFC**) have agreed to make available to the Company funding of up to US\$138 million.

The Company's obligations under the SFA are secured. Accordingly, there is a risk that if the Company is unable to satisfy its obligations under the SFA, Taurus or CEFC may seek to enforce their security over the Company and its assets, and the Company may become an externally-administered body corporate.

The Company expects to have the ability to repay the facility amount the subject of the SFA as and when required.

(n) Convertible Notes

The conversion of the 10,000,000 convertible notes held by Equatorial Resources Limited (**Equatorial Convertible Notes**) into shares is subject to shareholder approval at a general meeting of the Company expected to be convened shortly (**Meeting**).

In the event that shareholder approval for the conversion of the Equatorial Convertible Notes is not obtained at the Meeting, or the approval lapses and has not been superseded by a subsequent shareholder approval, the Company must:

- (i) repay the Equatorial Convertible Notes at their face value of \$1.00 per note; and
- (ii) on the date which is 20 business days after the date of the Meeting or the lapsing of the approval (as applicable), the Company must pay the "Equity Premium" to Equatorial. The "Equity Premium" is intended to enable Equatorial to benefit from an increase in the share price.

The "Equity Premium" is an amount determined in accordance with the following formula:

$$EP = S \times \left(\frac{MP - CP}{CP} \right)$$

where:

- EP = Equity Premium, being the amount determined based on the above formula, unless it results in a negative number in which case the relevant amount is nil.
- S = Subscription Amount (\$10 million).
- MP = Market Price, being the VWAP over the five trading days ending on the date of the Meeting or the date on which the shareholder approval lapses (as applicable)
- CP = Conversion Price, being equal to:
- (A) if the payment date for the Equity Premium occurs prior to 30 September 2020, the lesser of a 5% discount to the issue price per share under the Equity Raising or \$0.45 per Share, subject to this being no lower than \$0.30 per share; or
 - (B) if the payment date for the Equity Premium occurs on or after 30 September 2020, the lesser of a 10% discount to the issue price per share under the Equity Raising or \$0.45 per share, subject to this being no lower than \$0.30 per share.

(o) Title Risk

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

The Company's wholly owned subsidiary, Piper Preston Pty Ltd (**Piper Preston**), is the beneficial owner of, and entitled to become the registered holder of, a further 24 mining tenements or applications for mining tenements acquired in accordance with a binding sale agreement with Wiluna Mining Corporation Limited and its affiliates Kimba Resources Pty Ltd (**Kimba**) and Matilda Operations Pty Ltd (**Matilda**). It is noted that Piper Preston is reliant on beneficial ownership of the tenements on which the majority of the physical assets constructed by Piper Preston to date are located, pending lodgement of tenement transfers. Subject to transfer of beneficial ownership of the tenements (where applicable), Piper Preston will become the registered holder of the tenements following registration of tenement transfers.

(p) Variability in Brine

The brine deposit may be variable due to the geological layering of the lake sediments and inflows of other groundwater which will affect the brine chemistry across the deposit. Added to this there is also the potential for dilution after rainfall which may influence changes in the chemistry of brine recovery. The variability may cause different evaporation rates, alternative salt evaporates being formed in the evaporation ponds or require additional trenches due to lower grades.

(q) Process plant design, operation, recovery and product specifications

Project development is inherently risky due to a number of variables that needs to be managed. This could lead to equipment not performing as required or expected, resulting in difficulty maintaining product specification, not achieving nameplate design capacity, not achieving expected potassium recoveries, increased maintenance and overall operating costs.

(r) Energy Supply

The Company's projects will require a considerable amount of energy to run the process plant and site infrastructure.

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

(s) Inclement Weather and Natural Disaster

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

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

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

Any of the above occurrences will impact profitability.

(t) Regulatory risk

The development of the Company's projects are subject to obtaining further key approvals from relevant government authorities. The Company has an approvals schedule and a management team with significant experience in approvals required for mining projects in Western Australia. A delay or failure to obtain required permits may affect the Company's schedule or ability to develop the project.

Any material adverse changes in government policies or legislation in Western Australia and Australia that affect mining, processing, development and mineral exploration activities, income tax laws, royalty regulations, government subsidies and environmental issues may affect the viability and profitability of any planned development the Company's Lake Way Project and other lakes in the Company's portfolio. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could adversely impact the Company's mineral properties.

(u) Environmental Risk

The Company's projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

For environmental impact assessment purposes, the Lake Way Project includes the proposal for construction and operation of additional on-lake infrastructure (including trenches, bores, ponds and associated infrastructure) over an additional area of up 2,750 hectares and extension of the operating life of the processing plant, together with minor modifications to the processing plant to support an increase in production capacity of up to 260,000 tonnes per annum of sulphate of potash (nameplate capacity 245,000 tonnes per annum).

The EPA determined that this proposal would require detailed environmental review, without the need for public comment. The Company currently expects the environmental review process to be completed by October 2020 and has no reason to believe that the proposal will not ultimately be approved by the Minister for the Environment, subject to appropriate conditions, none of which are expected to be unusual or unduly onerous.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

(v) Key Personnel Risk

The responsibility of overseeing the day-to-day operations and the Company's strategic management depends substantially on its senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(w) Native Title and Aboriginal Heritage

There are areas of the Company's projects, including the Lake Way Project, over which legitimate common law and/or statutory native title rights of Aboriginal Australians exist. Where native title rights do exist, the Company must obtain consent of the relevant landowner to progress the exploration, development and mining phases of its operations. Where there is an 'Aboriginal Site' for the purposes of the *Aboriginal Heritage Act 1972* (WA), the Company must obtain consents in accordance with the Act.

The entirety of the Lake Way Project is registered as an 'Aboriginal site' under the *Aboriginal Heritage Act 1972* (WA). The consent of the Minister for Aboriginal Affairs under section 18 of that Act is required prior to the conduct of all activities on the surface of the lake, which consent is unlikely to be forthcoming without the concurrence of TMPAC, the registered native title body corporate.

The Native Title Agreement provides that TMPAC must not unreasonably withhold its agreement to an application by Piper Preston for consent, provided Piper Preston is compliant with the Native Title Agreement and consults with TMPAC prior to making an application. The consent of the Minister for Aboriginal Affairs has been obtained in relation to all activities conducted to date on the surface of Lake Way.

The Company has established a framework for obtaining required consents for the continuity of works, but in the event that it is unable to obtain these consents, its activities may be adversely affected.

(x) No Market Sector Diversification

As the Company will be entirely exposed to the mining, and in particular the SOP production sector, its business performance may be affected should this sector perform poorly.

(y) Insurance Risk

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

(z) Occupational Health and Safety Risks

Mining activities have inherent risks and hazards. 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 occupational health and safety management systems. A serious site safety incident may expose the Company to significant penalties and the Company may be liable for compensation to the injured personnel. 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.

It is not possible to anticipate the effect on the Company's business from any changes to workplace occupational health and safety legislation or directions or 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.

(aa) New Projects and Acquisitions

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

The Directors will use their expertise and experience in the sector to assess the value of potential projects that have characteristics that are likely to provide returns for Shareholders.

1.2 General risks

(a) Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Force Majeure

The Company's projects now or in the future 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. See above for discussion on the impact of COVID-19 on the Company.

(c) Liquidity Risk

The market for the Company's Shares may be illiquid. As a consequence, investors may be unable to readily exit or realise their investment.

(d) Economic Risk

Changes in both Australian and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

(e) Government and Legal Risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its current or proposed interests in tenements. However, changes in political and community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's exploration and/or development plans or its rights and obligations in respect of the tenements in which it holds interests. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(f) Litigation Risks

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. To the best of the current Directors' knowledge, the Company is not currently engaged in any material litigation.

(g) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally. To the maximum

extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Offer Booklet.

(h) Climate Change Risk

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

1.3 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Offer Booklet. Therefore, the New Shares to be issued pursuant to this Offer Booklet carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those 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 Shares pursuant to this Offer Booklet.

ANNEXURE B: INTERNATIONAL OFFER RESTRICTIONS FOR INSTITUTIONAL OFFER

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

This announcement and the information contained herein is restricted and is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into the United States, Japan, South Africa or any other jurisdiction in which it would be unlawful to do so.

This announcement is for information purposes only and shall not constitute an offer to sell or issue or the solicitation of an offer to buy, subscribe for or otherwise acquire any New Shares or such other securities of the Company in any jurisdiction in which any such offer or solicitation would be unlawful.

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014. In addition, market soundings were taken in respect of the matters contained in this announcement, with the result that certain persons became aware of such inside information. Upon the publication of this announcement, this inside information is now considered to be in the public domain and such persons shall therefore cease to be in possession of inside information.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period

of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu' il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d' achat ou tout avis) soient rédigés en anglais seulement.*

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Guernsey

The New Shares may only be offered or sold in or from within the Bailiwick of Guernsey either (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "POI Law") or (ii) to persons licensed under the POI Law, the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc., (Bailiwick of Guernsey) Law, 2000.

Liechtenstein

This document has not been, and will not be, registered with or approved by the Financial Market Authority of Liechtenstein. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in Liechtenstein except in circumstances that do not require a prospectus under the Securities Prospectus Implementation Act of Liechtenstein.

In accordance with such Act, an offer of New Shares in Liechtenstein is limited to persons who are "qualified investors" are a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union).

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered 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 these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as

"professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

United Kingdom

No prospectus will be made available in connection with the matters contained in this announcement and no such prospectus is required (in accordance with the Prospectus Regulation (as defined below)) to be published.

Members of the public are not eligible to take part in the Equity Raising.

The Placing in the United Kingdom shall only be directed at persons who are (1) Qualified Investors as defined in Article 2(e) of Regulation (EU) 2017/1129 (together with any relevant implementing measure in the United Kingdom, the "Prospectus Regulation") and (2) who (a) fall within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") (Investment Professionals) or (b) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order (all such persons together being referred to as "Relevant Persons"). This announcement and the information in it must not be acted on or relied on by persons who are not Relevant Persons.

Any New Shares issued pursuant to the Retail Entitlement Offer will be offered in the United Kingdom in reliance on exemptions to the Financial Services and Markets Act 2000 (United Kingdom) ("FSMA") and the Order. The Retail Entitlement Offer is only being made in the United Kingdom to persons who are of a kind described in Article 43(2) (members and creditors of certain bodies corporate) of the Order. Any investment to which this document relates is available to only those persons described above and persons who do not fall into that category should not rely on this document nor take any action in relation to it.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under FSMA. The whole of the text of this document should be read.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares 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.

The New Shares will only be offered and sold in the United States to:

- institutional accredited investors (as defined in Rule 501(a)(1), (2), (3) and (7) under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

ANNEXURE C: DISCLOSURES

Production Target and Forecast Financial Statements

The Lake Way 245ktpa Production Target stated in this announcement and the forecast financial statements based on that Production Target are based on the Company's Bankable Feasibility Study as released to the ASX on 11 October 2019. The information in relation to the Production Target and forecast financial information that the Company is required to include in a public report in accordance with ASX Listing Rule 5.16 and 5.17 was included in the Company's ASX Announcement released on 11 October 2019.

As announced on 15 June 2020, following substantial progress in detailed engineering and vendor procurement, the capital expenditure budget was increased from A\$254m to A\$264m.

The Company confirms that the material assumptions underpinning the Production Target and the forecast financial information referenced in the 11 October 2019 release and the updated capital expenditure budget referenced in the 15 June 2020 release continue to apply and have not materially changed.

Forward-Looking Statements

This announcement includes forward-looking statements. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

Not for release to US wire services or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 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.

ANNEXURE D: UNDERWRITING AGREEMENT

The Company has entered into the Underwriting Agreement with Euroz Securities Limited and Canaccord Genuity (Australia) Limited (together, **JLMs**). Pursuant to the Underwriting Agreement, the JLMs have agreed to fully underwrite the Equity Raising.

As is customary with these types of arrangements:

- the obligations of the JLMs to underwrite the Equity Raising is subject to the satisfaction of certain conditions precedent in respect of the Equity Raising including, amongst other things, compliance with satisfactory due diligence and offer documentation and the execution of the documentation in respect of the SFA;
- the Company has agreed, subject to certain carve-outs, to indemnify the JLMs, their affiliates, successors and related bodies corporate, and their respective directors, officers, agents, employees, representatives or advisers from and against all losses directly or indirectly suffered or incurred in connection with the Equity Raising; and
- the Company has given certain representations, warranties and undertakings in connection with (among other things) the Equity Raising including as to the Company's compliance with applicable law, conduct of business and offer documentation.

The JLMs may appoint sub-underwriters to sub-underwrite the Entitlement Offer and are responsible for paying any commission and other fees to those sub-underwriters.

In consideration for the services provided by the JLMs, the Company has agreed to pay the JLMs:

- under the Institutional Entitlement Offer, an underwriting fee of 2% and a management fee of 3% of the Institutional Entitlement Offer proceeds (such proceeds being reduced or otherwise excluded for funds raised from specified investors); and
- under the Retail Entitlement Offer, an underwriting fee of 2% and a management fee of 3% of the Retail Entitlement Offer proceeds (such proceeds being reduced or otherwise excluded for funds raised from specified investors).

The obligation of the JLMs to underwrite the Equity Raising is subject to certain events of termination, which are set out below:

- **(delisting)** ASX announces that the Company will be removed from the official list or that its shares (or any of the New Shares) will be delisted or suspended from quotation by ASX for any reason (excluding any suspensions in place in connection with the Equity Raising);
- **(market fall)** the S&P/ASX 200 Index is at a level that is 10% or more below its level as at the close of business on the Trading Day prior to the date of the Underwriting Agreement: at market close on two consecutive trading days; or at market close on the trading day prior to the settlement date for the Placement, Institutional Entitlement Offer or Retail Entitlement Offer;
- **(index fall)** the S&P/ASX Small Resources Index is at a level that is 10% or more below its level as at the close of business on the Trading Day prior to the date of the Underwriting Agreement: at market close on two consecutive trading days; or at market close on the trading day prior to the settlement date for the Placement, Institutional Entitlement Offer or Retail Entitlement Offer;
- **(quotation)**: ASX does not, or states that it will not, agree to grant official quotation of all the New Shares on an unconditional basis (or on a conditional basis provided such condition would not, in the opinion of the JLMs, have a material adverse effect on the Offer) before the date of allotment and issue of the relevant New Shares; or if permission for the official quotation of the New Shares, is granted before the date of allotment and issue of the

relevant New Shares, the approval is subsequently withdrawn, qualified (other than by way of customary conditions) or withheld;

- **(trading on the AIM Market)**: The London Stock Exchange does not, or states that it will not, agree to admit the New Shares to trading on the AIM Market before the date of allotment and issue of the relevant New Shares; or if permission for the New Shares to trade on the AIM Market is granted before the date of allotment and issue of the relevant New Shares, the approval is subsequently withdrawn, qualified (other than by way of customary conditions) or withheld;
- **(delay)** certain delays occur to events specified in the timetable for the Equity Raising without the prior written consent of the JLMs;
- **(capital structure)** the Company alters its capital structure (other than as contemplated in the Underwriting Agreement);
- **(forecasts)** the materials issued in connection with the Equity Raising (together, **Offer Materials**) include any forecast, expression of opinion, belief, intention or expectation which is not based on reasonable grounds or any other announced forecast or expectation comes incapable of being met;
- **(withdrawal)** the Company withdraws the Equity Raising, or any part of it, or indicates that it does not intend to or is unable to proceed with the Equity Raising or any part of it;
- **(certificate)** any certificate which is required to be provided by the Company under the Underwriting Agreement is not provided when required or a statement in that certificate is false, misleading, untrue or incorrect;
- **(insolvency)** a customary insolvency event occurs in respect of the Company or any of its related bodies corporate;
- **(material adverse change)** there is a material adverse change, or an event occurs which is likely to give rise to a material adverse change, in the assets, liabilities, financial position, results, condition, operations or prospects of the Company or Group from the position fairly disclosed by the Company to ASX before the date of the Underwriting Agreement or in this announcement (including for the avoidance of doubt as a result of an outbreak or escalation of a pandemic or an epidemic such as novel coronavirus, a recurrence of Severe Acute Respiratory Syndrome or an outbreak of swine or avian influenza);
- **(force majeure)** there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Government Agency which makes it illegal for the JLMs to satisfy an obligation under the Underwriting Agreement, or to market, promote, underwrite or settle the Equity Raising;
- **(Offer Materials)** a statement contained in, or the issue of, the Offer Materials is or becomes misleading or deceptive or is likely to mislead or deceive or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or deceptive; or any amendment or update to the cleansing statements which are issued or are required under the Corporations Act to be issued in connection with the Equity Raising is materially adverse from the point of view of an investor; or any expression of opinion, belief or intention in the Offer Materials is not (or ceases to be) fairly and properly supportable or there are no reasonable grounds for making any such statement;
- **(non-compliance with disclosure requirements)**: it transpires that any Offer Materials or the issue of the Offer Materials or New Shares do not comply with the Constitution, Corporations Act, the Listing Rules, the AIM Rules, the ASX Waiver or other applicable laws and related policy including Takeovers Panel guidance;
- **(restriction on allotment)** the Company is prevented from allotting the New Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, the AIM Rules, the ASX Waiver, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;

- **(waivers / modifications)** ASX withdraws, revokes, or amends the ASX Waiver;
- **(SFA)** the agreements comprised of the SFA cease to be in full force and effect; there has been a breach, or a circumstance has arisen which is likely to give rise to a breach, of any of the SFA; a condition to the SFA has failed to be satisfied or waived on or before the required date or a circumstance has arisen such that a condition is or has become incapable of satisfaction; there has been termination or rescission of, or a circumstance has arisen which is likely to give rise to a right to terminate or rescind, the SFA; any party to any of the SFA has provided a valid and enforceable notice of an intention to terminate the SFA; or an amendment to the SFA has been made without the prior written consent of the JLMs (such consent not to be unreasonably withheld);
- **(fraud)** the Company or any of its affiliates, directors or officers (as those terms are defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Equity Raising;
- **(indictable offence)** a director or member of senior management of the Company is charged with an indictable offence relating to financial or corporate matters or a director of the Company is disqualified from managing a corporation;
- **(change in management or board)** a change in the board of directors or senior management of the Company occurs;
- **(proceedings, investigations and regulatory action)** any of the following occurs:
 - * any person brings, or threatens to bring, an application to, a Government Agency (including, without limitation, any court and the Takeovers Panel), in relation to the Equity Raising or the Company;
 - ASIC or any person, issues or threatens to issue proceedings in relation to the Equity Raising or commences any formal inquiry or investigation into the Equity Raising or the Company;
 - * ASIC or any other Government Agency commences or gives notice of an intention to commence a prosecution of the Company or any director or employee of the Company; or
 - ASIC or any other Government Agency commences or gives notice of an intention to commence a hearing or investigation into the Company;
- * **(breach)** the Company is in breach of any terms and conditions of the Underwriting Agreement;
- **(representations and warranties)** any representation or warranty is or becomes incorrect, untrue or misleading;
- **(information)** the Due Diligence Report or any information supplied by or on behalf of the Company to the JLMs for the purposes of the Due Diligence Investigations, the Offer Materials or the Equity Raising, is or becomes false, misleading or deceptive (including by omission) or is or becomes likely to mislead or deceive (including by omission);
- **(Corrective Statement)** an obligation arises on the Company to give ASX a notice in accordance with section 708AA(12)(a) of the Corporations Act (as included in the Corporations Act by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) or section 708A(10) of the Corporations Act; or an event or circumstance occurs or becomes known that would, in the reasonable opinion of the Joint Lead Managers, have required the Company to give ASX a notice in accordance with section 708AA(12)(a) of the Corporations Act (as included in the Corporations Act by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) or section 708A(10) of the Corporations Act had the Cleansing Statement been lodged on the date of this announcement on the basis of information known at that time;
- * **(change in law)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority or ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been

announced prior to the date of the Underwriting Agreement) any of which does or is likely to prohibit or regulate the Equity Raising, capital markets or stock markets;

- **(change of control)** a scheme of arrangement or reconstruction is announced by the Company, or another offer to shareholders or transaction is announced by another person, which, is bona fide and is reasonably capable of being completed and which, if implemented, may result in a person and their associates acquiring a beneficial interest in, or voting power of, 20% of more of the interests in the Company;
- **(charges)** the Company (or any of its related bodies corporate) charge, or agrees to charge, the whole or a material part of the Company's (or any of its related bodies corporate) respective businesses or property other than: a charge over any fees or commissions to which the Company (or any of its related bodies corporate) are or will be entitled; as disclosed in the Offer Materials; as agreed with the JLMs (acting reasonably), or as disclosed to the JLMs prior to the date of the Underwriting Agreement;
- **(material contracts)** if any of the obligations of the relevant parties under any of the contracts that are material to the business of the Group, including the SFA are not capable of being performed in accordance with their terms (in the reasonable opinion of the terminating JLM) or if all or any part of any of such contracts: is amended or varied without the consent of the JLMs; is terminated; is breached; ceases to have effect, otherwise than in accordance with its terms; or is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and effect, or its performance is or becomes illegal;
- **(contravention of law)** either:
 - a contravention by the Company of the Corporations Act, its Constitution, any of the Listing Rules, the AIM Rules, the ASX Waiver, any other applicable law or and related policy including Takeovers Panel guidance (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any Government Agency;
 - any aspect of the Equity Raising does not comply with its Constitution, the Corporations Act, the Listing Rules, the AIM Rules, the ASX Waiver any other applicable law and related policy including Takeovers Panel guidance; or
 - the Company is prevented from allotting and issuing the New Shares under the Constitution, the Corporations Act, the Listing Rules, the AIM Rules, the ASX Waiver, any other applicable law and related policy including Takeovers Panel guidance, an order of a court of competent jurisdiction or a Government Agency;
- **(market disruption and hostilities):**
 - * trading of all securities quoted on ASX, the London Stock Exchange (including the AIM Market) or the New York Stock Exchange is suspended or limited in a material respect;
 - * a general moratorium on commercial banking activities in Australia, Hong Kong, Japan, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or Share settlement or clearance services in any of those countries;
 - * any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Hong Kong, Japan, the European Union, the United States of America, the United Kingdom or the international financial markets or any change in national or international political, financial or economic conditions; or
 - * hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, Japan, North Korea or any member state of the European Union, Israel, the People's Republic of China, Russia, Syria or Hong Kong or an outbreak or escalation of a pandemic or an

epidemic (such as novel coronavirus, a recurrence of Severe Acute Respiratory Syndrome or an outbreak of swine or avian influenza) in these markets.

- **(debt facilities)** any of the following occurs:
 - any debt facility of the Company or Group member (including, for the avoidance of doubt, the SFA) is terminated by the lender or amended without the JLMs' prior written consent (such consent not to be unreasonably withheld or delayed);
 - a Group member breaches, or defaults under, any provision, undertaking, covenant or ratio of a debt or financing arrangement or any related documentation to which that entity is a party (including, for the avoidance of doubt, the SFA); or
 - an event of default or review event has resulted in a lender or financier exercising its rights to accelerate or require repayment of the debt or financing or other similar event occurs under or in respect to any such debt or financing arrangement or related documentation (including, for the avoidance of doubt, the SFA).

No event marked with an "*" entitles a JLM to terminate its obligations under the Underwriting Agreement unless in the actual and reasonable opinion of that JLM, the event:

- has, or is likely to have, individually or in the aggregate, a material adverse effect on the success, marketing or settlement of the Equity Raising, the value of the Company's shares or the willingness of investors to subscribe for New Shares;
- has, or is likely to have, individually or in the aggregate, a material adverse effect on the business, financial position or prospects of the Group; or
- leads, or is likely to lead to a contravention by that JLM (or any of its affiliates) of, or that JLM (or any of its affiliates) being involved in a contravention of, the Corporations Act, the Listing Rules, the AIM Rules, the ASX Waiver or any other applicable law and related policy including Takeovers Panel guidance, or to a liability for that JLM (or any of its affiliates) under the Corporations Act, the Listing Rules, the AIM Rules, the ASX Waiver or any other applicable law and related policy including Takeovers Panel guidance.