

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

## **DESPATCH OF RETAIL ENTITLEMENT OFFER BOOKLET**

**Salt Lake Potash Limited (Salt Lake or the Company) (ASX:SO4) confirms that the retail entitlement offer booklet (Retail Offer Booklet) and personalised entitlement and acceptance form in connection with the fully underwritten pro rata accelerated non-renounceable entitlement offer (Entitlement Offer), as announced to ASX on 5 August 2020, was despatched to eligible retail shareholders today.**

A copy of the Retail Offer Booklet is attached.

A letter to ineligible retail shareholders notifying them of the Entitlement Offer and their ineligibility to participate has also been despatched today and a copy is attached.

### **Retail Entitlement Offer**

The retail component of the Entitlement Offer (Retail Entitlement Offer) opens today, 14 August 2020, and is expected to close at 5.00pm (WST) on 25 August 2020.

Application monies must be received prior to this time, in accordance with the Retail Offer Booklet and the personalised entitlement and acceptance form.

### **Shareholder Enquiries**

Eligible retail shareholders are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer.

Shareholders with questions in relation to the Retail Entitlement Offer may contact the Company on +61 8 6559 5800 at any time from 9:00 am to 5:00 pm (WST) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period.

#### **ENQUIRIES**

**Tony Swiericzuk (CEO & Managing Director)**

**Richard Knights (Investor Relations)**

Telephone: +61 (8) 6559 5800

*This announcement has been authorised for release by the Company Secretary, Mr Clint McGhie*

## **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.*

## **Forward Looking Statements**

*This announcement may include forward-looking statements. These forward-looking statements are based on Salt Lake Potash Limited'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 Salt Lake Potash Limited, which could cause actual results to differ materially from such statements. Salt Lake Potash Limited 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 that announcement.*



**Salt Lake Potash Limited**  
**ACN 117 085 748**

**RETAIL ENTITLEMENT OFFER BOOKLET**

This Offer Booklet is being issued in relation to an accelerated pro-rata non-renounceable entitlement offer of 1 New Share for every 3.2 Shares held at an issue price of \$0.50 per New Share to raise approximately \$55.2 million (before costs).

The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited and Euroz Securities Limited.

The Retail Entitlement Offer closes at 5.00pm (Perth time) on 25 August 2020.\*

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

**Shareholders resident in the United Kingdom**

This is an important document and requires your immediate attention. The New Shares will be offered in the United Kingdom in reliance on exemptions to the Financial Services and Markets Act 2000 (United Kingdom) ("FSMA") and the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"). The 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 Financial Promotion 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.

**This document is provided for information purposes and is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.**

**The total consideration in the United Kingdom in relation to the accelerated pro-rata non-renounceable entitlement offer will not exceed €8 million (or an equivalent amount) in aggregate. Therefore, in accordance with section 85 and Schedule 11A of FSMA, this document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom pursuant to sections 85 or 87 of FSMA, or by the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.**

**An investment in the Shares offered in connection with this document should be considered of a speculative nature.**

\*The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and AIM Rules to extend the Closing Date for the Entitlement Offer.

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## Important Information

This Retail Entitlement Offer Booklet (**Offer Booklet**) is dated 10 August 2020. Capitalised terms have the meaning given to them in Section 5.

This Offer Booklet has been issued by Salt Lake Potash Limited ACN 117 085 748.

The Retail Entitlement Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) to Eligible Retail Shareholders with a registered address in Australia, New Zealand and the United Kingdom at 5.00pm (Perth time) on 11 August 2020 (**Record Date**).

This document is not a prospectus under Australian law or under any other law. Accordingly, this document does not contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required by Australian law or any other law to be disclosed in a prospectus. This Offer Booklet should be read in conjunction with the Company's other periodic and continuous disclosure announcements to ASX available at [www.asx.com.au](http://www.asx.com.au).

This Offer Booklet may contain forward-looking statements, opinions and estimates. Forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control, and which may cause actual results to differ materially from those expressed in the statements contained in this document and the attached materials. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to the Company as of the date of this Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules and AIM Rules) the Company undertakes no obligation to update these forward-looking statements.

Before making any decision to invest, Eligible Retail Shareholders must make their own investigations and analyses regarding the Company, its business, financial performance, assets, liabilities and prospects, rely on their own inquiries and judgements in the light of their own personal circumstances (including financial and taxation issues) and seek appropriate professional advice.

### IMPORTANT INFORMATION FOR UNITED KINGDOM RESIDENTS

The New Shares will be offered in the United Kingdom in reliance on exemptions to FSMA and the Financial Promotion Order. The 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 Financial Promotion 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.

The total consideration in the United Kingdom in relation to the accelerated pro-rata non-renounceable entitlement offer will not exceed €8 million (or an equivalent amount) in aggregate. Therefore, in accordance with section 85 and Schedule 11A of FSMA, this document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom pursuant to sections 85 or 87 of FSMA, or by the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

This Offer Booklet has been prepared for publication only in Australia and UK and may not be released to US wire services or distributed in the United States. This Offer Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Any securities described in this Offer Booklet 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.

# Corporate Directory

## Directors

Mr Ian Middlemas  
Mr Tony Swiericzuk  
Mr Mark Pearce  
Mr Bryn Jones  
Mr Matthew Bungey

Non-Executive Chairman  
Chief Executive Officer & Managing Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director

## Company Secretary

Mr Clinton McGhie

## Share Registry (Australia)

Link Market Services Limited  
Level 12, 680 George Street  
Sydney, NSW 2000

## Registered and Principal Office

Ground floor, 239 Adelaide Terrace  
Perth WA 6005  
Phone: +61 8 6559 5800  
Email: [info@so4.com.au](mailto:info@so4.com.au)

Phone (outside Australia): +61 2 8280 7100  
Phone (within Australia): 1300 554 474

## London Office

C/38 Jermyn Street,  
London SW1Y 6DN  
United Kingdom  
Phone: +44 207 478 3900  
Fax: +44 207 434 4450

## Company Registrar (United Kingdom)

Computershare Investor Services Plc  
The Pavilions, Bridgwater Rd  
Bristol, BS13 8AE  
Phone: +44 (0) 370 702 0003

**ASX Code:** SO4  
**AIM Code:** SO4

## Auditor\*

Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000

**Website:** [www.so4.com.au](http://www.so4.com.au)

## Legal Adviser

HWL Ebsworth Lawyers  
Level 20, 240 St Georges Terrace  
Perth WA 6000

## Nominated Adviser

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2A 1AG

## Joint Lead Managers

Euroz Securities Limited  
Level 18 Alluvion, 58 Mounts Bay Road  
Perth WA 6000

## AIM Brokers

Cenkos Securities  
6.7.8 Tokenhouse Yard  
London EC2R 7AS  
Phone: +44 (0)20 7397 8900

Canaccord Genuity (Australia) Limited  
Level 23 Exchange Tower, 2 The Esplanade  
Perth WA 6000

Hannam & Partners  
2 Park Street  
London W1K 2HX  
+44 (0) 207 907 8500

\* These entities are included for information purposes only. They have not been involved in the preparation of this Offer Booklet.

# Letter from the Managing Director

Dear Shareholder

On behalf of the Directors, I am pleased to invite you as a valued Shareholder of Salt Lake Potash Limited (**Company**) to participate in a 1 for 3.2 accelerated non-renounceable pro rata entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$0.50 per New Share (**Issue Price**) to raise up to approximately \$55.2 million (**Entitlement Offer**).

The Company announced on 5 August 2020 the execution of a US\$138 million (A\$203 million) Syndicated Facility Agreement (**SFA**) with Taurus and CEFC, and the fully underwritten Entitlement Offer and placement (**Placement**) to raise A\$98.5 million (before costs). In combination, these funds will enable the Company to complete the funding and deliver the Lake Way Project on schedule, with first Sulphate of Potash (**SOP**) production expected in the March quarter of 2021.

## Entitlement Offer

On 5 August 2020, the Company announced its intention to raise approximately \$98.5 million (before costs) by way of:

- (a) the Entitlement Offer comprising of an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**) to raise approximately \$55.2 million through the issue of 110,401,824 New Shares; and
- (b) the Placement to sophisticated and professional investors to raise approximately \$43.3 million through the issue of 86,672,699 Shares at an issue price of \$0.50 per Share.

As announced on 11 August 2020, the Institutional Entitlement Offer received strong support with commitments of approximately \$27.7 million and together with the Placement has raised approximately \$71 million.

Under the Retail Entitlement Offer, Eligible Retail Shareholders are entitled to acquire 1 New Share for every 3.2 Shares held on the record date, being 5:00pm (Perth time) on 11 August 2020 (**Record Date**). New Shares issued under the Entitlement Offer will rank equally with existing Shares.

This Offer Booklet relates to the Retail Entitlement Offer which offers Eligible Retail Shareholders the same opportunity offered to those investors who participated in the Institutional Entitlement Offer.

The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited and Euroz Securities Limited, who were appointed to act as joint lead managers, joint underwriters and book runner for the Entitlement Offer and Placement.

The Directors have indicated that they will participate in the Entitlement Offer on the basis described in Section 1.9.

## Use of funds

The proceeds of the Offer together with the SFA will be applied towards the development of the Lake Way Project, and will primarily be spent on project capital and ongoing operating costs.

## Actions required to take up your Entitlement

As an Eligible Retail Shareholder, subject to the terms in this Offer Booklet, you may choose one of the following options:



- (a) apply for all of your Entitlement under the Entitlement Offer;
- (b) apply for all of your Entitlement under the Entitlement Offer and apply for additional New Shares in excess of your Entitlement;
- (c) apply for part of your Entitlement; or
- (d) take no action.

The Retail Entitlement Offer closes at **5.00pm (Perth time) on 25 August 2020**. To participate in the Entitlement Offer, your application for New Shares must be received before this time in accordance with the instructions in the accompanying Entitlement and Acceptance Form and in Section 2.

Entitlements are non-renounceable and will not be tradeable on ASX or AIM, or otherwise be transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares.

It is important that you carefully read this Offer Booklet and the other publicly available information about the Company on its market announcement platforms (including the Company's announcement of the Offer dated 5 August 2020) and consider in particular the risk factors summarised in Section 3 before making any investment decision. With this Offer Booklet you will also find your Entitlement and Acceptance Form which details your Entitlement and provides instructions on how to participate in the Retail Entitlement Offer.

On behalf of the Directors, I invite you to consider this opportunity and thank you for your continued support.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Tony Swiericzuk', with a long horizontal stroke extending to the right.

**Tony Swiericzuk**  
**Managing Director & Chief Executive Officer**

## Summary of Offer

Key Information	
Issue Price	\$0.50 per New Share.
Entitlement Ratio	1 New Share for every 3.2 Shares held.
Record Date	5.00pm (Perth time) on 11 August 2020.
Number of New Shares to be issued under Retail Entitlement Offer	Approximately 54,991,200 (subject to rounding and assuming no Options are exercised or performance rights converted into Shares before the Record Date).
Additional New Shares available	Eligible Retail Shareholders may apply for New Shares in excess of their Entitlement. See Section 1.3.
Total Shares on issue on completion of the Retail Entitlement Offer	Approximately 561,471,474.
Amount to be raised under the Retail Entitlement Offer (before costs)	Approximately \$27.5 million.

## Key Dates

Event	Date
Announcement of Offer; lodge s708AA cleansing notice and Appendix 3B with ASX	5 August 2020
Institutional Entitlement Offer Opens	5 August 2020
Institutional Entitlement Offer Closes	6 August 2020
Record Date for Depository Interest (DI) Holders	5.00pm (BST) 10 August 2020
Announcement of results of Institutional Entitlement Offer	11 August 2020
Trading resumes on an ex-entitlement basis for Shareholders	11 August 2020
Record Date for the Retail Entitlement Offer for Shareholders	5.00pm (Perth time) 11 August 2020
Ex-Entitlement Date of Entitlement Offer for DI Holders	11 August 2020
Settlement date for New Shares issued under the Institutional Entitlement Offer and Placement	14 August 2020
Open Offer Entitlements and Excess Entitlements credited to stock accounts of Qualifying DI Holders in CREST	14 August 2020

Crediting of CREST accounts for institutional offer and placement depositary interests	14 August 2020
Opening date of the Retail Entitlement Offer Despatch of Offer Booklet and Entitlement and Acceptance Forms	14 August 2020
Admission to trading on AIM and ASX of New Shares issued under the Institutional Entitlement Offer and Placement	17 August 2020
Last day to extend Retail Entitlement Offer Closing Date	20 August 2020
Latest time for settlement of relevant CREST instructions for Retail Entitlement Offer	11.00am (BST) on 24 August 2020
Retail Entitlement Closing Date for Shareholders	5.00pm (Perth time) on 25 August 2020
Announcement of Retail Entitlement Offer results	28 August 2020
Issue and allotment of New Shares under the Retail Entitlement Offer	1 September 2020
Admission to trading on AIM and ASX of New Shares issued under the Retail Entitlement Offer	2 September 2020

Eligible Retail Shareholders that wish to participate in the Retail Entitlement Offer are encouraged to subscribe for New Shares as soon as possible after the Retail Entitlement Offer opens. The Company in consultation with the Joint Lead Managers reserve the right, subject to the Corporations Act, the ASX Listing Rules, the AIM Rules and other applicable laws, to vary the dates of the Retail Entitlement Offer (including extending the Retail Entitlement Offer or accepting late applications) without notice.

## 1. Details of the Retail Entitlement Offer

### 1.1 Overview of the Entitlement Offer

The Company proposes to raise approximately \$55.2 million under the Entitlement Offer through the issue of approximately 110,401,824 New Shares. Under the Entitlement Offer, the Company is offering eligible shareholders the opportunity to subscribe for 1 New Share for every 3.2 existing Shares held at the Record Date, at the Issue Price of \$0.50 per New Share (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by the Joint Lead Managers pursuant to the terms of the Underwriting Agreement summarised in Section 1.18.

Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of New Share.

The Entitlement Offer comprises:

- (a) (**Institutional Entitlement Offer**) under which Eligible Institutional Shareholders were invited to take up all or part of their Entitlement;
- (b) (**Institutional Bookbuild**) under which New Shares attributable to Entitlements:
  - (i) not taken up by Eligible Institutional Shareholders; and
  - (ii) that would have been offered to Ineligible Institutional Shareholders if they had been entitled to participate in the Institutional Entitlement Offer,were offered under a bookbuild to Institutional Investors;
- (c) (**Retail Entitlement Offer**) under which Eligible Retail Shareholders are being sent this Offer Booklet, together with a personalised Entitlement and Acceptance Form, and are being invited to take up all or part of their Entitlement; and
- (d) (**Retail Shortfall Facility**) under which New Shares attributable to Entitlements:
  - (i) not taken up by Eligible Retail Shareholders; and
  - (ii) that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer,will be offered under a Retail Shortfall Facility to Eligible Retail Shareholders that have exercised their full Entitlement.

The allocation policy for Additional New Shares is described in Section 1.3.

### 1.2 Eligible Retail Shareholders

This Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders. Eligible Retail Shareholders are those holders of Shares who:

- (a) as at the Record Date, have a registered address in Australia, New Zealand or the United Kingdom or any Permitted Jurisdiction nominated by the Joint Lead Managers and agreed by the Company (provided that the offer to sell New Shares to persons in

Permitted Jurisdictions is exempt from any local prospectus or registration requirements and is compatible with applicable foreign laws);

- (b) are not in the United States or acting for the account or benefit of a person in the United States; and
- (c) are not an Institutional Shareholder or an Ineligible Institutional Shareholder.

Retail Shareholders that are not Eligible Retail Shareholders are Ineligible Retail Shareholders. The Company has determined that it is unreasonable to extend to Ineligible Retail Shareholders the opportunity to participate in the Retail Entitlement Offer because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia, New Zealand and the United Kingdom.

The Entitlements of Eligible Retail Shareholders who also hold options to acquire Shares or performance rights will be calculated on the basis of the number of Shares they hold on the Record Date, disregarding any options or performance rights which have not been exercised or converted before that time.

Holders of depositary interests in respect of Shares (**DIs**), with a registered address in Australia, New Zealand or the United Kingdom will have their entitlement to apply for Shares under the Entitlement Offer passed onto them by Computershare Investor Services Plc in its capacity as depositary. Holders of DIs should refer to Annexure A for further details.

### 1.3 **Retail Shortfall Facility**

A Retail Shortfall Facility will allow Eligible Retail Shareholders that have fully subscribed for their Entitlements under the Retail Entitlement Offer to subscribe for additional New Shares in excess of their Entitlement (**Additional New Shares**). Eligible Retail Shareholders can subscribe for Additional New Shares by completing the relevant part of the Entitlement and Acceptance Form, or through BPAY®, please refer to Section 2.4.

Any Additional New Shares will be issued in accordance with the following allocation policy:

- (a) the Additional New Shares will only be issued to the extent there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer;
- (b) Eligible Retail Shareholders will have a priority right to be allocated up to the number of Additional New Shares equal to 50% of that Eligible Retail Shareholder's Entitlement;
- (c) any Additional New Shares remaining after the priority allocation described in paragraph (b) above will be allocated at the discretion of the Joint Lead Managers pursuant to the Underwriting Agreement (which may, for the avoidance of doubt, include the allocation of Additional New Shares to Eligible Retail Shareholders who apply for Additional New Shares in excess of the 50% measure described in paragraph (b) above);
- (d) applications for Additional New Shares may be scaled back on a pro rata basis, which will be applied by the Company in consultation with the Joint Lead Managers and at the Company's discretion;

- (e) Additional New Shares will only be issued to the extent permitted by the Corporations Act, ASX Listing Rules, Takeover Panel guidance and the *Foreign Acquisitions and Takeovers Act 1975* (Cth);
- (f) the Additional New Shares will be issued at the Issue Price; and
- (g) the issue of any Additional New Shares is subject to the limitation that the total amount to be raised under the Entitlement Offer in the United Kingdom will not exceed €8,000,000 or its equivalent in A\$.

There is no guarantee that those Eligible Retail Shareholders will receive the number of Additional New Shares applied for. The Company's decision on the number of New Shares and Additional New Shares to be allocated to you will be final.

In the event of a scale back, the difference between the Application Monies received, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded by the Company, without interest, following allotment.

#### 1.4 Institutional Entitlement Offer and Institutional Bookbuild

The Institutional Entitlement Offer was conducted between 5 August 2020 and 6 August 2020 (inclusive). Shortfall from the Institutional Entitlement Offer was offered through the Institutional Bookbuild.

The Institutional Entitlement Offer raised approximately \$27.7 million (55,410,624 New Shares).

#### 1.5 Placement

On 5 August 2020, the Company announced a placement (**Placement**) to Institutional Investors raising \$43.3 million through the issue of 86,672,699 Shares at an issue price of \$0.50 per Share.

ASX has 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 has notified ASX in writing of its intention to rely on the ASX Class Waiver and has provided ASX of the details of the Entitlement Offer. The ASX Class Waiver permitted the Company to issue an additional 16,560,273 Shares under the Placement.

The Shares under the Placement will be issued with an issue price of \$0.50 per Share under the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1 and 10% placement capacity pursuant to ASX Listing Rule 7.1A, as expanded by the ASX Class Waiver as described above. The Shares are anticipated to be issued on 17 August 2020, after the Record Date for the Retail Entitlement Offer. As such, the participants in the Placement cannot participate in the Entitlement Offer as an Eligible Institutional Shareholder or Eligible Retail Shareholder in respect of those Shares.

## 1.6 Ranking of New Shares

New Shares and Additional New Shares issued under the Entitlement Offer will rank equally with existing Shares.

## 1.7 Effect of the Entitlement Offer capital structure

### (a) Share capital

The proposed capital structure of the Company following the issue of the New Shares in connection with the Offer will be as follows:

Event	Shares
Shares on issue on announcement of the Entitlement Offer	353,285,840
Shares to be issued under the Placement	86,672,699
New Shares to be issued under the Entitlement Offer	110,401,824
<b>Total Shares on issue on completion of Entitlement Offer and Placement</b>	<b>550,360,363</b>
To be issued on conversion of all Institutional Convertible Notes (based on a deemed conversion price of \$0.45 per Share)	11,111,111
To be issued on conversion of Equatorial Convertible Notes (subject to the receipt of prior Shareholder approval and based on a deemed conversion price of \$0.45 per Share)	22,222,222
<b>Total Shares on issue following conversion of Institutional Convertible Notes and Equatorial Convertible Notes</b>	<b>583,693,696</b>

The final number of New Shares to be issued under the Offer is subject to reconciliation.

### (b) Other securities

#### (i) Options

As at the date of this Offer Booklet, the Company has on issue 33,925,000 unquoted options with exercise prices ranging from \$0.40 each to \$1.20 each and expiry dates ranging from 29 April 2021 to 4 August 2024. The options do not carry an entitlement to participate in the Retail Entitlement Offer, unless exercised prior to the Record Date.

As announced on 5 August 2020, the Company will grant to Taurus (or its nominee) 15 million unquoted options exercisable at \$0.564 each and expiring 4 years from the date of issue (subject to the Company obtaining shareholder approval for their issue at a general meeting to be convened shortly).

(ii) Performance Rights

The Company has on issue 18,560,398 performance rights, to be satisfied prior to the relevant expiry dates between 30 November 2020 and 1 November 2023.

(iii) Convertible Notes

The Company has on issue 15,000,000 convertible notes, each with a face value of \$1.00, comprised of the Institutional Convertible Notes and the Equatorial Convertible Notes (together, **Convertible Notes**).

The Convertible Notes are subject to a mandatory conversion into Shares in the event the Company announces the receipt of binding commitments for a placement of Shares to raise a minimum of \$10 million (before costs). This was satisfied by the announcement of the results of the Institutional Bookbuild on 11 August 2020.

The Convertible Notes will convert at a conversion price equal to the lower of \$0.45 per Share and a 5% discount to the issue price per Share under the equity raising, subject to this being no lower than the floor price of \$0.30. Accordingly, the Convertible Notes will mandatorily convert as a result of the Placement at a conversion price of \$0.45.

The 5,000,000 Institutional Convertible Notes are to be converted into 11,111,111 Shares on 14 August 2020.

The conversion of the 10,000,000 Equatorial Convertible Notes into 22,222,222 Shares is subject to Shareholder approval at a general meeting of the Company to be convened shortly.

## 1.8 Use of funds

The Company intends to apply the funds raised from the Entitlement Offer and Placement 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.

## 1.9 Directors' interests

The relevant interest of each of the Directors in Shares as at the date of this Offer Booklet, together with their Entitlement under the Entitlement Offer are set out below:

Name	Existing Shares		Entitlements
	Shares	%	
Ian Middlemas	14,250,000	4.03%	4,453,125
Tony Swiericzuk	4,016,146	1.14%	1,255,046
Mark Pearce	4,050,000	1.15%	1,265,625



Name	Existing Shares		Entitlements
	Shares	%	
Bryn Jones	50,000	0.01%	15,625
Matthew Bungey	1,394,075	0.39%	435,648

Mr Middlemas subscribed for 2,750,000 Shares pursuant to his Entitlement as part of the Institutional Bookbuild. Mr Swierczuk subscribed for 400,000 Shares pursuant to his Entitlement as part of the Institutional Bookbuild.

As at the date of this Offer Booklet, the other Directors intend to take up their Entitlements under the Retail Entitlement Offer as follows:

- (a) Mark Pearce intends to subscribe for up to 800,000 New Shares;
- (b) Matthew Bungey intends to subscribe for up to 100,000 New Shares; and
- (c) Bryn Jones intends to subscribe for his full Entitlement of 15,625 New Shares.

In addition to the above, consulting fees payable to Mr Bungey totalling approximately \$186,000 have been accrued. Mr Bungey has indicated willingness to accept Shares in settlement of these outstanding fees, with such Shares to be issued at the capital raising price of \$0.50 per Share. The issue of such Shares would be subject to the receipt of prior Shareholder approval.

#### 1.10 **Control**

The Company does not consider that the issue of New Shares under the Entitlement Offer will have a material impact on control of the Company.

#### 1.11 **Withdrawal of Entitlement Offer**

The Board reserves the right to withdraw all or part of the Retail Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund Application Money without payment of interest in accordance with the Corporations Act.

#### 1.12 **No cooling off rights**

Cooling off rights do not apply to a subscription for New Shares under the Entitlement Offer. You cannot withdraw your application or payment once it has been accepted, except as allowed by law.

#### 1.13 **No Entitlements trading**

Entitlements are non-renounceable and will not be tradeable on ASX or AIM, or otherwise be transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements that they do not take up.

#### 1.14 **Minimum subscription**

There is no minimum subscription for the Retail Entitlement Offer.

### 1.15 **Rounding of Entitlements**

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

### 1.16 **Opening and Closing Date for applications**

The Retail Entitlement Offer opens for acceptances on 14 August 2020 and all Entitlement and Acceptance Forms and payments of Application Money must be received by no later than 5.00pm (Perth time) on 25 August 2020, subject to the Company being able to vary the Closing Date in accordance with the ASX Listing Rules and AIM Rules.

### 1.17 **Allotment of New Shares**

It is expected that allotment of the New Shares will take place as soon as practicable after the Closing Date. It is expected that the New Shares will be allotted no later than 1 September 2020. However, if the Closing Date is extended, the date for allotment may also be extended.

No allotment of New Shares will be made until permission is granted for their quotation by ASX.

The Company will also apply for the Shares allotted to Eligible Shareholders to be admitted to trading on AIM, within the period prescribed by the AIM rules.

Holding statements for New Shares issued under the Entitlement Offer will be mailed in accordance with the ASX Listing Rules and timetable at the commencement of this Offer Booklet as soon as practicable after their issue.

If you are a DI Holder and subscriber in the United Kingdom, your CREST account will be credited with DIs in due course. CREST is a computerised paperless share transfer and settlement system, which allows shares and other securities, including DIs, to be held in electronic rather than paper form. If you elect to settle through CREST, you will not receive a certificate but you will receive a credit to your stock account in CREST for any new DIs issued (subject to compliance with the terms and conditions in this Offer Booklet and the Application Form). Please refer to the separate communication to be made by the Depositary to the holders of Depositary Interests for further details. Further information and terms and conditions applicable to holders of DIs is also in Annexure A.

### 1.18 **Joint Lead Managers and Underwriters**

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with Canaccord and Euroz (**Joint Lead Managers**) who are appointed as the joint underwriters, joint lead managers and as bookrunner to the Offer.

The Joint Lead Managers have agreed to fully underwrite the Offer.

As is customary with these types of arrangements:

- (a) the obligations of the Joint Lead Managers to underwrite the Entitlement Offer is subject to the satisfaction of certain conditions precedent in respect of the Entitlement Offer including, amongst other things, compliance with satisfactory due diligence and offer documentation and the execution of the documentation in respect of the SFA;

- (b) the Company has agreed, subject to certain carve-outs, to indemnify the Joint Lead Managers, 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 by, or claims made against, those indemnified persons, in connection with the Entitlement Offer, the Offer Materials, the Underwriting Agreement or the appointment of the Joint Lead Managers under the Underwriting Agreement; and
- (c) the Company has given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer including as to the Company's compliance with applicable law, conduct of business and offer documentation.

The Joint Lead Managers 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 Joint Lead Managers, the Company has agreed to pay the Joint Lead Managers:

- (a) 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
- (b) 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 Joint Lead Managers to underwrite the Entitlement Offer is subject to the satisfaction of certain conditions, including but not limited to:

- (a) **(Regulatory Approvals)** the ASX Waiver not having been withdrawn or modified by the Institutional Settlement Date and the Retail Settlement Date;
- (b) **(Announcements)** the results of the Institutional Entitlement Offer, Placement and Retail Entitlement Offer being announced to ASX in accordance with the timetable specified under the Underwriting Agreement;
- (c) **(Certificates and sign-offs)** the Company providing the Joint Lead Managers with all certificates and sign-offs required under the Underwriting Agreement;
- (d) **(Official quotation)** ASX not indicating that it will not grant permission for the official quotation of the Shares offered under the Offer on an unconditional basis (and not indicating that approval will be granted on a conditional basis where such condition would, in the opinion of the Joint Lead Managers, have a material adverse effect on the Entitlement Offer or the Placement);
- (e) **(trading on the London Stock Exchange)**
  - (i) The Company making an application and taking all such necessary steps as may be required by the London Stock Exchange for the Shares under the Offer to be admitted to trading on AIM;

- (ii) The Shares under the Institutional Entitlement Offer and Placement are admitted to trading on AIM; and
  - (iii) The London Stock Exchange not indicating that it will not grant permission for the Shares under the Entitlement Offer to be admitted to trading on AIM on an unconditional basis (and not indicating that approval will be granted on a conditional basis where such condition would, in the opinion of the Joint Lead Managers, have a material adverse effect on the Entitlement Offer);
- (f) **(Debt financing)**
- (i) the agreements comprised of the Debt Financing Materials remain in full force and effect;
  - (ii) there has been no breach, and no circumstance has arisen which is likely to give rise to a breach, of any of the Debt Financing Materials;
  - (iii) no condition of any of the Debt Financing Materials has failed to be satisfied or waived on or before the required date pursuant to the Debt Financing Materials, including the debt financing conditions in accordance with the SFA, and no circumstance has arisen such that a condition of any of the Debt Financing Materials is or has become incapable of satisfaction on or before the required date pursuant to the relevant Debt Financing Materials, including the debt financing conditions in accordance with the SFA;
  - (iv) there has been no termination or rescission of, and no circumstance has arisen which is likely to give rise to a right to terminate or rescind, any of the Debt Financing Materials;
  - (v) no party to any of the Debt Financing Materials has provided a valid and enforceable notice of an intention to terminate the Debt Financing Materials; and
  - (vi) no amendment to the Debt Financing Materials has been made without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld).

The obligation of the Joint Lead Managers to underwrite the Offer is subject to certain events of termination, which are summarised in Annexure B.

## **2. How to participate**

### **2.1 General**

Before taking any action, you should carefully read this Offer Booklet and the other publicly available information about the Company on our website (<https://www.so4.com.au/>) and consider the risk factors summarised in Section 3.

The number of New Shares to which Eligible Retail Shareholders are entitled is shown on the Entitlement and Acceptance Form. If you are an Eligible Retail Shareholder you may:

- (a) take up your Entitlement in full or in part (refer to Section 2.3);
- (b) take up your Entitlement in full and apply for Additional New Shares (refer to Sections 2.3 and 2.4); or
- (c) allow your Entitlement to lapse (refer to Section 2.8).

### **2.2 Depositary Interest Holders**

The Company's Shares are admitted to trading on AIM. Holders of Depositary Interests representing Shares, with a registered address in Australia, New Zealand or the United Kingdom will have their entitlement to apply for Shares under the Entitlement Offer passed onto them by Computershare Investor Services Plc in its capacity as Depositary.

The Depositary will notify Depositary Interest holders of the Entitlement Offer, how it applies to them, how they may accept it and will send Depositary Interest holders their Entitlements through the CREST system. If, as a Depositary Interest holder, you do not receive any communication or you have any queries please call Computershare Investor Services PLC on +44 (0) 370 702 0003.

Holders of Depositary Interests at the Record Date will have the opportunity to arrange for the Depositary to take up some or all of the Entitlements attributable to their Depositary Interests and receive additional Depositary Interests representing new Shares.

The Depositary will be notifying the holders of Depositary Interests that it will take up the Entitlements attributable to existing Shares held on behalf of any Depositary Interest holder on the Record Date if such holder pays the Depositary in cleared funds by such date and in such amount as the Depositary notifies to Depositary Interest holders.

Entitlements attributable to existing Shares held on behalf of any Depositary Interest holder may not be sold on AIM – please refer to Section 2.8.

Prior to the issue of the New Shares, the Company will apply for the New Shares to be admitted to trading on AIM with effect from their unconditional allotment and issue.

For further details relating to Depositary Interests, please refer to Annexure A.

### **2.3 If you wish to accept your Entitlement in full or in part**

#### **Pay by BPAY®**

If you are paying for your New Shares by BPAY®, please refer to your personalised instructions on your Entitlement and Acceptance 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 complete or return the Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form;
- (b) amounts received by the Company in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) may be treated as an application to apply for as many Additional Shares as your Excess Amount will pay for in full; and
- (c) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Money.

When completing your BPAY ® payment, please make sure to use the specific Biller Code and unique reference number provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the reference number specific to the Entitlement on that form. If you inadvertently use the same reference number for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which the reference number applies.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY ® are received by **5.00pm (Perth time) on the Closing Date**.

Excess Application Money that is not sufficient to subscribe for a number of New Shares or Additional New Shares multiplied by the Issue Price will be refunded to you except where that amount is less than \$2.00, in which case it will be retained by the Company. The method by which you receive the refund will be at the discretion of the Company. No interest will be paid to Eligible Retail Shareholders on any Application Money received or refunded.

Payment via BPAY is encouraged.

#### **Payment by cheque or bank draft**

If you are paying for your New Shares by cheque, bank cheque or bank draft, complete and return the Entitlement and Acceptance form with your payment. The Share Registry must receive your completed Entitlement and Acceptance Form together with full payment for the number of New Shares for which you are applying by no later than 5.00pm (Perth time) on the Closing Date.

Your cheque, bank cheque or bank draft must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. Your payment must be for the full amount required to pay for the New Shares applied for. Payments in cash will not be accepted.

Cheques must be made payable to 'Salt Lake Potash Limited' and crossed 'Not Negotiable'.

You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. The Company will not re-present any dishonoured cheques.

If you are a DI Holder (as defined in Annexure A), you must pay the application monies in British pounds by cheque or bank draft. If you are an Australian or New Zealand Shareholder, you must pay the application monies in Australian dollars.

**Your personalised Entitlement and Acceptance Form can be downloaded online at <https://events.miracle.com/so4-offer> once the Retail Entitlement Offer is open.**

## **2.4 Applying for Additional New Shares**

Eligible Retail Shareholders may also apply for Additional New Shares, being New Shares in excess of their Entitlement.

The allocation policy for Additional New Shares is described in Section 1.3.

## **2.5 Over subscriptions and Scale back**

The Company may scale back any application for Additional New Shares in its absolute discretion, but will not scale back any Entitlement. Decisions in respect of scale back will be made in accordance with the guidance in *ASIC Report 605 Allocations in equity raising transactions*.

In the event of a scale back, the difference between the Application Money received, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded by the Company, without interest, following allotment.

## **2.6 Acceptance of the Retail Entitlement Offer**

By completing, and the Company receiving, your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY®, you:

- (a) agree to be bound by the terms of this Offer Booklet and the provisions of the Company's constitution;
- (b) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- (c) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- (d) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Retail Entitlement Offer;
- (e) acknowledge that once the Company receives the Entitlement and Acceptance Form or your payment by BPAY®, you may not withdraw it except as allowed by law;
- (f) agree to apply for, and be issued with up to, the number of New Shares that your payment will pay for at the issue price of \$0.50 per New Share;
- (g) authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details in the Entitlement and Acceptance Form;

- (h) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- (i) acknowledge that the information contained in this booklet is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs, and that the Offer Booklet is not a 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;
- (j) represent and warrant (for the benefit of the Company, the Joint Lead Managers or their affiliates and respective bodies corporate) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Institutional Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (k) acknowledge the statement of risks in Section 3, and that investments in the Company are subject to risks;
- (l) represent and warrant that the law of any place (other than Australia, New Zealand and the United Kingdom) does not prohibit you from being given this Offer Booklet or making an application for New Shares; and
- (m) represent and warrant that you are an Eligible Retail Shareholder and have read and understood this booklet and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this Offer Booklet and the Entitlement and Acceptance Form.

By completing, and the Company receiving, your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) are not in the United States and are not acting for the account or benefit of, a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (b) acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia, New Zealand and the United Kingdom, and accordingly, the New Shares may not be offered, sold or otherwise transferred 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;
- (c) agree that if in the future you decide to sell or otherwise transfer the New Shares or Additional New Shares you will only do so in regular 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 that the purchaser is, in the United States;
- (d) agree to provide (and direct your nominee and custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;



- (e) if you are acting as a nominee or custodian, each beneficial shareholder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia, New Zealand, United Kingdom or a Permitted Jurisdiction where the offer of New Shares in that Permitted Jurisdiction is exempt from any local prospectus or registration requirements and is compatible with applicable foreign laws; and
- (f) have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States, or is acting for the account or benefit of a person in the United States.

## 2.7 Address details and enquiries

Completed Entitlement and Acceptance Forms (including payment of Application Money) should be returned to the Company's Share Registry by mail to the following address:

Mailing address
Salt Lake Potash Limited C/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001

There is no need to return the Entitlement and Acceptance Form is paying by BPAY.

If you would like further information you can:

- (a) Contact your stockbroker, accountant or other professional adviser; or
- (b) Contact the Company on +61 8 6559 5800 at any time from 8:30 am to 5:00 pm (Perth time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period.

## 2.8 If you do not wish to accept all or any part of your Entitlement

To the extent you do not accept all or any part of your Entitlement, it will lapse. Any New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired by the Joint Lead Managers or offered as Additional New Shares.

Entitlements are non-renounceable and will not be tradeable on ASX or AIM, or otherwise be transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares.

### 3. 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 Offer Booklet.

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

#### 3.1 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 the results of operations or decrease the value of its 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 the Underwriting Agreement with the Joint Lead Managers, pursuant to which the Joint Lead Managers have agreed to fully underwrite the Offer and act as lead manager and bookrunner to the Offer, subject to certain terms and conditions. If certain termination events occur, the Joint Lead Managers may terminate the Underwriting Agreement. Refer to Annexure B 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 set out in the Company's announcement dated 5 August 2020, the Company has entered into the SFA pursuant to which Taurus and 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**

As summarised in Section 1.7(b), 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 Offer 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 Offer 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 tranches, 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 to 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.

### 3.2 **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.

### 3.3 **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.

## **4. Important information for Shareholders**

### **4.1 No prospectus or product disclosure statement and not investment advice**

The Retail Entitlement Offer complies with the requirements of section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. Accordingly, neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC.

It is also not investment advice and does not take into account your investment objectives, financial situation, tax position and particular needs. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to invest.

### **4.2 Shareholders outside Australia**

#### **(a) General restrictions**

This Offer Booklet and accompanying Entitlement and Acceptance Form do not constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Offer Booklet 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.

The distribution of this Offer Booklet in jurisdictions outside Australia, New Zealand and the United Kingdom may be restricted by law and therefore persons who come into possession of this document outside Australia, New Zealand and the United Kingdom should seek advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

It is the responsibility of any applicant to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Entitlement and Acceptance Form and/or payment of Application Money will be taken by the Company to constitute a representation that there has been no breach of such laws and that the applicant is physically present in Australia, New Zealand and the United Kingdom.

#### **(b) New Zealand**

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.

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Offer Booklet 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.

(c) **United Kingdom**

The 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 Financial Promotion 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.

The total consideration in the United Kingdom in relation to the accelerated pro-rata non-renounceable entitlement offer will not exceed €8 million (or an equivalent amount) in aggregate. Therefore, in accordance with section 85 and Schedule 11A of FSMA, this document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom pursuant to sections 85 or 87 of FSMA, or by the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

**4.3 Ineligible Retail Shareholders**

The Company is not extending the Retail Entitlement Offer to Ineligible Retail Shareholders having regard to the cost of complying with legal and regulatory requirements outside Australia, New Zealand and the United Kingdom, the number of Ineligible Retail Shareholders and the number and value of New Shares which could be offered to Ineligible Retail Shareholders.

Where this Offer Booklet has been dispatched to Ineligible Retail Shareholders, it is provided for information purposes only.

**4.4 Notice to nominees and custodians**

The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. Where any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, may only participate on behalf of beneficiaries who are resident in Australia, New Zealand, the United Kingdom or a Permitted Jurisdiction provided that the offer of New Shares in that Permitted Jurisdiction is exempt from any local prospectus or registration requirements and is compatible with applicable foreign laws. Any person in the United States with a holding through a nominee may not participate in the Retail Entitlement Offer. Nominees and custodians may not distribute any part of this Offer Booklet in the United States or in any other country outside of Australia, New Zealand and the United Kingdom.

**4.5 Continuous disclosure**

The Company is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half-yearly reports.

The Company is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information which it

is or becomes aware which a reasonable person would expect to have a material effect on the price value of its Shares. That information is available to the public from the ASX.

#### **4.6 Taxation consequences**

The taxation consequences of any investment in New Shares will depend upon your particular circumstances. Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

#### **4.7 Privacy**

If you complete an Entitlement and Acceptance Form and apply for New Shares (and Additional New Shares), you will be providing personal information to the Company, its agents, contractors and third-party service providers. The Company, its agents, contractors and third-party service providers will collect, hold and use that information to assess your acceptance, carry out administration of your shareholding, service your needs as a Shareholder and facilitate corporate communications.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, print service providers, mail houses and the Share Registry.

Failure to provide the required personal information may mean that your acceptance is not able to be processed efficiently, if at all.

You may request access to your personal information held by (or on behalf of) the Company and by the Share Registry. You can request access to, or the updating of, your personal information by telephoning or writing to the Company or the Share Registry using the details shown in the Corporate Directory.

The collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) and the Corporations Act.

#### **4.8 Future performance and forward-looking statements**

This document contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice. The Company gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

Forward looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Retail Entitlement Offer.

#### **4.9 Past performance**

Past Share price performance provides no guarantee or guidance as to future Share price performance. Past performance information given in this Offer Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future



performance. The historical information in this Offer Booklet is, or is based upon information that has been released to the market. For further information, please see past announcements released to the ASX.

#### **4.10 Risks**

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer.

Section 3 details important factors and risks that could affect the financial and operating performance of the Company. You should consider these risk factors carefully in light of your personal circumstances, as well as any financial or taxation consequences, before making an investment decision in connection with the Retail Entitlement Offer.

#### **4.11 Disclaimer of representations**

No person is authorised to give any information or make any representation in connection with the Retail Entitlement Offer, which is not contained in this Offer Booklet. Any information or representation not contained in this Offer Booklet may not be relied on as having been authorised by The Company in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required:

- (a) none of the Company, or any person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to the information contained in this Offer Booklet; and
- (b) the Company, its officers, employees and advisers disclaim all liability that may otherwise arise due to the Offer Booklet being inaccurate or incomplete in any respect.

#### **4.12 Authorisation and disclaimers**

This Offer Booklet is issued by, and is the sole responsibility of the Company.

None of the parties referred to in the Corporate Directory of the Offer Booklet (other than the Company), has:

- (a) authorised or caused the issue of this Offer Booklet; or
- (b) made or authorised the making of any statement that is included in this Offer Booklet or any statement on which a statement in this Offer Booklet is based.

To the maximum extent permitted by law, each of the parties referred to in the Corporate Directory of this Offer Booklet (other than the Company) expressly disclaims and takes no responsibility for any statements in or omissions from this Offer Booklet.

#### **4.13 Governing law**

This Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of applications are governed by the laws applicable in Western Australia.

#### **4.14 Interpretation**

Some capitalised words and expressions used in this Offer Booklet have meanings given in Section 5.

A reference to time in this Entitlement Offer Booklet is to the local time in Perth, Western Australia, unless otherwise stated. All financial amounts in this Offer Booklet are expressed in Australian dollars, unless otherwise stated.

**4.15 No handling fees**

There will be no handling fees payable to brokers for Entitlement and Acceptance Forms lodged by them on behalf of Eligible Retail Shareholders.

## 5. Definitions

<b>\$ or A\$</b>	means Australian dollars.
<b>Additional New Shares</b>	means New Shares which Eligible Retail Shareholders apply for in excess of their Entitlement.
<b>AIM</b>	means the AIM Market of London Stock Exchange.
<b>AIM Rules</b>	means the AIM Rules for Companies as published and amended from time to time by the London Stock Exchange, including the AIM Note for Mining and Oil & Gas Companies, as published by the LSE from time to time.
<b>Application Money</b>	means money received in respect of an application for New Shares and Additional New Shares (if applicable).
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as applicable.
<b>ASX Class Waiver</b>	refers to the ASX class waiver decision dated 9 July 2020.
<b>ASX Listing Rules</b>	means the official listing rules of ASX, as amended or waived by ASX from time to time.
<b>ASX Waiver</b>	means any waivers of the ASX Listing Rules which are necessary in relation to the Offer or to enable the Company to make the Offer and for the avoidance of doubt includes ASX confirming in accordance with paragraph 3.2 of the ASX Class Waiver that the Company is entitled to the benefit of that ASX Class Waiver in respect of the Offer.
<b>Board</b>	means the board of Directors.
<b>Business Day</b>	means a day which is a 'business day' as that expression is defined in the ASX Listing Rules.
<b>CEFC</b>	Clean Energy Finance Corporation ABN 43 669 904 352.
<b>Closing Date</b>	means the last day for receipt of Application Money and return of Entitlement and Acceptance Forms being, 5.00pm (Perth time) on 25 August 2020 (unless extended).
<b>Company</b>	means Salt Lake Potash Limited ACN 117 085 748.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>CREST</b>	means the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form, which is administered by Euroclear UK & Ireland Limited.

<b>Debt Financing</b>	means the debt financing arrangements the subject of the SFA.
<b>Debt Financing Materials</b>	means the finance documents contemplated under the SFA.
<b>Depository</b>	means Computershare Investor Services PLC.
<b>Depository Interests or DIs</b>	means Depository Interests representing Shares issued by the Depository.
<b>Director</b>	means a director of the Company.
<b>Eligible Institutional Shareholder</b>	means the Shareholders who the Joint Lead Managers determine, in their absolute discretion, have successfully received an offer to subscribe for Shares under the Institutional Entitlement Offer on the basis that each is an Institutional Investor, including where the offer is made to a person for whom the Shareholder holds Shares.
<b>Eligible Retail Shareholder</b>	means a Shareholder as described in Section 1.2.
<b>Entitlement</b>	means the entitlement to 1 New Share for every 3.2 Shares held on the Record Date as shown on the personalised Entitlement and Acceptance Form.
<b>Entitlement and Acceptance Form</b>	means the entitlement and acceptance form accompanying this Offer Booklet.
<b>Entitlement Offer</b>	means the pro-rata accelerated non-renounceable entitlement offer to subscribe for New Shares on the basis 1 New Share for every 3.2 Shares held by Shareholders as at the Record Date.
<b>EPA</b>	means the Environmental Protection Authority continued under section 7 of the <i>Environmental Protection Act 1986</i> (WA).
<b>Equatorial</b>	means Equatorial Resources Limited ACN 009 188 694.
<b>Equatorial Convertible Notes</b>	means the 10,000,000 convertible notes issued to Equatorial as summarised in the Company's ASX announcement of 2 July 2020, the conversion of which into Shares is subject to the prior receipt of Shareholder approval, to be sought at a general meeting to be convened shortly.
<b>Financial Promotion Order</b>	means the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (United Kingdom), as amended.
<b>FSMA</b>	means the Financial Services and Markets Act 2000 (United Kingdom), as amended.
<b>Government Agency</b>	means any government or any government department, governmental, semi-governmental, administrative, fiscal, judicial, investigative, review or regulatory body, department, commission, authority, tribunal, agency, stock exchange or

entity in any jurisdiction relevant to the Offer, including ASX, the London Stock Exchange, ASIC, the Takeovers Panel and all regulatory body equivalents in the United Kingdom.

<b>Group</b>	means the Company and its Related Bodies Corporate, and <b>Group Member</b> means any one or more of them.
<b>Ineligible Institutional Shareholders</b>	means a Shareholder that: <ul style="list-style-type: none"> <li>(a) is, or the person for whom it holds Shares is, outside Permitted Jurisdictions and who is an Institutional Investor (or who, if in Australia, would, in the opinion of the Joint Lead Managers, be likely to be an Institutional Investor); or</li> <li>(b) the Joint Lead Managers and the Company agree will be an Ineligible Institutional Shareholder for the purposes of the Institutional Entitlement Offer.</li> </ul>
<b>Ineligible Retail Shareholder</b>	means a Shareholder who is not: <ul style="list-style-type: none"> <li>(a) an Eligible Retail Shareholder;</li> <li>(b) an Institutional Shareholder; or</li> <li>(c) an Ineligible Institutional Shareholder.</li> </ul>
<b>Institutional Bookbuild</b>	has the meaning given in Section 1.1.
<b>Institutional Convertible Notes</b>	means the 5,000,000 convertible notes issued to institutional investors as summarised in the Company's ASX announcement of 2 July 2020, the conversion of which into Shares is not subject to the prior receipt of Shareholder approval.
<b>Institutional Entitlement Offer Proceeds</b>	means the number of Shares issued under the Institutional Entitlement Offer multiplied by the Issue Price.
<b>Institutional Investor</b>	means: <ul style="list-style-type: none"> <li>(a) if in Australia, an "exempt investor" as defined in ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84, which for the avoidance of doubt includes: <ul style="list-style-type: none"> <li>(i) an investor to whom an offer of securities does not need disclosure under Part 6D.2 pursuant to section 708(8) of the Corporations Act;</li> <li>(ii) a 'professional investor' as defined in section 708(11) of the Corporations Act; and</li> <li>(iii) investors pursuant to section 708(10) of the Corporations Act; or</li> </ul> </li> <li>(b) in any other case, an institutional or professional investor to whom offers of Shares may lawfully be made in a Permitted Jurisdiction (consistent with advice obtained from counsel to the Company) without the</li> </ul>

need for a lodged prospectus or other disclosure document or other lodgement, registration, filing with or approval by a Government Agency (except Canada, where a notice reporting any sales of securities must be filed with the relevant provincial securities regulator), including:

- (i) if in Canada, who is an "accredited investor" as defined in National Instrument 45-106 – Prospectus and Registration Exemptions;
- (ii) if in the European Union or Lichtenstein, who is 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);
- (iii) if in Hong Kong, who is a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;
- (iv) if in Singapore, who is an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act of Singapore); and
- (v) if in Switzerland, who is a "professional client" within the meaning of article 4(3) of the Swiss Financial Services Act (**FinSA**) or have validly elected to be treated as a professional client pursuant to article 5(1) of the FinSA.

<b>Institutional Settlement Date</b>	means 14 August 2020.
<b>Institutional Shareholder</b>	means a Shareholder on the Record Date who is an Institutional Investor.
<b>Issue Price</b>	means \$0.50 per New Share.
<b>Joint Lead Managers</b>	means Canaccord Genuity (Australia) Limited ACN 075 071 466 and Euroz Securities Limited ACN 089 314 983.
<b>London Stock Exchange</b>	means London Stock Exchange Plc.
<b>Native Title Agreement</b>	means the native title agreement between the Company, Piper Preston and TMPAC dated 20 November 2019 entitled 'Lake Way Project Land Access (Native Title) Agreement'.
<b>New Shares</b>	means Shares offered under the Entitlement Offer.
<b>Offer</b>	means the Entitlement Offer and the Placement.
<b>Offer Booklet</b>	means this retail entitlement offer booklet.

<b>Offer Materials</b>	means the Offer Booklet, the ancillary announcements and cleansing statements to be issued by the Company in connection with the Offer, and correspondence delivered by the Company to Shareholders in connection with the Offer, and also includes the confirmation letters sent by the Joint Lead Managers to Institutional Shareholders in connection with the Institutional Entitlement Offer.
<b>Option</b>	means an option to acquire one Share.
<b>Permitted Jurisdictions</b>	means Australia, New Zealand, Hong Kong, Singapore, the United Kingdom, the United States, Canada (British Columbia, Ontario and Quebec provinces only), Switzerland, Lichtenstein, Germany, Channel Islands and any other jurisdictions as agreed between the Company and the Joint Lead Managers.
<b>Piper Preston</b>	means Piper Preston Pty. Ltd. ACN 142 962 409, a wholly owned subsidiary of the Company.
<b>Placement</b>	has the meaning given in Section 1.1.
<b>Prospectus Rules</b>	means the prospectus rules of the Financial Conduct Authority made in accordance with section 73A of FSMA.
<b>Record Date</b>	means 5.00pm (Perth time) on 11 August 2020.
<b>Related Body Corporate</b>	means a 'related body corporate' as defined in section 50 of the Corporations Act.
<b>Retail Entitlement Offer</b>	means the offer of New Shares made in this Offer Booklet.
<b>Retail Entitlement Offer Proceeds</b>	means the number of Shares issued under the Retail Entitlement Offer multiplied by the Issue Price.
<b>Retail Settlement Date</b>	means 1 September 2020 (unless extended).
<b>Retail Shortfall Facility</b>	means the offer of Additional New Shares to Eligible Retail Investors that have fully subscribed to the Entitlement Offer as described in Section 1.3.
<b>Securities</b>	means any securities, including Shares, Options and convertible notes, issued or granted by the Company.
<b>Section</b>	means a section of this Offer Booklet.
<b>SFA</b>	means the syndicated facility agreement between the Company, Taurus, CEFC and others dated 4 August 2020.
<b>Share</b>	means a fully paid ordinary share in the Company.
<b>Share Registry</b>	means Link Market Services Limited ACN 083 214 537.

<b>Shareholder</b>	means a holder of Shares.
<b>Taurus</b>	Taurus Mining Finance Fund No. 2 L.P..
<b>TMPAC</b>	means Tarlka Matuwa Piarku (Aboriginal Corporation) RNTBC (ICN 8156).
<b>Trading Day</b>	has the meaning given in the ASX Listing Rules.
<b>Underwriting Agreement</b>	means the underwriting agreement between the Company and the Joint Lead Managers dated 5 August 2020, a summary of which is in Section 1.18.
<b>US or United States</b>	means the United States of America.
<b>US Securities Act</b>	means the United States Securities Act of 1933, as amended.
<b>VWAP</b>	means the volume weighted average price of Shares.



## Annexure A      DI Holder Information

Words and expressions used in this Annexure A shall, unless defined herein, be as defined in the letter to which this annexure is attached.

### 1.      UK Depositary Interest Holders

#### (a)      General

The Company's Shares are not capable of being traded in electronic form through the CREST system. The Company therefore has a facility whereby Computershare Investor Services PLC (as Depositary and pursuant to a depositary interest deed poll in respect of the Company, the **Depositary Interest Deed**) issues Depositary Interests, representing Shares, to Shareholders who wish to hold Shares in electronic form within the CREST system. The legal title to the Shares is held in certificated form by Computershare Clearing Pty Ltd (**CCP**), a nominee of the Depositary, on trust for the relevant Shareholders, to whom it issues uncertificated Depositary Interests (on a one for one basis) representing those underlying Shares.

Whilst CCP is registered as the owner of Shares in the Company pursuant to the Depositary Interest Deed, it holds Shares on behalf of, and for the benefit of, the holders of DIs (**DI Holders**). The Entitlement Offer is therefore being made directly to DI Holders on the Record Date and CCP will not be entitled to participate in the Entitlement Offer in their own right.

If, on the Record Date, a DI Holder is a trustee or nominee (a **Nominee**) holding DIs on behalf of one or more other persons (each such person, a **Beneficiary**):

- (i)      the Nominee shall be entitled to submit an application for Shares (on and subject to the Terms) on behalf of each such Beneficiary (provided the Nominee provides to the Company satisfactory evidence of each such Beneficiary's status as a Beneficiary); and
- (ii)     the Nominee shall not be entitled to submit an application for Shares on its own behalf unless it is a Beneficiary in its own right.

Each Beneficiary may only participate once in the Entitlement Offer. If the Company does not receive satisfactory evidence of a Beneficiary's status in accordance with this paragraph, an application for Shares submitted by a Nominee on behalf such Beneficiary may not be accepted by the Company.

#### (b)      Application

A DI Holder shall receive, in respect of any application which it may make under the Entitlement Offer, a credit to its stock account in CREST of such number of new DIs (**New Depositary Interests**) as is equal to the number of Shares applied for.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the DIs held on the Record Date by the DI Holder in respect of which the New Depositary Interests have been allocated.

DI Holders who wish to apply for some or all of their entitlements to Dis should refer to the instructions set out in the separate communication to be made by Computershare Investor Services PLC (as Depositary) to the holders of Depositary Interests and the Application Form. Should you need advice with regard to these procedures, please contact Computershare UK on +44 (0) 370 702 0003.

(c) Effect of valid application

A DI Holder who makes a valid application for New Depositary Interests will, in making an application:

- (i) pay the amount payable on application in accordance with the procedures set out in the separate communication to be made by Computershare Investor Services PLC (as Depositary) to the holders of Depositary Interests;
- (ii) request that the DIs to which it is entitled be issued to it on the terms and subject to the constitution of the Company, the Depositary Interest Deed and the services agreement relating to DIs between the Company and Computershare UK; and
- (iii) agree that all applications and contracts resulting therefrom shall be governed by, and construed in accordance with, the laws of England.

(d) Company's discretion as to rejection and validity of applications

The Company may in its sole discretion treat as valid and binding an application which does not comply in all respects with the requirements as to validity set out or referred to in this document.

## 2. **Market claims**

Applications for New Depositary Interests may only be made by a person who is a DI Holder on the Record Date (in accordance with paragraph 1 above).

## Annexure B      Underwriting Agreement Termination Events

In the event any of the following events has occurred or occurs at any time from the date of the Underwriting Agreement prior 4.00pm on the Retail Settlement Date or at any other time as specified below, each Joint Lead Manager may terminate the Underwriting Agreement without cost or liability by notice to the Company and other Joint Lead Manager, without cost of liability by notice to the Company and to the other Joint Lead Manager:

- (a)     **(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 Offer);
- (b)     **(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;
- (c)     **(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;
- (d)     **(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 Joint Lead Managers, 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;
- (e)     **(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;
- (f)     **(delay)** certain delays occur to events specified in the timetable for the Offer without the prior written consent of the Joint Lead Managers;
- (g)     **(capital structure)** the Company alters its capital structure (other than as contemplated in the Underwriting Agreement);
- (h)     **(forecasts)** the materials issued in connection with the Offer (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;

- (i) **(withdrawal)** the Company withdraws the Offer, or any part of it, or indicates that it does not intend to or is unable to proceed with the Offer or any part of it;
- (j) **(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;
- (k) **(insolvency)** a customary insolvency event occurs in respect of the Company or any of its related bodies corporate;
- (l) **(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 and the announcement of the Offer (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);
- (m) **(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 Joint Lead Managers to satisfy an obligation under the Underwriting Agreement, or to market, promote, underwrite or settle the Offer;
- (n) **(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 Offer 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;
- (o) **(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;
- (p) **(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;
- (q) **(waivers / modifications)** ASX withdraws, revokes, or amends the ASX Waiver;
- (r) **(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 Joint Lead Managers (such consent not to be unreasonably withheld);

- (s) **(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 Offer;
- (t) **(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;
- (u) **(change in management or board)** a change in the board of directors or senior management of the Company occurs;
- (v) **(proceedings, investigations and regulatory action)** any of the following occurs:
  - (i) \* 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 Offer or the Company;
  - (ii) ASIC or any person, issues or threatens to issue proceedings in relation to the Offer or commences any formal inquiry or investigation into the Offer or the Company;
  - (iii) \* 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
  - (iv) ASIC or any other Government Agency commences or gives notice of an intention to commence a hearing or investigation into the Company;
- (w) \* **(breach)** the Company is in breach of any terms and conditions of the Underwriting Agreement;
- (x) **(representations and warranties)** any representation or warranty is or becomes incorrect, untrue or misleading;
- (y) **(information)** the due diligence report or any information supplied by or on behalf of the Company to the Joint Lead Managers for the purposes of the due diligence investigations, the Offer Materials or the Offer, is or becomes false, misleading or deceptive (including by omission) or is or becomes likely to mislead or deceive (including by omission);
- (z) **(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 the announcement of the Offer on the basis of information known at that time;

- (aa) \* **(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 Offer, capital markets or stock markets;
- (bb) **(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;
- (cc) **(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 Joint Lead Managers (acting reasonably), or as disclosed to the Joint Lead Managers prior to the date of the Underwriting Agreement;
- (dd) **(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 Joint Lead Manager) or if all or any part of any of such contracts: is amended or varied without the consent of the Joint Lead Managers; 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 affect, or its performance is or becomes illegal;
- (ee) **(contravention of law)** either:
  - (i) a contravention by the Company of the Corporations Act, its Constitution, any of the ASX 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;
  - (ii) any aspect of the Offer does not comply with its Constitution, the Corporations Act, the ASX Listing Rules, the AIM Rules, the ASX Waiver any other applicable law and related policy including Takeovers Panel guidance; or
  - (iii) the Company is prevented from allotting and issuing the New Shares under the Constitution, the Corporations Act, the ASX 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;
- (ff) **(market disruption and hostilities):**
  - (i) \* 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;

- (ii) \* 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;
  - (iii) \* 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
  - (iv) \* 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;
- (gg) **(debt facilities)** any of the following occurs:
- (i) 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 Joint Lead Managers' prior written consent (such consent not to be unreasonably withheld or delayed);
  - (ii) 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
  - (iii) 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 Joint Lead Manager to terminate its obligations under the Underwriting Agreement unless in the actual and reasonable opinion of that Joint Lead Manager, the event:

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





ABN 98 117 085 748

All Registry communications to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: 1300 554 474  
From outside Australia: +61 1300 554 474  
ASX Code: SO4  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as  
at the Record Date, 7:00pm (AEST)  
on 11 August 2020:

Entitlement to New Shares  
(on a 1 New Share for 3.2  
Eligible Shares held basis):

Amount payable on full acceptance  
at A\$0.50 per Share:

Offer Closes  
5.00pm (Perth time): 25 August 2020

## ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 3.2 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.50 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

**IMPORTANT:** The Offer is being made under the Retail Entitlement Offer Booklet dated 10 August 2020. The Retail Entitlement Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Retail Entitlement Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Retail Entitlement Offer Booklet.

If you do not have a paper copy of the Retail Entitlement Offer Booklet, you can obtain a paper copy at no charge, by calling the Salt Lake Potash Limited Offer Information Line on 08 6559 5800 (within Australia) or +61 8 6559 5800 (from outside Australia).

### PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

#### OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5.00pm (Perth time) on 25 August 2020. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.



Biller Code: 327247  
Ref:

#### OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5.00pm (Perth time) on 25 August 2020.

#### Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: [www.bpay.com.au](http://www.bpay.com.au)  
® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

**THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.**



ABN 98 117 085 748

Please detach and enclose with payment



SRN/HIN:

Entitlement Number:

**A** Number of New Shares accepted (being not more than your Entitlement shown above)

**B** Number of additional New Shares

**C** Total number of New Shares accepted (add Boxes A and B)

**D** PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Salt Lake Potash Limited” and crossed “Not Negotiable”.

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

A\$

**E** CONTACT DETAILS – Telephone Number

Telephone Number – After Hours

Contact Name

# SALT LAKE POTASH LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Retail Entitlement Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

## ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Retail Entitlement Offer Booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Salt Lake Potash Limited.

## HOW TO APPLY FOR NEW SHARES

### 1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: [www.bpay.com.au](http://www.bpay.com.au)

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.50.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

### 2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

#### A. Acceptance of New Shares

Enter into Box A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

#### B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Salt Lake Potash Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

#### C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

#### D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Salt Lake Potash Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Salt Lake Potash Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

#### E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

## 3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Retail Entitlement Offer Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

### Mailing Address

Salt Lake Potash Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5.00pm (Perth time) on 25 August 2020. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Salt Lake Potash Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

**If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Salt Lake Potash Limited Offer Information Line on 08 6559 5800 (within Australia) or +61 8 6559 5800 (from outside Australia) between 8:30am and 5:30pm (Perth time) Monday to Friday.**



14 August 2020

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

Dear Shareholder

### **Notification to Ineligible Shareholders**

On 5 August 2020, Salt Lake Potash Limited (**Company**) announced a placement and an accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new fully paid ordinary shares in the Company (**New Shares**) at an offer price of A\$0.50 each to raise approximately A\$98.5 million (before costs) .

This letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.

### **Details of the Entitlement Offer**

The Entitlement Offer comprises an accelerated institutional component and an offer to Eligible Retail Shareholders (as defined below) (**Retail Entitlement Offer**).

The Retail Entitlement Offer provides Eligible Retail Shareholders (as defined below) with the opportunity to subscribe for 1 New Share for every 3.2 existing shares in the Company (**Existing Shares**) held at 5pm (WST) on 11 August 2020 (**Record Date**) at an issue price of A\$0.50 per New Share.

Euroz Securities Limited and Canaccord Genuity (Australia) Limited (together, **JLMs**) have been appointed as joint lead managers and joint underwriters and bookrunners to the Entitlement Offer.

The Entitlement Offer is made pursuant to section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

### **Eligibility to participate in the Retail Entitlement Offer**

The Company has determined, pursuant to Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to make offers to shareholders in countries other than Australia, New Zealand and the United Kingdom in connection with the Retail Entitlement Offer, having regard to:

- (a) the relatively small number of shareholders in the other jurisdictions where the Retail Entitlement Offer would be made;
- (b) the number and value of shares for which such shareholders would otherwise have been entitled; and
- (c) the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Retail Entitlement Offer would be made.



Eligible Retail Shareholders are those holders of Existing Shares who:

- (a) as at the Record Date, has a registered address in Australia, New Zealand or the United Kingdom;
- (b) are not in the United States or acting for the account or benefit of a person in the United States; and
- (c) are not an 'Institutional Shareholder' or an 'Ineligible Institutional Shareholder' as determined by the JLMs.

A shareholder who is not an Eligible Retail Shareholder will not be eligible to participate in the Retail Entitlement Offer.

According to our records you do not satisfy the criteria for an Eligible Retail Shareholder and therefore the Company is unable to extend to you the opportunity to participate in the Retail Entitlement Offer. If our records are incorrect on this matter, please contact the Company per the details below.

Determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by the Company with reference to a number of matters. The Company and the JLMs and their respective affiliates and related bodies corporate and each of their directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

If you have questions in relation to any of the matters described above, please contact the Company on +61 8 6559 5800 between 9.00am and 5.00pm (WST), Monday to Friday.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Clint McGhie", written over a light blue horizontal line.

Clint McGhie  
Company Secretary

For further information please visit <https://www.so4.com.au/asx-announcements/>

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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.