



**WILDHORSE**  
ENERGY  
LIMITED

**ABN 98 117 085 748**

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**NOTICE OF GENERAL MEETING**

**A General Meeting of the Company will be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia on Thursday 11 June 2015 at 10am (WST).**

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*This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 9322 6322.***

# WILDHORSE ENERGY LIMITED

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## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Wildhorse Energy Limited (**Company**) will be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia on Thursday 11 June 2015 at 10am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday 9 June 2015 at 5pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Section 6 of the Explanatory Memorandum.

## AGENDA

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### 1. Resolution 1 – Authorise Issue of Vendor Shares

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

*“That, subject to Resolution 2 being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of:*

- (a) 15,000,000 Shares; and
- (b) 22,500,000 Performance Shares, comprised of:
  - (i) 5,000,000 Class A Convertible Performance Shares;
  - (ii) 7,500,000 Class B Convertible Performance Shares; and
  - (iii) 10,000,000 Class C Convertible Performance Shares,

*(together the “Vendor Shares”) to the Vendors on the terms and conditions set out in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person (and any associate of such a person) who may participate in the issue of the Vendor Shares and a person (and any associate of such a person) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## **2. Resolution 2 – Approval of Performance Shares (a New Class of Securities)**

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

*"That, pursuant to and in accordance with section 246B(1) of the Corporations Act and article 2.2 of the Constitution and for all other purposes, the Company be authorised to issue Performance Shares on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person (and any associate of such a person) who may participate in the issue of the Vendor Shares and a person (and any associate of such a person) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 8 May 2015

**BY ORDER OF THE BOARD**



**SAM CORDIN**  
Company Secretary

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# WILDHORSE ENERGY LIMITED

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia on Thursday 11 June 2015 at 10am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2: Action to be taken by Shareholders

Section 3: Acquisition of Australia Salt Lake Potash Pty Ltd

Section 4: Resolution 1 – Authorise Issue of Vendor Shares

Section 5: Resolution 2 – Approval of Performance Shares (a New Class of Securities)

Section 6: Defined Terms

Schedule 1: Terms and Conditions of Performance Shares

Schedule 2: Specific Risks in Relation to the Project

Schedule 3: Summary of Project Licences

A Proxy Form is located at the end of the Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is accompanying the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return

the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

### 3. Acquisition of Australia Salt Lake Potash Pty Ltd

#### 3.1 Background

The Company announced on 9 April 2015 that it had entered into an agreement (**Acquisition Agreement**) to acquire a 100% interest in Australia Salt Lake Potash Pty Ltd (**ASLP**) which holds a 100% interest in the Lake Wells and Lake Ballard Projects in Western Australia.

#### 3.2 Overview of the Project

ASLP was founded to capitalise on the quality of Australia's unique salt lake brine resources, cost-effective production conditions and the growing demand for high-value sulphate of potash (**SOP**), a chloride-free potassium fertiliser, and its by-products.

ASLP's primary focus is on the Lake Wells Project and Lake Ballard Project, which are both located in Western Australia covering a total area of 1,901 km<sup>2</sup> of salt lake basins (secured and pending exploration licences - see Schedule 3 for further details on exploration licenses held).

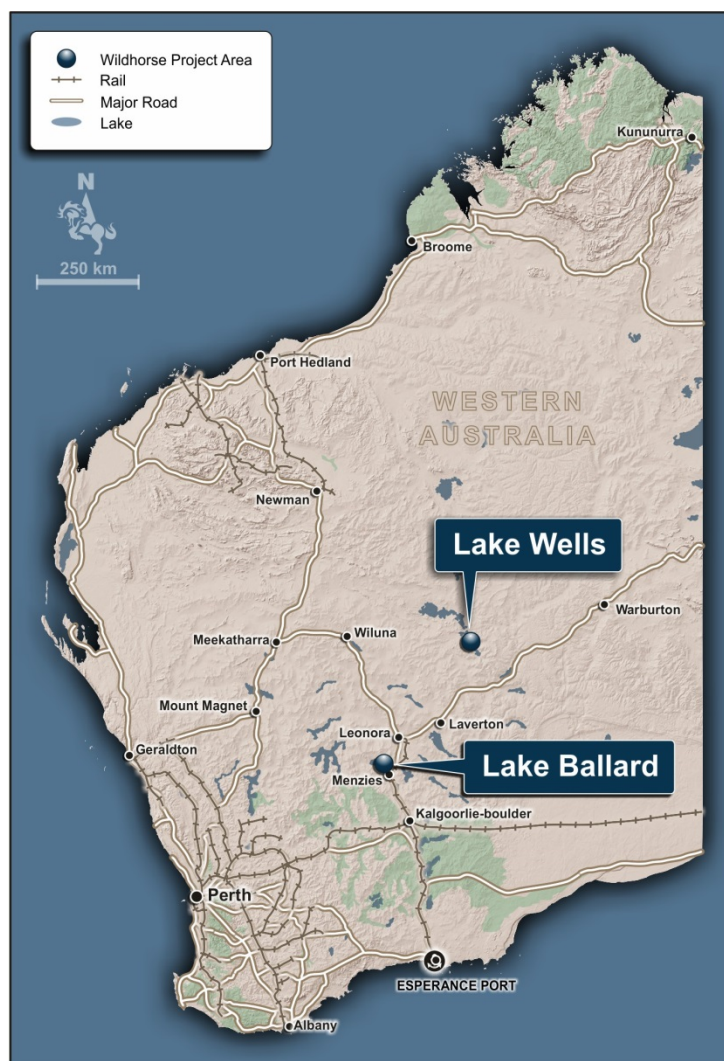


Figure 1 –Location of Projects

The Lake Wells Project comprises an area of 1,126 km<sup>2</sup> substantially covering the Lake Wells playa near Laverton. The playa has been extensively drilled and sampled, with a high average dissolved potassium (K) content of 5,220 mg/L and brine chemistry which favours potential production of SOP by conventional methods. The high catchment area to lake ratio also indicates good brine recharge potential.

The Lake Ballard Project comprises 775 km<sup>2</sup> and is located 350 km to the south-west of the Lake Wells Project. Historical sampling indicates highly elevated potassium contents in the brines and the project also has a large catchment area, very good evaporation potential and access to excellent transport infrastructure and the Goldfields gas pipeline.

### 3.3 Previous Exploration

Reconnaissance auger drilling, pit sampling programs and/or historical data have indicated the presence of highly concentrated brine resources for both projects with elemental ratios highly suitable for commercial production of SOP and its by-products via low-cost solar crystallisation and selective salt recovery methods. Both projects have ready access to transport infrastructure servicing the domestic and international fertiliser markets.

### 3.4 Conditions Precedent

Completion of the Acquisition is subject to and conditional upon a number of conditions precedent. The key conditions include that the Resolutions the subject of this meeting are passed and that all regulatory approvals are obtained.

### 3.5 Consideration

The consideration payable by the Company to acquire 100% of the issued share capital of ASLP consists of:

- (a) the issue of 15,000,000 Shares to the Vendors at completion;
- (b) 5,000,000 unlisted performance shares on completion, which convert into fully paid ordinary shares upon the completion and announcement by the Company to ASX of the results of a positive Pre-feasibility Study on all or part of the Project Licences, within three years from the date of issue (**Class A Performance Shares**);
- (c) 7,500,000 unlisted performance shares on completion, which convert into fully paid ordinary shares upon the completion and announcement by the Company to ASX of the results of a positive Definitive Feasibility Study on all or part of the Project Licences, within four years from the date of issue (**Class B Performance Shares**); and
- (d) 10,000,000 unlisted performance shares on completion, which convert into fully paid ordinary shares upon the commencement of construction activities for a mining operation on all or part of the Project Licences (including the commencement of ground breaking for the construction of infrastructure and/or processing facilities) following a final investment decision by the Board as per the project development schedule and budget in accordance with the Definitive Feasibility Study, within five years from the date of issue (**Class C Performance Shares**).

The Shares and the Performance Shares will be escrowed for a period of 24 months from the date of issue at the settlement of the Acquisition (or a longer period if required by ASX). However, securities will not be subject to escrow to the same extent as if the cash formula (per the Listing Rules) was applied.

In addition to the above consideration, the Company has agreed to make a loan facility of up to A\$100,000 (or such other amount as agreed) available to ASLP prior to completion of the Acquisition to fund exploration and development activities in respect of the Project Licences during the period from the execution of the Acquisition Agreement until the completion of the Acquisition. The interim exploration and development activities must be mutually agreed upon by the Company and ASLP prior to any such loan being made.

### 3.6 Updated Allocation of Funds

The Company issued a prospectus dated 15 December 2014 (**Prospectus**) in respect to an entitlement issue (**Offer**) which outlined how funds from that Offer would be applied. The Prospectus stated that the funds raised from the Offer will be used as general working capital to further the Company's existing projects and also to identify and evaluate additional resource projects.

Although the Company intends to continue to expend funds broadly in line with the Prospectus, upon completion of the Acquisition of ASLP, the allocation of funds will change. A revised summary of the use of funds is set out below, which takes into account the impact of the Acquisition:

Item	Amount
Exploration costs on the ASLP Projects – Year 1	\$459,000
Exploration costs on the ASLP Projects – Year 2	\$504,000
Exploration costs on existing Projects – Year 1	\$338,000
Exploration costs on existing Projects – Year 2	\$750,000
Corporate costs and administrative costs – Year 1	\$290,000
Corporate costs and administrative costs – Year 2	\$380,000
Working Capital	\$879,000
<b>TOTAL</b>	<b>\$3,600,000</b>

Continuing exploration programs for the Company's existing projects and ASLP projects will be determined with reference to the results received from exploration and technical reviews.

The above is a statement of current intentions as at the date of this Notice. Intervening events may alter the way funds are ultimately applied by the Company.

### 3.7 Capital Structure

If all of the Resolutions are passed by the Shareholders and subject to the completion of the Acquisition, the proposed capital structure of the Company immediately following completion of the Acquisition will be as follows:

	Number of Shares	Number of Options	Number of Performance Shares
Balance at the date of the Notice	90,802,596	272,109 <sup>(1)</sup>	Nil
To be issued pursuant to the Acquisition	15,000,000	Nil	22,500,000
<b>Balance immediately after the Acquisition</b>	<b>105,802,596</b>	<b>272,109</b>	<b>22,500,000</b>

**Notes:**

- (1) 22,222 options are exercisable at \$15.00 each on or before 30 June 2015;  
22,222 options are exercisable at \$18.00 each on or before 30 June 2015;  
22,222 options are exercisable at \$3.60 each on or before 30 June 2015;  
57,370 options are exercisable at \$4.80 each on or before 30 November 2016;  
57,370 options are exercisable at \$5.00 each on or before 30 November 2016;  
57,370 options are exercisable at \$6.00 each on or before 30 November 2016; and  
33,333 options are exercisable at \$2.73 each on or before 30 November 2016.

### 3.8 Risk Factors

The Company's primary risks relating to exploration and development activities will remain largely unchanged following completion of the Acquisition.

Whilst Wildhorse has undertaken a due diligence process (including title and other risks) with respect to the acquisition of ASLP, it should be noted that the usual risks associated with start-up companies undertaking exploration and development activities of potash projects in Western Australia will remain at completion of the acquisition.

Shareholders and investors should also be aware that the Acquisition Agreement is conditional on Shareholder approval. Accordingly there is a risk that the transaction contemplated may be changed or not be completed. Should the Acquisition not complete, the monies paid, loaned or advanced by the Company in relation to the Acquisition may not be refunded.

Schedule 2 sets out further risk Factors and the Board recommend that Shareholders consider these risk factors in full.

### 3.9 Directors' recommendation

The Directors consider that the Acquisition is in the best interests of the Company and recommend that Shareholders vote in favour of Resolutions 1 and 2.

### 3.10 Plans for the Company if the Acquisition is not completed

If the Acquisition is not completed, the Company will continue with its current activities and continue to look for an alternate transaction or acquisitions to add value to the Company.



### **3.11 Forward looking statements**

The forward looking statements in the Notice are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in the Notice. These risks include but are not limited to, the risks described in Section 3.8 and Schedule 2. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

### **3.12 Competent Person**

The information in this Notice that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Ben Jeuken, who is a member Australian Institute of Mining and Metallurgy. Mr Jeuken is employed by Groundwater Science Pty Ltd, an independent consulting company. Mr Jeuken has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jeuken consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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## **4. Resolution 1 – Authorise Issue of Vendor Shares**

### **4.1 General**

Resolution 1 seeks Shareholder approval under Listing Rule 7.1 for the issue of:

- (a) 15,000,000 Shares; and
- (b) 22,500,000 Performance Shares,

on the terms and conditions in this Explanatory Memorandum.

Resolution 1 is an ordinary resolution. Resolution 1 does not take effect unless Resolution 2, which is a special resolution, is also passed.

### **4.2 Listing Rule 7.1**

Listing Rule 7.1 requires Shareholder approval for the issue of the Vendor Shares to the Vendors. Listing Rule 7.1 provides that, subject to certain exceptions, Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

Given the Vendor Shares to be issued under Resolution 1 will exceed the balance of the 15% threshold and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required in accordance with Listing Rule 7.1.

### **4.3 Specific Information Required by Listing Rule 7.3**

For the purposes of Shareholder approval of the issue of the Vendor Shares and the requirements of Listing Rule 7.3 the following information is provided :

- (a) the maximum number of Securities the Company intends to issue under Resolution 1 is:
  - (i) 15,000,000 Shares;
  - (ii) 5,000,000 Class A Performance Shares;
  - (iii) 7,500,000 Class B Performance Shares; and
  - (iv) 10,000,000 Class C Performance Shares.
- (b) the Company will issue and allot the Vendor Shares no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (c) the Vendor Shares will be issued to the Vendors as consideration for the acquisition of ASLP and as such, no funds will be raised from the issue;
- (d) all of the Vendor Shares will be issued to the Vendors, which each are not a related party of the Company;
- (e) the terms of the Vendor Shares to be issued pursuant to Resolution 1 are as follows:

- (i) the Shares are fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue;
  - (ii) the Class A Performance Shares on the terms and conditions set out in Schedule 1;
  - (iii) the Class B Performance Shares on the terms and conditions set out in Schedule 1; and
  - (iv) the Class C Performance Shares on the terms and conditions set out in Schedule 1;
- (f) the issue of the Vendor Shares will occur progressively following the completion of the Acquisition; and
- (g) a voting exclusion statement is included in the Notice.

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## **5. Resolution 2 – Approval of Performance Shares (a New Class of Securities)**

This Resolution seeks Shareholder approval for the Company to be authorised to issue the Performance Shares. The Performance Shares are intended to form part of the consideration payable to the Vendors in respect to the Acquisition.

A company with a single class of shares on issue, which proposes to issue new shares not having the same rights as its existing shares, is taken to vary the rights of existing shareholders unless the Constitution already provides for such an issue.

Section 246B of the Corporations Act and clause 2.1 of the Constitution provide that the rights attaching to a class of shares cannot be varied without:

- (a) a special resolution passed at a meeting of the Shareholders holding Shares in that class; or
- (b) the written consent of the Shareholders who are entitled to at least 75% of the votes that may be cast in respect of Shares in that class.

Accordingly, the Company seeks approval from Shareholders for the issue of the Performance Shares as a new class of shares on the terms set out in Schedule 1 of this Explanatory Memorandum. This Resolution is a special resolution.

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## 6. Defined Terms

In this Explanatory Memorandum and Notice:

**Acquisition** means the acquisition of ASLP by the Company in accordance with the Acquisition Agreement.

**Acquisition Agreement** has the meaning given in Section 3.1.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**ASLP** means Australia Salt Lake Potash Pty Ltd ACN 164 369 420.

**Board** means the board of Directors.

**Class A Performance Share** means the Class A Performance Shares on the terms and conditions detailed in Schedule 1.

**Class B Performance Share** means the Class B Performance Shares on the terms and conditions detailed in Schedule 1.

**Class C Performance Share** means the Class C Performance Shares on the terms and conditions detailed in Schedule 1.

**Company** and **Wildhorse** means Wildhorse Energy Limited ACN 117 085 748.

**Constitution** means the Constitution of the Company.

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

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

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition) as amended from time to time.

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

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Mining Information** means all technical and legal documentation and information including (without limitation) geological, geochemical and geophysical reports, surveys, mosaics, aerial photographs, drill logs, assay results, title documents, maps and plans relating to the Project Licences, whether in physical, written or electronic form.

**Notice** means this notice of meeting.

**Performance Shares** mean each of the Class A Performance Shares, Class B Performance Shares and Class C Performance Shares.

**Project(s)** means the Project Licences, the Mining Information and all related intellectual property and physical property.

**Project Licences** means the exploration licences and/or applications listed in Schedule 3 (and any other exploration or mining tenements or exploration or mining tenements which may be granted in lieu of (in whole or part) or relate to the same ground (in whole or part) as those licences) and includes all rights to mine and other privileges appurtenant to the licences referred to in Schedule 3.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolution** means a resolution contained in this Notice.

**Section** means a section contained in this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Vendors** mean each of JBJF Management Pty Ltd, Aharon Arakel and Ida Arakel as trustees for The Arakel Family Trust, Diggory William Howitt and Katherine Neisha Howitt as trustees for Queens Park Beach Trust and Howitt MGMT Pty Ltd.

**Vendor Shares** has the meaning given in Resolution 1.

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

In this Notice, words importing the singular include the plural and vice versa.

# Schedule 1 – Terms and Conditions of Performance Shares

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The terms of the Class A Convertible Performance Shares, Class B Convertible and Class C Convertible Performance Shares are as follows:

## 1. Definitions

In these terms and conditions, unless the context otherwise requires:

**ASX** means ASX Limited and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Change in Control Event** means:

- (a) the occurrence of:
  - (i) the offer or under a takeover offer in respect of Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
  - (ii) that takeover bid has become unconditional; or
- (b) the announcement by the Company that:
  - (i) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
    - (A) cancelled; or
    - (B) transferred to a third party; and
  - (ii) the Court, by order, approves the proposed scheme of arrangement, but shall not include a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company.

**Class A Convertible Performance Share** means a Class A Convertible Performance Share issued as part of the consideration under the Share Sale Agreement.

**Class A Milestone** means the announcement by the Company to ASX of the results of a positive Pre-feasibility Study on all or part of the Project Licences.

**Class B Convertible Performance Share** means a Class B Convertible Performance Share issued as part of the consideration under the Share Sale Agreement.

**Class B Milestone** means the announcement by the Company to ASX of the results of a positive Definitive Feasibility Study on all or part of the Project Licences.

**Class C Convertible Performance Share** means a Class C Convertible Performance Share issued as part of the consideration under the Share Sale Agreement.

**Class C Milestone** means the commencement of construction activities for a mining operation on all or part of the Project Licences (including the commencement of ground

breaking for the construction of infrastructure and/or processing facilities) following a final investment decision by the Board as per the project development schedule and budget in accordance with the Definitive Feasibility Study.

**Company** means Wildhorse Energy Limited ACN 117 085 748.

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

**Expiry Date** means:

- (a) in relation to the Class A Convertible Performance Shares, 3 years from the date of issue;
- (b) in relation to the Class B Convertible Performance Share, 4 years from the date of issue;
- (c) in relation to the Class C Convertible Performance Share, 5 years from the date of issue;

**Inferred Mineral Resource** has the meaning given in the JORC Code.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012) as amended from time to time.

**Mineral Resource** has the meaning given in the JORC Code.

**Performance Share** means a Class A, Class B or Class C Convertible Performance Share.

**Performance Shareholder** means the holder of a Performance Share.

**Scoping Study** means a preliminary assessment of the technical and economic viability of the exploitation of a Mineral Resource, based on the delineation of an Inferred Mineral Resource.

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

**Shareholder** means a holder of Shares.

**Share Sale Agreement** means the share sale agreement between the Company and the vendors.

**Project** means the Project Licences, the Mining Information and all related intellectual property and physical property.

**Project Licences** means the exploration licences and/or applications listed in Schedule 3 (and any other exploration or mining tenements or exploration or mining tenements which may be granted in lieu of (in whole or part) or relate to the same ground (in whole or part) as those licences) and includes all rights to mine and other privileges appurtenant to the licences referred to in Schedule 3.

**Vendors** means the then shareholders of Australia Salt Lake Potash Pty Ltd.

## 2. Dividend

Performance Shareholders are not entitled to a dividend.

### 3. Conversion

(a) Conversion

The Performance Shares will convert into Shares in accordance with this clause 3.

(b) Conversion of Class A Convertible Performance Share

Subject to clause 3(f), each Class A Convertible Performance Share will convert into one Share upon the satisfaction, prior to the Expiry Date, of the Class A Milestone.

(c) Conversion of Class B Convertible Performance Share

Subject to clause 3(f), each Class B Convertible Performance Share will convert into one Share upon the satisfaction, prior to the Expiry Date, of the Class B Milestone.

(d) Conversion of Class C Convertible Performance Share

Subject to clause 3(f), each Class C Convertible Performance Share will convert into one Share upon the satisfaction, prior to the Expiry Date, of the Class C Milestone.

(e) Conversion on Change in Control

(i) Subject to clauses 3(e)(ii) and 3(f), if prior to the Expiry Date a Change in Control Event occurs then each Performance Share will convert into one Share.

(ii) The maximum number of Performance Shares that can be converted into Shares and issued under this clause 3(e) upon a Change of Control Event must not exceed 10% of the issued Share capital of the Company (as at the date of the Change of Control Event). The Company shall ensure a pro-rata allocation of Shares issued under this clause 3(e) to all Performance Shareholders. Performance Shares that are not converted into Shares will continue to be held by the Performance Shareholder on the same terms and conditions.

(f) Conversion after Expiry Date

(i) If the Class A Milestone is not met by 5.00pm (Perth time) on the Expiry Date of the Class A Convertible Performance Shares the Company will, as soon as reasonably practical and in any event no later than 90 days after the Expiry Date, convert the total number of Class A Convertible Performance Shares held by each holder of Class A Convertible Performance Shares into one Share per holder. For the avoidance of doubt, the Class B Convertible Performance Shares and Class C Performance Shares are independent and will not convert in such circumstances.

(ii) If the Class B Milestone is not met by 5.00pm (Perth time) on the Expiry Date of the Class B Convertible Performance Shares the Company will, as soon as reasonably practical and in any event no later than 90 days after the Expiry Date, convert the total number of Class B Convertible



Performance Shares held by each holder of Class B Convertible Performance Shares into one Share per holder. For the avoidance of doubt, the Class A Convertible Performance Shares and Class C Performance Shares are independent and will not convert in such circumstances.

- (iii) If the Class C Milestone is not met by 5.00pm (Perth time) on the Expiry Date of the Class C Convertible Performance Shares the Company will, as soon as reasonably practical and in any event no later than 90 days after the Expiry Date, convert the total number of Class C Convertible Performance Shares held by each holder of Class C Convertible Performance Shares into one Share per holder. For the avoidance of doubt, the Class A Convertible Performance Shares and Class B Performance Shares are independent and will not convert in such circumstances.

(g) Takeover Provisions

- (i) If the conversion of Performance Shares (or part thereof) under clauses 3(b) to 3(f) would result in any person being in contravention of section 606(1) of the Corporations Act then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).
- (ii) The Performance Shareholders shall give notification to the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under clauses 3(b) to 3(f) may result in the contravention of section 606(1) failing which the Company shall assume that the conversion of Performance Shares (or part thereof) under clauses 3(b) to 3(f) will not result in any person being in contravention of section 606(1).
- (iii) The Company may (but is not obliged to) by written notice request the Performance Shareholders to give notification to the Company in writing within 7 days if they consider that the conversion of Performance Shares (or part thereof) under clauses 3(b) to 3(f) may result in the contravention of section 606(1). If the Performance Shareholders do not give notification to the Company within 7 days that they consider the conversion of Performance Shares (or part thereof) under clauses 3(b) to 3(f) may result in the contravention of section 606(1) then the Company shall assume that the conversion of Performance Shares (or part thereof) under clauses 3(b) to 3(f) will not result in any person being in contravention of section 606(1).

(h) After Conversion

The Shares issued on conversion of any Performance Share will as and from 5.00pm (WST) on the date of allotment rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares upon the date of conversion. Shares issued on conversion of the Performance Share must be free from all encumbrances, securities and third party interests. The Company must ensure that Shares issued on conversion of the Performance Shares are freely tradeable,

without being subject to on-sale restrictions under section 707 of the Corporations Act, on and from their date of issue.

**4. Issue of Shares for No Consideration**

The Company shall allot and issue Shares immediately upon conversion of the Performance Shares for no consideration and shall record the allotment and issue in the manner required by the Corporations Act.

**5. Reconstruction**

In the event of any reconstruction, consolidation or division into (respectively) a lesser or greater number of securities of the Shares and the Performance Shares shall be reconstructed, consolidated or divided in the same proportion as the Shares are reconstructed, consolidated or divided and, in any event, in a manner which will not result in any additional benefits being conferred on the Performance Shareholders which are not conferred on the Shareholders.

**6. Winding Up**

If the Company is wound up prior to conversion of all of the Performance Shares into Shares then the Performance Shareholders will have:

- (a) no right to be paid cash for the Performance Shares; and
- (b) no right to participate in surplus assets or profits of the Company on winding up.

**7. Non-transferable**

The Performance Shares are not transferrable.

**8. Copies of Notices and Reports**

The Performance Shareholders have the same right as Shareholders to receive notices, reports and audited accounts and to attend general meetings of the Company but are only entitled to vote in the circumstances referred to in clause 9.

**9. Voting Rights**

The Performance Shareholders shall have no right to vote, subject to the Corporations Act.

**10. Participation in new issues**

There are no participation rights or entitlements inherent in the Performance Shares and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Shares.

**11. Quotation**

The Performance Shares are unquoted. No application for quotation of the Performance Shares will be made by the Company.

## **Schedule 2 – Specific Risks in Relation to the Project**

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The risks that apply to the Company's current projects, and the risks associated with investing in the Securities of the Company, will also apply to the acquisition of ASLP and the Projects. However, the Acquisition may also give rise to a number of additional risks. These risks are described below. Shareholders should note that the risks described in this Schedule are not exhaustive. Some of the risks may be mitigated by the use of appropriate safeguards and systems, whilst others are outside the control of the Company and cannot be mitigated.

Should any of the risks eventuate, then it may have a material adverse impact on the financial performance of the Projects, Wildhorse and the value of Wildhorse's securities.

A reference to the Projects includes all stages of the relevant Project, including the exploration, extraction and production of potash.

### **1. Acquisition Agreement**

The Acquisition of ASLP is subject to certain conditions precedent being satisfied or waived. This includes the Company obtaining the Shareholder approvals pursuant to the Resolutions. There can be no assurance that this Shareholder approval will be obtained, in which case the transaction would not proceed. Should the transaction not complete, the monies paid, loaned or advanced by the Company in relation to the transaction may not be refunded.

### **2. Limited Operating History**

ASLP and its Projects have limited operating history on which the Company can base an evaluation of the prospects of the Acquisition.

The success of the Projects in the short to medium term is dependent upon a number of factors, including the successful:

- (a) identification of potash resources sufficient to supply the respective Project over its life;
- (b) completion of a positive feasibility study which demonstrates that mining of potash can be economically undertaken on the respective Project;
- (c) design, construction and commissioning of the infrastructure required for the respective Project; and
- (d) raising of the funding required to develop and operate the respective Project.

The Projects have been subject to limited exploration activities to date and must be considered in light of the considerable risks, expenses and difficulties frequently encountered by companies in the early stage of exploration and development activities.

Furthermore, as the Projects have not yet commenced operations, there can be no guarantee that the business will operate in line with assumed cost structures. Should the level of costs required to operate the business be higher than anticipated then it may have a materially adverse effect on the future performance and prospects of the Project and the Company.

There can be no assurance that the Projects will be profitable in the future. The operating expenses and capital expenditures of the Projects are likely to increase in future years as consultants, personnel and equipment associated with advancing exploration, development and, eventually, commercial production of the Project are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and other factors, many of which are beyond the Company's control.

The Company expects to incur losses on the Project unless and until such time as the Project may enter into commercial production and generates sufficient revenues to fund its continued operations. The development of the Project will require the commitment of substantial resources to conduct the time-consuming exploration and development of the Project. There can be no assurance that the Company will generate any revenues or achieve profitability.

### **3. Mineral Resources and Reserves**

There are no identified mineral resources and no known commercial quantities of mineral reserves at the Projects. Notwithstanding the historical exploration and the recent exploration activities undertaken by ASLP, there can be no assurances that the Company will identify mineral resources or establish economic quantities of mineral reserves at the Projects.

### **4. Exploration**

Exploration for mineral resources is speculative and involves significant degrees of risk. Exploration, mining, processing and transporting activities may be prevented, delayed or adversely affected by many factors outside the control of the Company. These include adverse operating conditions (such as unexpected geological conditions, seismic events, fire, weather, accidents), compliance with governmental requirements, labour and safety issues, shortages or delays in installing, commissioning and repairing plant and equipment or import or customs delays. These problems may cause to interruptions to essential services (such as power, water, fuel, equipment or transport capacity) or technical support which results in a failure to achieve expected target dates for exploration or production and/or result in a requirement for greater expenditure.

The Project's exploration area has additional risks due to their positioning on lake playas. The stability of the ground is affected by significant rainfall. This may require specialised equipment or cause delays in the timing of exploration programs or increase costs associated with exploration programs. The required equipment may be unique and may need to be specially constructed/sourced and may also result in additional costs, non-standard contractual terms and potential time delays. If the Company is unable to source appropriate equipment economically, if at all, then this may have a material adverse effect on the Company's financial or trading position.

### **5. Licences and Permits**

The Company's mining exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, which may be withdrawn or made subject to limitations. The Project Licences are subject to the applicable local laws and regulations applying in Western Australia and Northern Territory (refer to Schedule 3 for details of each Project Licence).

The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given, or that such renewals, rights and title interests will not be revoked or significantly altered to the detriment of the Company.

In particular, the Projects will require a mining licence to develop a mine. There is no assurance or guarantee that such mining licence, or any other licences, concessions, leases, permits or consents required by the Company to develop the Project will be given.

There are restrictions on the area of land which may be covered by the different types of licences and the total area of land covered by licences that the Company may have an interest in. The Company will be required to surrender areas covered by licences in accordance with the conditions of the licences and the Australian mining law. There can be no guarantee that the Company will be able to successfully identify all, or the best prospects within the licences before making a decision on the areas of land that are to be surrendered in accordance with the conditions of the licences.

## **6. Payment Obligations**

The Exploration Licences and the Act requires the holder of the Explorations Licences to satisfy certain expenditure requirements and pay an annual rental fee. Failure to meet these payments and obligations may render the Exploration Licences liable to be cancelled.

## **7. Potash Price Risks**

The potash market is currently experiencing demand and price increases which are being driven by a forecasted storage driven by an increase in demand and uncertain supply.

Future production, if any, from the Projects will be dependent upon the price of SOP being adequate to make the respective Project economic. Future price declines in the market value of SOP could cause continued development of, and eventually commercial production from, the Project to be rendered uneconomic. Depending on the price of SOP, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, the Project. There is no assurance that, even if commercial quantities of SOP are produced, a profitable market will exist for them. Consequently, any future earnings are likely to be closely related to the price of SOP and the terms of any offtake agreements which it enters into.

The price of SOP fluctuates widely and is affected by numerous factors beyond the control of the Company, such as product specifications, industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of products by producers and speculators as well as other global or regional political, social or economic events.

In addition to adversely affecting future reserve estimates, if any, of the Project, declining commodity prices can impact operations by requiring a reassessment of the feasibility of the Project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to the Project. Even if the Project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

## **8. Government Policies and Legislation**

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia that affect mineral exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability and profitability of the Project.

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 limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining or more stringent implementation thereof could have a substantial adverse impact on the Project and hence the Company.

The Project Licenses are located in Western Australia and the Northern Territory, and as such, the operations of Wildhorse will be exposed to the risks associated with exploration and mining activities in those jurisdictions, in particular Native Title, Heritage laws and environmental laws. Furthermore changes, if any, in mining or investment policies or shifts in political attitude in those jurisdictions may adversely affect the operations or profitability of Wildhorse.

## **9. Native Title and Aboriginal Heritage**

In relation to the exploration licences which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law and/or statutory Native Title rights of Aboriginal Australians exist. If Native Title rights do exist, the ability of the Company to gain access to the Projects (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Whilst the Lake Wells and Lake Ballard Projects (located in Western Australia) are not currently subject to a Native Title claim, there can be no guarantee that a Native Title claim will not be made in the future, which may impact on the ability of the Company to conduct commercially viable exploration, development and/or mining activities on these projects. Furthermore, for all current and future exploration licences ASLP and the Company must also comply with Aboriginal heritage legal requirements which in general may require heritage survey work to be undertaken ahead of the commencement of exploration or mining operations. There can be no guarantee that a heritage survey will not identify heritage sites that impact on the ability of the Company to conduct commercially viable exploration, development and/or mining activities on the relevant Projects.

The Lake Lewis Project is situated in an area of the Northern Territory that is subject to an active granted Native Title determination. There is a risk that Aboriginal sites and objects exist on this project, the existence of which sites and objects may preclude or limit mining activities in certain areas of the project. Further, the disturbance of such sites and objects may be an offence under the applicable legislation. ASLP cannot currently access this project for exploration activities. Whilst ASLP will seek to gain access to the project area in due course, there can be no guarantee that such access will be granted, or granted and allow for commercially viable exploration, development and/or mining activities.

## **10. Environmental**

The Company's projects are subject to Commonwealth and State laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Development of any of the Projects will be dependent on the Company satisfying environmental guidelines, undertaking the necessary environmental studies, and, where required, proposed activities being approved by government authorities. It is the Company's intention to conduct its activities to a high standard of environmental obligation, including compliance with all environmental 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.

## **11. Previous Exploration Activities**

Historical and current activities on the Project Licences could in the future give rise to costs for environmental rehabilitation, damage, control and losses. The Company has received no indication or instruction that rehabilitation of these areas is required. The enforcement of any environmental regulation could lead to increased costs for the Project which in turn could adversely affect the Project's financial performance and available cash reserves.

Only limited exploration work has been undertaken on the projects to-date consists of limited surface sampling and a small scale shallow drilling program (Lake Wells only) to determine the potential for potassium rich brines. The Company plans to implement a staged exploration program on the projects, including exploration drilling and pump testing, to determine whether each respective project has the potential to host a large a scale potash deposit. However, there can be no assurances that the Company will identify mineral resources or establish economic quantities of mineral reserves at any of the projects.

## **12. Competition**

The Project will compete with other companies, some which have greater financial and other resources than the Company, or have projects that are more advanced than the Project, and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out downstream operations on these and other products on a worldwide basis.

There can be no assurance that the Project can compete effectively with these companies and will be able to attract or maintain the appropriate staffing levels to ensure that the project and business plan can be completed in a timely and cost effective manner.

## **13. Future capital requirements**

Future funding may be required by the Company to develop the Projects, the Company's continuing operations or additional projects that the Company may identify. There can be no assurance that such funding will be available on satisfactory terms or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations as the case may be, which may adversely affect the business and financial condition of the Company and its performance.

## Schedule 3 – Summary of Project Licences

### 1. Exploration Licences\*

Project	Status	License Number	Area (blocks)	Area (sq. km)	Term	Grant Date	Date of First Relinquishment
<b>Western Australia</b>							
<b>Lake Wells</b>							
Central	Granted	EL 38/2710	63 blocks	192.2	5 years	05-Sep-12	4-Sep-17
South	Granted	EL 38/2821	43 blocks	131.5	5 years	19-Nov-13	18-Nov-18
North	Granted	EL 38/2824	65 blocks	198.2	5 years	04-Nov-13	3-Nov-18
Outer East	Pending	EL 38/3055	98 blocks	298.8	-	-	-
Single Block	Pending	EL 38/3056	1 block	3.0	-	-	-
Outer West	Pending	EL38/3057	99 blocks	301.9	-	-	-
<b>Lake Ballard</b>							
West	Granted	EL 29/912	199 blocks	607.0	5 years	10-Apr-15	10-Apr-20
East	Granted	EL 29/913	24 blocks	73.2	5 years	10-Apr-15	10-Apr-20
North	Pending	ELA 29/948	31 blocks	94.5	-	-	-
<b>Northern Territory</b>							
<b>Lake Lewis</b>							
South	Granted	EL 29787	48 blocks	146.4	6 year	08-Jul-13	7-Jul-19
North	Granted	EL 29903	41 blocks	125.1	6 year	21-Feb-14	20-Feb-19

### 2. Additional mining and exploration licences\*

ASLP also has interests in the following mining and exploration licenses. These licenses are not included in the definition of Project Licenses, as defined in Schedule 1– Terms and Conditions of Performance Shares.

Project	Status	License Number	Area (blocks)	Area (sq. km)	Term	Grant Date	Date of First Relinquishment
<b>Western Australia</b>							
<b>Lake Marmion</b>	Pending	ELA 29/952	66 blocks	201.3	-	-	-
<b>Lake Minigwal</b>	Pending	ELA 39/1876	143 blocks	436.2	-	-	-
<b>South Australia</b>							
<b>Island Lagoon</b>	Pending	ELA 2015/00084	n/a	978	-	-	-
<b>Lake Macfarlane</b>	Pending	ELA 2015/00085	n/a	816	-	-	-

\*All licenses are held in the name of Piper Preston Pty Ltd, which is a wholly owned subsidiary of ASLP.



# WILDHORSE ENERGY LIMITED

ACN 1 1 7 0 8 5 7 4 8

## PROXY FORM

The Company Secretary  
Wildhorse Energy Limited

**By delivery:**  
Level 9, 28 The Esplanade  
PERTH WA 6000

**By post:**  
PO Box Z5083  
PERTH WA 6831

**By facsimile:**  
+61 8 9322 6558

I/We <sup>1</sup> \_\_\_\_\_  
of \_\_\_\_\_

being a Shareholder/Shareholders of the Company hereby appoint <sup>2</sup> \_\_\_\_\_  
or failing such appointment the chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Meeting of the Company to be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth on Thursday 11 June 2015 at 10am (WST) and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is \* [ ]% of the Shareholder's votes\*/ [ ] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

### Instructions as to Voting on Resolutions

The chairman of the Meeting intends to vote undirected proxies in favour of all of the Resolutions.

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Resolution 1 – Authorise Issue of Vendor Shares			
Resolution 2	Resolution 2 – Approval of Performance Shares (a New Class of Securities)			

### Authorised signature/s

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Contact Daytime Telephone

\_\_\_\_\_  
Date

<sup>1</sup> Insert name and address of Shareholder

<sup>2</sup> Insert name and address of proxy

\*Omit if not applicable

## Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate 'Certificate of Appointment of Representative' should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company (Level 9, 28 The Esplanade, Perth, WA, 6000, or by post to PO Box Z5083, Perth, WA, 6831 or Facsimile (08) 9322 6558 if faxed from within Australia or +618 9322 6558 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).