



ACN 117 085 748

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## **NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of the Company will be held at the Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia on Wednesday 30 November 2016 commencing at 10:00am (WST).**

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*This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stock broker, investment advisor, accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on + 61 8 9322 6322.***

**Shareholders are urged to attend or vote by lodging the Proxy Form attached to the Notice.**

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# SALT LAKE POTASH LIMITED

## ACN 117 085 748

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### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Salt Lake Potash Limited (**Company**) will be held at the Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia on Wednesday 30 November 2016 commencing at 10:00am (WST) (**Meeting**).

The Explanatory Memorandum 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 regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday 28 November 2016 at 4:00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

### AGENDA

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#### 1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2016, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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#### 2. Resolution 1 – Remuneration Report

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

*"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."*

##### Voting Exclusion

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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### **3. Resolution 2 - Re-election of Director – Mr Mark Hohnen**

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

*"That, pursuant to and in accordance with article 7.3(a) of the Constitution and for all other purposes, Mr Mark Hohnen, Director, retires by rotation and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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### **4. Resolution 3 - Re-election of Director – Mr Mark Pearce**

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

*"That, pursuant to and in accordance with article 7.3(a) of the Constitution and for all other purposes, Mr Mark Pearce, Director, retires by rotation and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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### **5. Resolution 4 – Approval of Additional 10% Placement Capacity**

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Capacity and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson 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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### **6. Resolution 5 – Approval of Performance Rights Plan**

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

*"That in accordance with Listing Rule 7.2, Exception 9, and for all other purposes, Shareholders approve the performance rights plan for employees (including Directors) and contractors of the Company known as the "Salt Lake Performance Rights Plan" and the grant of Performance Rights under the Performance Rights Plan on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this resolution by any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## **7. Resolution 6 – Approval of Issue of Performance Rights to a Director – Mr Matthew Syme**

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

*"That subject to the passing of Resolution 5, in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 2,000,000 Performance Rights to Mr Matthew Syme (or his nominee), under the Salt Lake Performance Rights Plan on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this resolution by any Director who is eligible to participate in the Performance Rights Plan and any of their associates.

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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## **8. Resolution 7 – Approval of Issue of Performance Rights to a Director – Mr Jason Baverstock**

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

*"That subject to the passing of Resolution 5, in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 600,000 Performance Rights to Mr Jason Baverstock (or his nominee), under the Salt Lake Performance Rights Plan on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this resolution by any Director who is eligible to participate in the Performance Rights Plan and any of their associates.

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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## **9. Resolution 8 – Approval of Issue of Performance Rights to a Director – Mr Mark Pearce**

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

*"That subject to the passing of Resolution 5, in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 200,000 Performance Rights to Mr Mark Pearce (or his nominee), under the Salt Lake Performance Rights Plan on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this resolution by any Director who is eligible to participate in the Performance Rights Plan and any of their associates.

However, the Company will not disregard a vote if:

- (c) 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
- (d) 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (e) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (f) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

**BY ORDER OF THE BOARD**



Sam Cordin  
**Company Secretary**

Dated: 28 October 2016

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# SALT LAKE POTASH LIMITED

## ACN 117 085 748

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### EXPLANATORY MEMORANDUM

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#### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia on Wednesday 30 November 2016 commencing at 10:00am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

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:	Annual Report
Section 4:	Resolution 1 – Remuneration Report
Section 5:	Resolution 2 – Re-election of Director – Mr Mark Hohnen
Section 6:	Resolution 3 – Re-election of Director – Mr Mark Pearce
Section 7:	Resolution 4 – Approval of Additional 10% Placement Capacity
Section 8:	Resolution 5 – Approval of Performance Rights Plan
Section 9:	Resolution 6 – Approval of Issue of Performance Rights to a Director – Mr Matthew Syme
Section 10:	Resolution 7 – Approval of Issue of Performance Rights to a Director – Mr Jason Baverstock
Section 11:	Resolution 8 – Approval of Issue of Performance Rights to a Director – Mr Mark Pearce
Schedule 1:	Definitions
Schedule 2:	Listing Rule 7.3A.6 Disclosure
Schedule 3:	Summary of the Performance Rights Plan

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 (including this Explanatory Memorandum) carefully before deciding how to vote on the Resolutions.

##### 2.1 Proxies

A Proxy Form is attached to 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 set out in the Proxy Form. Returning the Proxy Form to the Company will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting in person.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;

- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10:00am (WST) on Monday 28 November 2016, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## **2.2 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)**

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on Resolution 1; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on Resolution 1, but expressly authorises the Chairperson to exercise the proxy even if Resolution 1 is connected with the remuneration of a member of the Key Management Personnel.

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## **3. Annual Report**

In accordance with section 317 of the Corporations Act, the Annual Report for the financial year ended 30 June 2016 must be laid before the Meeting.

At the Meeting, Shareholders will be offered the opportunity to:

- (d) discuss the Annual Report which is available online at [www.saltlakepotash.com.au](http://www.saltlakepotash.com.au);
- (e) ask questions about, or comment on, the management of the Company; and
- (f) ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Auditor about:

- (a) the preparation and contents of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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## **4. Resolution 1 – Remuneration Report**

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out:

- (a) the Company's remuneration policy; and



- (b) the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Pursuant to the Corporations Act, Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive AGMs.

If a resolution on the Remuneration Report receives a Strike at two consecutive AGMs, the Company will be required to put to Shareholders at the second AGM, a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the Company's 2015 AGM. If the Remuneration Report receives a Strike at the Meeting, Shareholders should be aware that if a second Strike is received at the Company's 2017 AGM, this may result in the re-election of the Board.

The Chairperson will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary Resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## 5. Resolution 2 - Re-election of Director – Mr Mark Hohnen

Article 7.3(a) of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number). The Directors to retire shall be those who have held their office as Director the longest period of time since their last appointment at that office and if two or more Directors have held office for the same period of time since their last appointment, those Directors determined by the drawing of lots, unless those Directors agree otherwise.

Article 7.3(d) provides that a Director who retires under article 7.3(a) of the Constitution is eligible for re-election.

Resolution 2 provides that Mr Mark Hohnen retires by rotation and seeks re-election.

Details of the qualifications and experience of Mr Mark Hohnen are in the Annual Report.

The Board (excluding Mr Mark Hohnen) supports the re-election of Mr Mark Hohnen to the Board and recommends that Shareholders vote in favour of Resolution 2.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

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## 6. Resolution 3 - Re-election of Director – Mr Mark Pearce

Article 7.3(a) of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number). The Directors to retire shall be those who have held their office as Director the longest period of time since their last appointment at that office and if two or more Directors have held office for the same period of time since their last appointment, those Directors determined by the drawing of lots, unless those Directors agree otherwise.

Article 7.3(d) provides that a Director who retires under article 7.3(a) of the Constitution is eligible for re-election.

Resolution 3 provides that Mr Mark Pearce retires by rotation and seeks re-election.

Details of the qualifications and experience of Mr Mark Pearce are in the Annual Report.

The Board (excluding Mr Mark Pearce) supports the re-election of Mr Mark Pearce to the Board and recommends that Shareholders vote in favour of Resolution 3.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

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## **7. Resolution 4 – Approval of Additional 10% Placement Capacity**

### **7.1 General**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1 (**15% Placement Capacity**).

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Capacity. The number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c)).

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

### **7.2 Listing Rule 7.1A**

#### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Capacity is subject to Shareholder approval by way of a special resolution at an annual general meeting.

#### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue Shares and Convertible Securities.

#### **(c) Formula for calculating 10% Placement Capacity**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

**(A x D) – E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the 15% Placement Capacity.

At the date of the Notice, the Company has on issue 134,007,596 Shares and therefore has a capacity to issue:

(i) 20,101,139 Equity Securities under Listing Rule 7.1; and

(ii) subject to obtaining Shareholder approval being sought under Resolution 4, 13,400,759 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c)).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 Trading Days of the date described in Section 6.2(e)(i), the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

(ii) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or

(iii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

**7.3 Listing Rule 7.1A**

The effect of Resolution 4 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% Placement Capacity.

**7.4 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date described in Section 6.4(a)(i), the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
- (iii) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (iv) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,
- which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- (c) The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Ordinary Securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (d) The table also shows:
- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Ordinary Securities the Company has on issue. The number of Ordinary Securities on issue may increase as a result of issues of Ordinary Securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future general meeting; and
  - (ii) two examples of where the issue price of Ordinary Securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.22 50% decrease in Issue Price	\$0.44 Issue Price	\$0.88 100% increase in Issue Price
Current Variable 'A' 134,007,596 Shares	10% voting dilution	13,400,759 Shares	13,400,759 Shares	13,400,759 Shares
	Funds raised	\$2,948,167	\$5,896,334	\$11,792,668
50% increase in current Variable 'A' 201,011,394 Shares	10% voting dilution	20,101,139 Shares	20,101,139 Shares	20,101,139 Shares
	Funds raised	\$4,422,251	\$8,844,501	\$17,689,002
100% increase in current Variable 'A' 268,015,192 Shares	10% voting dilution	26,801,519 Shares	26,801,519 Shares	26,801,519 Shares
	Funds raised	\$5,896,334	\$11,792,668	\$23,585,337

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
- (ii) No Options are converted into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
  - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% Placement Capacity.
  - (vi) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - (vii) The issue price is \$0.44 being the closing price of the Shares on ASX on 20 October 2016.
- (e) The Company will only issue Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (f) The Company may seek to issue Equity Securities for the following purposes:
- (i) cash consideration for the continued exploration and development of the Company's resource projects, general working capital, and/or the acquisition of new resource assets or investments; or
  - (i) non-cash consideration for the acquisition of the new resource assets and investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3).
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The subscribers under the 10% Placement Capacity have not been determined as at the date of the Notice but may include existing substantial Shareholders or new Shareholders (or both) who are not a related party or an associate of a related party of the Company.
- (j) Further, if the Company is successful in acquiring new resource assets or investments, it is likely that the subscribers under the 10% Placement Capacity will be the vendors of the new resources assets or investments.
- (k) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2015 AGM. In the 12 months preceding the date of the Meeting, the Company issued a total of 30,455,000 Equity Securities which represents 23.7% of the total number of Equity Securities on issue 12 months prior to the date of the Meeting (at the date of the Notice). Further detail as required under Listing Rule 7.3A.6 in respect of these Equity Securities issues is set out in Schedule 2.
- (l) A voting exclusion statement is included in the Notice for Resolution 4.
- (m) At the date of the Notice, the Company has not approached any particular Shareholder or security holder or an identifiable class of existing security holder to participate in the issue

of Equity Securities. No Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## 7.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

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# 8. Resolution 5 – Approval of Performance Rights Plan

## 8.1 General

To achieve its corporate objectives, the Company needs to attract and retain its key staff, whether employees or contractors. To ensure that it meets these objectives, the Company has established the 'Salt Lake Performance Rights Plan' (**Performance Rights Plan**).

The Board believes that grants made to eligible participants under the Performance Rights Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the implementation of the Performance Rights Plan will:

- (a) enable the Company to incentivise and retain existing key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;
- (b) enable the Company to recruit, incentivise and retain additional key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;
- (c) link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;
- (d) align the financial interest of participants of the Plan with those of Shareholders; and
- (e) provide incentives to participants of the Performance Rights Plan to focus on superior performance that creates Shareholder value.

## 8.2 Listing Rules 7.1 and 7.2

Resolution 5 seeks Shareholder approval under exception 9(b) of Listing Rule 7.2 to allow the grant of Performance Rights under the Performance Rights Plan, and the issue of Shares on the exercise of Performance Rights, as an exception to Listing Rule 7.1.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, exception 9(b) sets out an exception to Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of three years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will have the ability to issue Performance Rights to Eligible Persons under the Performance Rights Plan over a period of three years without impacting on the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is an ordinary resolution.

## 8.3 Specific information required by Listing Rule 7.2

In accordance with Listing Rule 7.2 exception 9, information is provided as follows:

- (a) The material terms of the Performance Rights Plan are summarised in Schedule 3.

- (b) This is the first approval sought under Listing Rule 7.2 exception 9 with respect to the Performance Rights Plan.
- (c) No securities have been issued under the Performance Rights Plan.
- (d) A voting exclusion statement is included in the Notice for Resolution 5.

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## **9. Resolution 6 – Approval of Issue of Performance Rights to a Director – Mr Matthew Syme**

### **9.1 General**

Resolution 6 seeks Shareholder approval, pursuant to Listing Rule 10.14, for the grant of a total of 2,000,000 Performance Rights (1.49% of the Company's issued and outstanding Shares at the date of this Explanatory Memorandum) to Mr Syme (and/or his nominee), under the Performance Rights Plan, as part of the long term incentive component of his remuneration as Chief Executive Officer of the Company.

Mr Matthew Syme was appointed Chief Executive Officer on 29 April 2016, previously serving as a Non-Executive Director and effectively acting Chief Executive Officer since being appointed to the Board on 9 April 2015. Mr Syme plays a key role in the Company's current operations and the identification of new business opportunities.

Mr Syme assisted in the acquisition and progress of the Company's Lake Wells Sulphate of Potash (**SOP**) Project and the recent financing raising \$8.9m to fund the Company's operations. Mr Syme is an accomplished mining executive with over 28 years' experience in senior management roles in a wide range of commodities and countries.

In the Company's present circumstances, the Board considers that the grant of these Performance Rights to Mr Syme is a cost effective and efficient reward for the Company to make, to appropriately incentivise the continued performance of Mr Syme and is consistent with the strategic goals and targets of the Company.

The Board has reviewed Mr Syme's remuneration arrangements and has decided to offer Mr Syme an incentive package in the form of Performance Rights.

The Company has set performance criteria for these Performance Rights to ensure that they only vest upon achievement of fundamental milestones that will drive the long term value of the Company's securities.

The principal terms of the Performance Rights to be granted to Mr Syme are summarised in Schedule 3.

The Performance Rights will be granted to Mr Syme (and/or his nominee) with the following Performance Conditions and Expiry Dates:

Tranche	Milestone	Expiry Date	Initial allocation to Mr Syme
1.	<b>Pre-Feasibility Study Milestone</b> means delivery of a positive Pre-Feasibility Study and the Company making a decision to proceed to Definitive Feasibility Study, evidenced by the Board resolving to continue as such.	30 June 2018	500,000
2.	<b>Definitive Feasibility Study Milestone</b> means delivery of a positive Definitive Feasibility Study and Value Engineering, and the Company making a decision to proceed to development of operation evidenced by the Board resolving to continue to develop the Project.	30 June 2019	500,000
3.	<b>Project Construction Milestone</b> means completion of an agreed % (to be determined by the Board no later than the completion of the Definitive Feasibility Study Milestone) of the project development phase, as per the project development schedule and budget approved by the Board in accordance with the Definitive Feasibility Study Milestone.	30 June 2020	500,000
4.	<b>Commercial Production Milestone</b> means achievement of Sulphate of Potash (SOP) nameplate production (nameplate production levels to be determined by the Board no later than the completion of the Definitive Feasibility Study Milestone) at the Project.	30 June 2021	500,000

If the Performance Condition of a Performance Right is satisfied prior to the relevant Expiry Date, the Performance Right will vest and result in the issue of one Share in the Company for each Performance Right. If the Performance Condition of a Performance Right is not achieved by the Expiry Date, then the Performance Right will lapse.

Resolution 6 is an ordinary resolution. Resolution 6 is conditional on the approval of Resolution 5. If Resolution 5 is not passed, no Performance Rights will be granted to Mr Syme under Resolution 6.

## 9.2 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, the Company must obtain Shareholder approval to give a financial benefit to a related party unless an exception applies. A "related party" includes a Director of the Company and "giving a financial benefit" is interpreted broadly.

Section 211 of the Corporations Act provides an exception to the requirement to obtain Shareholder approval for giving a financial benefit if:

- (a) the benefit is remuneration of a related party as an officer (including a Director) of the company; and
- (b) to give the remuneration would be reasonable given the circumstances.

The Board (excluding Mr Syme) considers that the proposed issue of Performance Rights to Mr Syme is reasonable in all the circumstances (including for the reasons set out in Section 9.1) and that the exception in section 211 of the Corporations Act applies. Accordingly, the Board (excluding Mr Syme) considers that Shareholder approval under section 208 of the Corporations Act is not required for the Issue of Performance Rights to Mr Syme.



### 9.3 ASX Listing Rules

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of ordinary shareholders:

- (a) a director;
- (b) an associate of a director; or
- (c) a person whose relationship with the entity or a person referred to in (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

Resolution 6 seeks Shareholder approval, pursuant to Listing Rule 10.14, for the proposed grant of the Performance Rights to Mr Syme (and/or his nominee), because Mr Syme is a Director.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the grant of Performance Rights to Mr Syme, pursuant to Resolution 6, will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

### 9.4 Specific Information required by Listing Rule 10.15

Listing Rule 10.15 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant of the Performance Rights to Mr Syme (and/or his nominee):

- (a) the Performance Rights will be granted to Mr Syme, Chief Executive Officer of the Company (and/or his nominee);
- (b) the maximum number of Performance Rights to be granted to Mr Syme pursuant to Resolution 6 is 2,000,000. The actual number of Performance Rights that vest is dependent on the achievement of the Performance Conditions as described above;
- (c) the Performance Rights will be granted as incentive Performance Rights and will be granted for nil consideration. The exercise price of the Performance Rights will also be nil consideration;
- (d) as the Performance Rights Plan is only being approved pursuant to Resolution 5, no person has previously received securities under the Performance Rights Plan;
- (e) under the rules of the Performance Rights Plan, Eligible Employees (including Directors) and Eligible Contractors, as determined by the Board, are entitled to participate in the Performance Rights Plan;
- (f) a voting exclusion statement is included in the Notice for the purposes of Resolution 6;
- (g) there is no loan associated with the grant of the Performance Rights; and
- (h) the Company will grant the Performance Rights no later than 12 months after the date of the Meeting.

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## 10. Resolution 7 – Approval of Issue of Performance Rights to a Director – Mr Jason Baverstock

### 10.1 General

Resolution 7 seeks Shareholder approval, pursuant to Listing Rule 10.14, for the grant of a total of 600,000 Performance Rights (0.45% of the Company's issued and outstanding Shares at the date of this Explanatory Memorandum) to Mr Baverstock (and/or his nominee), under the Performance Rights Plan, as part of the long term incentive component of his remuneration as Executive Director of the Company.

Mr Jason Baverstock was appointed Executive Director on 12 June 2015. Mr Baverstock plays a key role in the Company's current operations and the identification of new business opportunities.

Mr Baverstock was a founding director of Australia Salt Lake Potash Pty Ltd (acquired entity) with the purpose of establishing the foremost exploration and development business in the emerging salt lake SOP industry in Australia. Strategically acquired company assets over a 5 year period. Over 10 years of financial and research expertise focused on the Greater China region, including Chinese fertiliser sector analyst.

In the Company's present circumstances, the Board considers that the grant of these Performance Rights to Mr Baverstock is a cost effective and efficient reward for the Company to make, to appropriately incentivise the continued performance of Mr Baverstock and is consistent with the strategic goals and targets of the Company.

The Board has reviewed Mr Baverstock's remuneration arrangements and has decided to offer Mr Baverstock an incentive package in the form of Performance Rights.

The Company has set performance criteria for these Performance Rights to ensure that they only vest upon achievement of fundamental milestones that will drive the long term value of the Company's securities.

The principal terms of the Performance Rights to be granted to Mr Baverstock are summarised in Schedule 2.

The Performance Rights will be granted to Mr Baverstock (and/or his nominee) with the following Performance Conditions and Expiry Dates:

Tranche	Milestone	Expiry Date	Initial allocation to Mr Baverstock
1.	<b>Pre-Feasibility Study Milestone</b> means delivery of a positive Pre-Feasibility Study and the Company making a decision to proceed to Definitive Feasibility Study, evidenced by the Board resolving to continue as such.	30 June 2018	150,000
2.	<b>Definitive Feasibility Study Milestone</b> means delivery of a positive Definitive Feasibility Study and Value Engineering, and the Company making a decision to proceed to development of operation evidenced by the Board resolving to continue to develop the Project.	30 June 2019	150,000
3.	<b>Project Construction Milestone</b> means completion of an agreed % (to be determined by the Board no later than the completion of the Definitive Feasibility Study Milestone) of the project development phase, as per the project development schedule and budget approved by the Board in accordance with the Definitive Feasibility Study Milestone.	30 June 2020	150,000
4.	<b>Commercial Production Milestone</b> means achievement of Sulphate of Potash (SOP) nameplate production (nameplate production levels to be determined by the Board no later than the completion of the Definitive Feasibility Study Milestone) at the Project.	30 June 2021	150,000

If the Performance Condition of a Performance Right is satisfied prior to the relevant Expiry Date, the Performance Right will vest and result in the issue of one Share in the Company for each Performance Right. If the Performance Condition of a Performance Right is not achieved by the Expiry Date, then the Performance Right will lapse.

Resolution 7 is an ordinary resolution. Resolution 7 is conditional on the approval of Resolution 5. If Resolution 5 is not passed, no Performance Rights will be granted to Mr Baverstock under Resolution 7.

## **10.2 Section 208 of Corporations Act**

In accordance with section 208 of the Corporations Act, the Company must obtain Shareholder approval to give a financial benefit to a related party unless an exception applies. A "related party" includes a Director of the Company and "giving a financial benefit" is interpreted broadly.

Section 211 of the Corporations Act provides an exception to the requirement to obtain Shareholder approval for giving a financial benefit if:

- (a) the benefit is remuneration of a related party as an officer (including a Director) of the company; and
- (b) to give the remuneration would be reasonable given the circumstances.

The Board (excluding Mr Baverstock) considers that the proposed issue of Performance Rights to Mr Baverstock is reasonable in all the circumstances (including for the reasons set out in Section 10.1) and that the exception in section 211 of the Corporations Act applies. Accordingly, the Board (excluding Mr Baverstock) considers that Shareholder approval under section 208 of the Corporations Act is not required for the Issue of Performance Rights to Mr Baverstock.

## **10.3 ASX Listing Rules**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of ordinary shareholders:

- (a) a director;
- (b) an associate of a director; or
- (c) a person whose relationship with the entity or a person referred to in (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

Resolution 7 seeks Shareholder approval, pursuant to Listing Rule 10.14, for the proposed grant of the Performance Rights to Mr Baverstock (and/or his nominee), because Mr Baverstock is a Director.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the grant of Performance Rights to Mr Baverstock, pursuant to Resolution 7, will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

## **10.4 Specific Information required by Listing Rule 10.15**

Listing Rule 10.15 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant of the Performance Rights to Mr Baverstock (and/or his nominee):

- (a) the Performance Rights will be granted to Mr Baverstock, Executive Director of the Company (and/or his nominee);
- (b) the maximum number of Performance Rights to be granted to Mr Baverstock pursuant to Resolution 7 is 600,000. The actual number of Performance Rights that vest is dependent on the achievement of the Performance Conditions as described above;

- (c) the Performance Rights will be granted as incentive Performance Rights and will be granted for nil consideration. The exercise price of the Performance Rights will also be nil consideration;
- (d) as the Performance Rights Plan is only being approved pursuant to Resolution 5, no person has previously received securities under the Performance Rights Plan;
- (e) under the rules of the Performance Rights Plan, Eligible Employees (including Directors) and Eligible Contractors, as determined by the Board, are entitled to participate in the Performance Rights Plan;
- (f) a voting exclusion statement is included in the Notice for the purposes of Resolution 7;
- (g) there is no loan associated with the grant of the Performance Rights; and
- (h) the Company will grant the Performance Rights no later than 12 months (or such longer period of time as ASX may in its discretion allow) after the date of the Meeting.

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## **11. Resolution 8 – Approval of Issue of Performance Rights to a Director – Mr Mark Pearce**

### **11.1 General**

Resolution 7 seeks Shareholder approval, pursuant to Listing Rule 10.14, for the grant of a total of 200,000 Performance Rights (0.15% of the Company's issued and outstanding Shares at the date of this Explanatory Memorandum) to Mr Pearce (and/or his nominee), under the Performance Rights Plan, as part of the long term incentive component of his remuneration as Non-Executive Director of the Company.

Mr Pearce has been a Director of Salt Lake Potash since August 2014 and receives Director fees of A\$20,000 per annum plus superannuation. Mr Pearce has played a key role in the development of the Company to date and will continue to do so, including providing key consulting services to the Company and the identification of new business opportunities.

The Company is a small listed company, which is focussed on exploration activities and acquisition of new business opportunities. The Company has limited funds, most of which are allocated to specific exploration and development activities. The Board has chosen to issue Performance Rights to Mr Pearce in order to attract and retain his services and to provide incentive linked to the performance of the Company.

In the Company's present circumstances, the Board considers that the grant of these Performance Rights to Mr Pearce is a cost effective and efficient reward for the Company to make, to appropriately incentivise the continued performance of Mr Pearce and is consistent with the strategic goals and targets of the Company.

The Board has reviewed Mr Pearce's remuneration arrangements and has decided to offer Mr Pearce an incentive package in the form of Performance Rights.

The Company has set performance criteria for these Performance Rights to ensure that they only vest upon achievement of fundamental milestones that will drive the long term value of the Company's securities.

The principal terms of the Performance Rights to be granted to Mr Pearce are summarised in Schedule 3.

The Performance Rights will be granted to Mr Pearce (and/or his nominee) with the following Performance Conditions and Expiry Dates:

Tranche	Milestone	Expiry Date	Initial allocation to Mr Pearce
1.	<b>Pre-Feasibility Study Milestone</b> means delivery of a positive Pre-Feasibility Study and the Company making a decision to proceed to Definitive Feasibility Study, evidenced by the Board resolving to continue as such.	30 June 2018	50,000
2.	<b>Definitive Feasibility Study Milestone</b> means delivery of a positive Definitive Feasibility Study and Value Engineering, and the Company making a decision to proceed to development of operation evidenced by the Board resolving to continue to develop the Project.	30 June 2019	50,000
3.	<b>Project Construction Milestone</b> means completion of an agreed % (to be determined by the Board no later than the completion of the Definitive Feasibility Study Milestone) of the project development phase, as per the project development schedule and budget approved by the Board in accordance with the Definitive Feasibility Study Milestone.	30 June 2020	50,000
4.	<b>Commercial Production Milestone</b> means achievement of Sulphate of Potash (SOP) nameplate production (nameplate production levels to be determined by the Board no later than the completion of the Definitive Feasibility Study Milestone) at the Project.	30 June 2021	50,000

If the Performance Condition of a Performance Right is satisfied prior to the relevant Expiry Date, the Performance Right will vest and result in the issue of one Share in the Company for each Performance Right. If the Performance Condition of a Performance Right is not achieved by the Expiry Date, then the Performance Right will lapse.

Resolution 8 is an ordinary resolution. Resolution 8 is conditional on the approval of Resolution 5. If Resolution 5 is not passed, no Performance Rights will be granted to Mr Pearce under Resolution 8.

## 11.2 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, the Company must obtain Shareholder approval to give a financial benefit to a related party unless an exception applies. A "related party" includes a Director of the Company and "giving a financial benefit" is interpreted broadly.

Section 211 of the Corporations Act provides an exception to the requirement to obtain Shareholder approval for giving a financial benefit if:

- (a) the benefit is remuneration of a related party as an officer (including a Director) of the company; and
- (b) to give the remuneration would be reasonable given the circumstances.

The Board (excluding Mr Pearce) considers that the proposed issue of Performance Rights to Mr Pearce is reasonable in all the circumstances (including for the reasons set out in Section 10.1) and that the exception in section 211 of the Corporations Act applies. Accordingly, the Board (excluding Mr Pearce) considers that Shareholder approval under section 208 of the Corporations Act is not required for the Issue of Performance Rights to Mr Pearce.

### 11.3 ASX Listing Rules

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of ordinary shareholders:

- (a) a director;
- (b) an associate of a director; or
- (c) a person whose relationship with the entity or a person referred to in (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

Resolution 7 seeks Shareholder approval, pursuant to Listing Rule 10.14, for the proposed grant of the Performance Rights to Mr Pearce (and/or his nominee), because Mr Pearce is a Director.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the grant of Performance Rights to Mr Pearce, pursuant to Resolution 8, will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

### 11.4 Specific Information required by Listing Rule 10.15

Listing Rule 10.15 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant of the Performance Rights to Mr Pearce (and/or his nominee):

- (a) the Performance Rights will be granted to Mr Pearce, Non-Executive Director of the Company (and/or his nominee);
- (b) the maximum number of Performance Rights to be granted to Mr Pearce pursuant to Resolution 8 is 200,000. The actual number of Performance Rights that vest is dependent on the achievement of the Performance Conditions as described above;
- (c) the Performance Rights will be granted as incentive Performance Rights and will be granted for nil consideration. The exercise price of the Performance Rights will also be nil consideration;
- (d) as the Performance Rights Plan is only being approved pursuant to Resolution 5, no person has previously received securities under the Performance Rights Plan;
- (e) under the rules of the Performance Rights Plan, Eligible Employees (including Directors) and Eligible Contractors, as determined by the Board, are entitled to participate in the Performance Rights Plan;
- (f) a voting exclusion statement is included in the Notice for the purposes of Resolution 8;
- (g) there is no loan associated with the grant of the Performance Rights; and
- (h) the Company will grant the Performance Rights no later than 12 months (or such longer period of time as ASX may in its discretion allow) after the date of the Meeting.

## Schedule 1 - Definitions

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

**\$** means Australian Dollars.

**10% Placement Capacity** has the meaning given to that term in Section 7.1.

**10% Placement Period** has the meaning given to that term in Section 7.2(f).

**15% Placement Capacity** has the meaning given to that term in Section 7.1.

**AGM** means an annual general meeting of the Shareholders.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2016.

**ASX** means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Auditor** means the Company's auditor from time to time (being Deloitte as at the date of the Notice).

**Auditor's Report** means the Auditor's report on the Financial Report.

**Board** means the board of Directors of the Company.

**Chairperson** means the person appointed to chair the Meeting convened by the Notice.

**Closely Related Party** means in relation to a member of a Key Management Personnel:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Salt Lake Potash Limited ACN 117 085 748.

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

**Convertible Securities** has the meaning given to that term in the Listing Rules.

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

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

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Security** has the meaning given to that term in the Listing Rules.

**Explanatory Memorandum** means this explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

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

**Managing Director** means the managing Director.

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

**Notice** means the notice of the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

**Option** means an option which entitles the holder to subscribe for a Share.

**Ordinary Securities** has the same meaning given to that term in the Listing Rules.

**Performance Right** means an unlisted performance share right that converts into one Share in the capital of the Company upon the satisfaction of various performance conditions.

**Performance Rights Plan** has the meaning given in Section 8.1.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution proposed pursuant to the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

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

**Shareholder** means a registered holder of a Share.

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means volume weighted average price.

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



## Schedule 2 – Listing Rule 7.3A.6 Disclosure

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price	Discount to market price	Consideration	
1.	31 March 2016	16,250,000	Ordinary Shares	Institutional and sophisticated investors in Australia and United States	A\$0.32 each	5.9% discount to closing price on day of issue	Total consideration:	A\$5,200,000
							Amount of consideration spent:	A\$3,748,271
							What consideration was spent on:	Not applicable
							Intended use for remaining consideration:	To provide funding for the Company's planned exploration and development activities for the Lake Wells Project and for general working capital
2.	4 April 2016	9,925,000	Ordinary Shares	Institutional and sophisticated investors in Australia and United States	A\$0.32 each	3.0% discount to closing price on day of issue	Total consideration:	A\$3,176,000
							Amount of consideration spent:	Nil
							What consideration was spent on:	Not applicable
							Intended use for remaining consideration:	To provide funding for the Company's planned exploration and development activities for the Lake Wells Project and for general working capital
3.	7 June 2016	1,600,000	Ordinary Shares	Institutional and sophisticated investors in Australia and United States	A\$0.32 each	8.6% discount to closing price on day of issue	Total consideration:	A\$512,000
							Amount of consideration spent:	Nil
							What consideration was spent on:	Not applicable
							Intended use for remaining consideration:	To provide funding for the Company's planned exploration and development activities for the Lake Wells Project and for general working capital general working capital purposes.
4.	7 June 2016	2,500,000	Incentive Options	Director (Mr Matthew Syme)	Not applicable	Not applicable	Non-cash consideration	Services to be provided to the Company by the Director
							Initial value of non-cash consideration:	A\$512,500 (Black-Scholes)
							Current value of non-cash consideration:	A\$707,150 (Black-Scholes)
5.	9 September 2016	180,000	Ordinary Shares	Consultant	Deemed issue price of A\$0.48 each	2.0% discount to closing price on day of issue	Non-cash consideration	Issued to a key consultant of the Company in lieu of fees for services provided.
							Initial value of non-cash consideration:	A\$90,000
							Current value of non-cash consideration:	A\$79,200

## **Schedule 3 – Summary of Key Terms of Performance Rights Plan**

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The Performance Rights entitle the holder to Shares on the following terms and conditions. A full copy of the Performance Rights Plan is available for inspection at the Company's registered office until the date of the Meeting.

1. **Eligibility:** A person who is a:
  - (a) full time employee, part time employee or, in the discretion of the Board, a contractor engaged by a Group Company who:
    - (i) performs an investment role at the level of an assistant investment manager or above (as determined by the Board); or
    - (ii) performs a non-investment role which is determined by the Board to have equivalent seniority to the role specified in paragraph (i) above; or
  - (b) director or company secretary of a Group Company; or
  - (c) otherwise so designated by the Board to be eligible,may be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participant**).
2. **Invitation:** The Board may, from time to time, in its absolute discretion, invite any Eligible Participant to apply for up to a specified number of Performance Rights, upon the terms set out in the Performance Rights Plan (**Invitation**).
3. **Issue Price:** Performance Rights granted under the Performance Rights Plan will be issued for no consideration and shall have no exercise price.
4. **Dealings in Performance Rights:** An Eligible Participant may renounce the Invitation in respect of some or all of the Performance Rights in favour of one or more of:
  - (a) an immediate family member who is resident in Australia or in such other jurisdiction as the Board may approve in its absolute discretion;
  - (b) a company incorporated in Australia or in such other jurisdiction as the Board may approve in its absolute discretion whose members comprise solely the Eligible Participant and/or his/her immediate family members; or
  - (c) a company incorporated in Australia or in such other jurisdiction as the Board may approve in its absolute discretion which is the corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)) of which the Eligible Participant is a director,(a **Nominee**).
5. **Grant of Performance Rights:** Once the Company has received and accepted a duly signed and completed application form for Performance Rights from an Eligible Participant (either on his/her own behalf or on behalf of his/her Nominee), the Board will grant Performance Rights to such person (the **Participant**), with effect from grant date, upon the terms set out in the Invitation and the Performance Rights Plan.

The Company will, after the grant date of the Performance Rights, issue the Participant with a certificate evidencing the grant of the Performance Rights.

6. **Determination of Performance Conditions:** A Performance Right shall be subject to:

- (a) satisfaction of the Performance Conditions, as determined in accordance with the applicable vesting matrix; and
- (b) subject to the Performance Rights Plan, a Participant or, where a Participant is a Nominee the Eligible Participant by virtue of whom a Nominee holds Performance Rights, remaining an Eligible Participant and not have given or received notice on or prior to the End Date to terminate such status.

7. **Satisfaction of Performance Conditions:** The Board will:

- (a) determine in its sole discretion whether and, if so, the extent to which, the Performance Conditions have been satisfied; and
- (b) if the Performance Conditions have been satisfied, determine whether a Performance Right has vested or lapsed by application of the applicable vesting matrix.

Following the Board's determination of whether a Performance Right has vested or lapsed it the Company will:

- (a) advise the Participant in writing:
  - (i) of the applicable number of vested Performance Rights now held by that Participant; or
  - (ii) of the applicable number of Performance Rights that have lapsed; and
- (b) amend the Register to reflect the vesting or lapse of the Performance Rights.

8. **Exercise on Vesting:** A vested Performance Right may be exercised by a Participant at any time from the date of receipt of a vesting notice until such time as the vested Performance Rights lapse in accordance with the Performance Rights Plan.

9. **Ceasing to be Eligible Participant:** Where a Participant ceases to be an Eligible Participant as a result of:

- (a) death or total and permanent disability;
- (b) bona fide redundancy;
- (c) bona fide retirement, or
- (d) termination of employment, office or contract by agreement;

the Performance Rights held by the Participant shall not lapse and the Board will exercise its discretion to determine how those Performance Rights will be treated. This may include allowing some or all of those Performance Rights to vest, or to permit the Performance Rights to continue to be held as if the Participant was still an Eligible Participant.

10. **Lapsing of Performance Rights:** A Performance Right will lapse upon the earlier to occur of:

- (a) in the case of a vested Performance Right, on the Expiry Date;
- (b) in the case of an unvested Performance Right, on the date of issue of a notice of lapse by the Company; or
- (c) the Eligible Participant ceasing to be employed by or under contract to a Group Company because the Eligible Participant, in the opinion of the Board:

- (i) acts or has acted fraudulently or dishonestly;
  - (ii) is guilty of gross misconduct;
  - (iii) resigns (other than with the agreement of the relevant Group Company);  
or
  - (iv) is in breach or has breached any of his or her obligations to the Company.
11. **Issue of shares:** Subject to the Corporations Act, the Listing Rules and the Performance Rights Plan, the Company must issue to, or procure the transfer to, the Participant the number of Shares the Participant is entitled to be issued in respect of vested Performance Rights that are exercised.
12. **Share ranking:** All Shares issued under the Performance Rights Plan will rank equally with all other issued Shares, and will be entitled in full to those dividends which have a record date for determining entitlements after the date of issue.
13. **Listing of Shares on ASX:** The Company will apply for official quotation of all Shares issued under the Performance Rights Plan on ASX.
14. **Change of Control:** The Board may in its absolute discretion determine that all unvested Performance Rights automatically vest on the following events occurring:
- (i) the Company announces that its shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of 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) and the Court, by order, approves the scheme of arrangement;
  - (ii) a Takeover Bid:
    - (A) is announced;
    - (B) has become unconditional; and
    - (C) the person making the Takeover Bid has a Relevant Interest in 50% or more of the Shares; or
    - (D) any person acquires a Relevant Interest in 50.1% or more of the Shares by any other means.
15. **Adjustment for bonus issues:** If Shares are issued pro rata to the Company's shareholders generally by way of bonus issue, the number of Performance Rights to which each Participant is entitled shall be increased by that number of securities which the Participant would have been issued if the Performance Rights then held by the Participant were excised immediately prior to the record date of the bonus issue.
16. **Pro rata issues:** A Participant will not be entitled to any adjustment to the number of Shares issued under the Performance Rights Plan that he or she is entitled to or adjustment to any Performance Condition which is based, in whole or part, on the Company's share price, as a result of the Company undertaking a rights issue.
17. **Adjustment for reorganisation:** In the event of any reorganisation (including consolidation or subdivision,) of the issued capital of the Company, the number of Performance Rights to which each Participant is entitled, or the exercise price (if any), or both, as appropriate, will

be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the Participant as a result of such corporate actions.

18. **Amendments:** Subject to the Performance Rights Plan and the Listing Rules, the Board may from time to time amend or supplement the Performance Rights Plan rules in any respect. However, in respect of an issued Performance Right no amendment made to the terms and conditions of the Performance Rights Plan or the Performance Rights shall bind a Participant in respect of such Performance Rights unless such amendment:
- (a) is consented to in writing by a Participant; or
  - (b) is introduced for the purpose of complying with, or conforming to, the Listing Rules, or State or Commonwealth legislation governing or regulating the maintenance or operation of the Performance Rights Plan or similar plans.

# SALT LAKE POTASH LIMITED

ACN 117 085 748

## PROXY FORM

The Company Secretary  
Salt Lake Potash 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

Name of Shareholder:

Address of Shareholder:

Number of Shares entitled to vote:

Please mark  to indicate your directions. Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting. Further instructions are provided overleaf.

### Step 1 – Appoint a Proxy to Vote on Your Behalf

I/we being Shareholder/s of the Company hereby appoint:

The Chairperson  
(mark box)

OR if you are **NOT** appointing the Chairperson as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairperson, as my/our proxy to act generally on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Salt Lake Potash Limited to be held at the Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia on Wednesday 30 November 2016 commencing at 10:00am (WST) and at any adjournment or postponement of such meeting. 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).

### Important – If the Chairperson is your proxy or is appointed your proxy by default

The Chairperson intends to vote all available and undirected proxies in favour of Resolution 1. If the Chairperson is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1, you will be expressly authorising the Chairperson to vote in accordance with the Chairperson's voting intentions on Resolution 1 even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

### Step 2 – Instructions as to Voting on Resolutions

#### INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

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

		For	Against	Abstain*
Resolution 1	Remuneration Report			
Resolution 2	Re-election of Director – Mr Mark Hohnen			
Resolution 3	Re-election of Director – Mr Mark Pearce			
Resolution 4	Approval of Additional 10% Placement Capacity			
Resolution 5	Approval of Performance Rights Plan			
Resolution 6	Approval of Issue of Performance Rights to a Director - Mr Matthew Syme			
Resolution 7	Approval of Issue of Performance Rights to a Director - Mr Jason Baverstock			
Resolution 8	Approval of Issue of Performance Rights to a Director - Mr Mark Pearce			

\* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

The Chairperson intends to vote all available and undirected proxies in favour of each Resolution.

**Authorised signature/s**

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

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

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

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

\_\_\_\_\_  
Date

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**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).