

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Elemental Minerals Limited

ACN/ARSN 108 066 422

1. Details of substantial holder (1)

Name Princess Aurora Company Plc Limited (Princess Aurora)

ACN/ARSN (if applicable) _____

This notice is given by Princess Aurora on behalf of itself and the State General Reserve Fund of Oman (SGRF)

The holder became a substantial holder on 1 September 2016

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	132,690,000*	132,690,000*	17.34%*

*As per the ASX announcement of Elemental Minerals Limited (ELM) dated 1 September 2016, ELM entered into agreements with each of Princess Aurora, Sociedad Quimica y Minera de Chile S.A. and Summit Private Equity, under which ELM has agreed, subject to the satisfaction of certain conditions precedent, to issue securities to each of these parties. The calculation of securities above assumes the satisfaction of the conditions under each of the agreements and an exchange rate of US\$1 To AU\$1.3269 at the time of issue of the securities, the exact number of securities to be issued will be dependent on the exchange rate at the time of issue.

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Princess Aurora	Purchaser of securities pursuant to the Investment Agreement of 45 pages dated 1 September 2016, a copy of which accompanies this notice and is marked as Annexure A	132,690,000 ordinary shares
SGRF	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control over Princess Aurora	132,690,000 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
N/A*			

*As noted above, the securities have not yet been issued

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
Princess Aurora	N/A	US\$20,000,000 to be paid*	132,690,000
SGRF	N/A	N/A	132,690,000

*As noted above, the consideration is yet to be paid and is subject to the satisfaction of conditions under the Investment Agreement.

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
SGRF	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control over Princess Aurora

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Princess Aurora	60 Paya Lebar Road, #08-43, Paya Lebar Square, Singapore, 409051
SGRF	Beach One Building – Level 5, Shati Al Qurum, Sultanate of Oman

Signature

print name Jamila Az-Zabri capacity Finance Director
 sign here [Signature] Date 7/9/2016

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

[Handwritten signature]

ANNEXURE A

THIS IS ANNEXURE ^A OF 46 PAGES REFERRED TO IN FORM 603 (NOTICE OF INITIAL SUBSTANTIAL HOLDER)

ELEMENTAL MINERALS LIMITED 108 066 422

Signature:

Jamila Az Jabri
Name

Finance Director
Capacity:

JAMILAH
Signature

7/9/2016
Date

[Handwritten mark]

Investment Agreement

Elemental Minerals Limited (Company)

Princess Aurora Company Pte. Limited (Investor)



Level 2, 45 Richardson Street, West Perth 6005
Western Australia, Australia

Phone: 61 8 9420 0000

Web: kingsparkcorporate.com.au

Liability limited by a scheme approved under Professional Standards Legislation

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Details

Date | *September* 2016

Parties

Name Princess Aurora Company Pte. Limited

Short form name Investor

Notice details 60 Paya Lebar Road
#08-43
Paya Lebar Square
Singapore 409051

Attention: Christophe Andrew Burton; Olivier Too

Email: tim.keating@sgrf.gov.om
with a copy to: legal@sgrf.gov.om

Name Elemental Minerals Limited

ACN 108 066 422

ABN 31 108 066 422

Short form name Company

Notice details Level 3, 88 William Street
Perth WA 6000

Attention: Mr Sean Bennett

Email: sean.bennett@elementalminerals.com

Background

- A. The Company is admitted to the Official List and holds a 97% interest in Sintoukola Potash which holds the Licences.
- B. On or about 9 January 2016 a non-binding term sheet was entered into between the Company and the Investor (**Term Sheet**).

- C. The Investor has agreed to subscribe for or procure its Nominee to subscribe for, and the Company has agreed to issue to the Investor or its Nominee, fully paid ordinary shares in the capital of the Company (**Shares**) and options convertible into Shares in accordance with the terms of this agreement.

Agreed terms

1 INTERPRETATION

1.1 Definitions

In this agreement:

Accounts means the audited balance sheet, profit and loss statement and statement of cash flows of the Company as at the Accounts Date.

Accounts Date means 31 December 2015.

Agreed Announcement means the public announcement regarding the Transaction to be issued by the Company in the form set out in Schedule 3.

Associate has the meaning given in the Corporations Act.

Alternative Transaction means a transaction, or any series of transactions, which if completed, would:

- (a) result in a third party directly or indirectly, acquiring an economic interest or Relevant Interest in, or become the holder of, more than 5% of the Shares or if that third party already holds more than 5% of the Shares, increases its interest by more than 1%;
- (b) result in all or a substantial part of the assets of the Company or the Shares or the shares or assets of any of its Subsidiaries, being acquired by a third party; or
- (c) have the effect of frustrating the Transaction.

ASX means ASX Limited ABN 98 008 624 691 or, where the context requires, the financial market operated by ASX.

ASIC means the Australian Securities and Investments Commission.

Board means the board of directors of the Company.

Business Day means a day other than a Saturday, Sunday or public holiday in Western Australia, Australia.

Cleansing Notice means a notice which complies with the requirements of sections 708A(5)(e) and 708A(6) of the Corporations Act.

Company Warranties means the warranties listed in Schedule 1.

Completion means completion of the Subscription as contemplated by this agreement.

Completion Date has the meaning given in clause 6.1(a).

Conditions Precedent means the conditions precedent set out at clause 3.1.

Confidential Information means any of the following which is not in the public domain:

- (a) information concerning the contents of this agreement or any transaction undertaken under this agreement;
- (b) all information provided by a party to the other under this agreement;
- (c) all notes and reports incorporating or derived from information referred to in paragraph (a) or (b) above; and
- (d) all copies of the information, notes and reports referred to in paragraphs (a) to (c) above.

Constitution means the constitution of the Company lodged with the ASX on 14 August 2013.

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

Definitive Documents means:

- (a) a letter of appointment for the Investor Nominee Director between the Director and the Company, which complies with the Company's corporate governance policies and applicable ASX guidelines; and
- (b) a deed of access, indemnity and insurance between the Company and the Investor Nominee Director,

as annexed as Annexure 1 and Annexure 2, respectively.

Director means a director of the Company.

Disclosable Information means the information set out in clauses 7.7(a)(i) to 7.7(a)(iv).

Disclosure Letter means the letter dated on or before the Execution Date and given

to the Investor by the Company prior to the Execution Date, which contains disclosures in respect of the Company Warranties.

Disclosure Material means the following written information relating to any Group Member and the Placement Shares given or made available to the Investor by or on behalf of the Company, on a date prior to the Execution Date:

- (a) the Due Diligence Material;
- (b) the Disclosure Letter;
- (c) any information contained in this agreement or any Schedules or Annexures to this agreement; and
- (d) the written answers provided by or on behalf of the Company to questions asked by or on behalf of the Investor in connection with the Transaction.

Dougou Project means the Company's Dougou high-grade carnalite project located in the Kouilou Region, Republic of Congo.

Due Diligence Costs means any and all due diligence costs relating to the Transaction incurred by or on behalf of the Investor, including but not limited to any costs of third party consultants engaged by the Investor, including legal, accounting, technical, tax and corporate consultants.

Due Diligence Material means the due diligence materials provided by the Company to the Investor and contained in the Dropbox entitled "Elemental Minerals Due Diligence Folder" and "Technical Data Room" as at the Execution Date, an index of which is listed in Schedule 4.

Elemental Minerals Limited Performance Rights Plan means the employee incentive scheme approved by the Company's shareholders on 11 March 2015 for the purposes of Listing Rule 7.2 exception 9.

Encumbrance means any legal or equitable right, interest or power created, arising in or reserved in or over an interest in any property or asset, security for payment of money, performance of obligations or protection against default in payment or satisfaction of a debt, obligation or Liability, mortgage, lien, charge, pledge, bill of sale, pledge, deposit, hypothecation, right of set-off, assignment of income, garnishee order, monetary claim, flawed deposit arrangement, encumbrance, assignment by way of security, security interest, PPSA Security Interest, title retention, preferential right or trust arrangement, claim, covenant, profit à prendre, easement or other security arrangement or any other arrangement having the same effect or any thing or preferential interest or arrangement of any kind giving a person priority or preference over claims or other persons with respect to

any property or asset.

EGM means the general meeting of the Shareholders held to satisfy the Conditions Precedent set out at clauses 3.1(2) and 3.1(3).

Equator Principles mean the Equator Principles III published by International Finance Corporation, a member of the World Bank Group.

Event of Default occurs where:

- (a) a party breaches any material obligation under this agreement;
- (b) the non-defaulting party gives written notice of the breach to the party in default; and
- (c) the breach is not capable of remedy or, if it is capable of remedy, the party in default does not remedy the breach within 7 days after the date of the notice.

Exchange Rate means the rate of US\$1 to AU\$ determined using the WM/Reuters Australian Dollar Fix USD/AUD rate of exchange displayed on Thomson Reuters screen page AUDFIX at 4.00 pm (Sydney time) on the Key Condition Date, multiplied by 1.0075. If at or about that time, for any reason the Thomson Reuters screen page AUDFIX is not available, then the exchange rate shall be that displayed on that page at 4.00 pm (Sydney time) on the last day on which it was available.

Exclusivity Period means the period from the Execution Date until the earlier of:

- (a) the Long Stop Date;
- (b) the Completion Date; and
- (c) the Termination Date.

Execution Date means the date this agreement is executed by the parties.

Group means the Company and its Subsidiaries.

Group Member means each member of the Group.

Government Agency means any government, governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity and includes any other person authorised by law to give consents, or impose requirements, in connection with the environment.

IFRS means the International Financial Reporting Standards.

Insolvency Event means:

- (a) a party is or states that it is unable to pay from its own money all its debts as and when they become due and payable;
- (b) a party is taken or must be presumed to be insolvent or unable to pay its debts under any applicable legislation;
- (c) an application or order is made for the winding up or dissolution of a party or a resolution is passed or any steps are taken to pass a resolution for its winding up or dissolution;
- (d) an administrator, provisional liquidator, liquidator or person having a similar or analogous function under the laws of any relevant jurisdiction is appointed in respect of a party or any action is taken to appoint any such person and the action is not stayed, withdrawn or dismissed within seven days;
- (e) a controller (as defined in the Corporations Act) is appointed in respect of any property of a party;
- (f) a party is deregistered under the Corporations Act or notice of its proposed deregistration is given to the party;
- (g) execution is levied or becomes enforceable against any property of a party;
- (h) a party enters into or takes any action to enter into an arrangement (including a scheme of arrangement or deed of company arrangement), composition or compromise with, or assignment for the benefit of, all or any class of its creditors or members or a moratorium involving any of them; or
- (i) anything analogous to or of a similar effect to anything described above under the law of any relevant jurisdiction occurs in respect of a party.

Interdependent Subscription Agreement Conditions Precedent means:

- (a) any conditions in the SQM Subscription Agreement that are required to have been satisfied or waived before completion can occur under that agreement, being conditions analogous in nature to the Key Conditions Precedent;
- (b) any conditions in the Summit Subscription Agreement that are required to have been satisfied or waived before completion can occur under that agreement, being conditions analogous in nature to the Key Conditions Precedent,

except for any condition precedent under such agreement relating to the satisfaction of the Interdependent Subscription Agreement Conditions Precedent.

Interdependent Subscription Agreements means this agreement, the SQM Subscription Agreement and the Summit Subscription Agreement.

Investor Nominee Director means a director nominated by the Investor and appointed to the Board in accordance with clause 7.4.

Issue Price means \$0.20 per Share.

Key Condition Date means the date when the Key Conditions Precedent have been satisfied or waived in accordance with their terms.

Key Conditions Precedent means the Conditions Precedent set out in clauses 3.1(2), 3.1(3) and 3.1(8) and any conditions relating to Australian foreign investment approvals or any other regulatory approval in any Interdependent Subscription Agreement.

Kola Mining means Kola Potash Mining S.A.U., a Subsidiary of the Company incorporated under the laws of the Republic of Congo.

Kola Mining Licence means the licence described in item 2 of Schedule 2.

Kola Project means the Company's Kola sylvinite project located 90 km north of Pointe Noire, Republic of Congo.

Liability means any liability or obligation (whether actual, contingent, or prospective), losses, damages, costs, and expenses of whatever description.

Licences means all of the mining exploration and exploitation licences and permits held by the Group and as set out in Schedule 2.

Listing Rules means the Listing Rules of ASX.

Long Stop Date means 15 October 2016.

Management Accounts means the unaudited balance sheet, profit and loss statement and statement of cash flows of the Company as at the Management Accounts Date.

Management Accounts Date means 30 May 2016.

Material Adverse Change means any fact, event, occurrence, circumstance, development, change or effect which has occurred or becomes known to the Company on or after the Execution Date which individually, or in the aggregate, has or is reasonably likely to have a material adverse effect on the business, results of operations, assets, liabilities, financial position, financial performance, properties or prospects of the Group including (without limitation) mining and exploration operations of the Group, other than any of the following events:

- (a) the making of the announcement of the Transaction or the undertaking of, and the costs associated with, the Transaction, or both;
- (b) the performance of this agreement or the consummation of any transaction contemplated by this agreement; or
- (c) changes or proposed changes in generally accepted accounting principles or IFRS.

Material Assets means any asset or assets that:

- (a) represent 30% or more of the value of the total assets of the Group as shown in the Accounts; or
- (b) are required to enable the Group to develop and operate the Projects.

Material Contracts means the contracts identified in the Due Diligence Material.

New Performance Rights has the meaning given in clause 7.13(a).

Nominee means any Related Body Corporate of the Investor nominated by the Investor to subscribe for the Placement Shares by providing notice to the Company at least two Business Days prior to Completion.

Notice of Meeting means a notice to be prepared by the Company (and approved by the Investor acting reasonably) seeking approval from the Shareholders:

- (a) for the Transaction; and
- (b) the appointment of the Investor Nominee Director.

Options means 20,000,000 options convertible into Shares issued on the terms set out in Schedule 5.

Official List means the official list of ASX.

Other Investors means SQM and Summit.

Permitted Issues means the issue of:

- (a) Shares on the exercise of any employee or executive options, performance rights, or warrants on issue at the Execution Date that have been either disclosed to the Investor or announced to ASX before the Execution Date; or
- (b) Shares to Summit or other person as agreed by the parties to raise up to US\$2,000,000 at an issue price of not less than the Issue Price; and
- (c) New Performance Rights.

Placement Shares means that number of Shares calculated in accordance with

clause 2(b).

PPSA means the *Personal Property Securities Act 2009* (Cth).

PPSA Security Interest means a security interest as defined in sections 12(1) and 12(2) of the PPSA.

Projects means the Dougou Project, the Kola Project and the Yangala Project and any other project in which the Company has a controlling interest as at the Execution Date.

Related Bodies Corporate has the meaning given in the Corporations Act.

Related Entity has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

Settlement Rules means the settlement and operating rules of ASX Settlement Pty Limited.

Shares has the meaning given in paragraph C of the Background.

Shareholders means the holders of Shares.

Sintoukola Exploration Licence means the licence described in item 1 of Schedule 2.

Sintoukola Potash means Sintoukola Potash SA, a Subsidiary of the Company incorporated under the laws of the Republic of Congo.

SQM means Sociedad Química y Minera S.A..

SQM Subscription Agreement means the subscription agreement between the Company and SQM dated on or about the date of this agreement in relation to the subscription in the Company of Shares for an aggregate subscription price of US\$20,000,000 at \$0.20 per Share.

Subscription has the meaning given in clause 2.

Subscription Amount means US\$20 million.

Subsidiary has the meaning given in the Corporations Act.

Summit means Summit Fund PCC.

Summit Subscription Agreement means the subscription agreement between the Company and Summit dated on or about the date of this agreement in relation to the subscription in the Company of Shares for an aggregate subscription price of US\$10,000,000 at \$0.20 per Share (less any amount subscribed for in connection with a Permitted Issue).

Superior Alternative Transaction means a bona fide offer or proposal in writing from any person in relation to an Alternative Transaction:

- (a) under which a person would:
 - (i) acquire all, or a substantial part, of the business conducted by, or property of, the Group; or
 - (ii) acquire all or substantially all of the shares in any member of the Group that holds any Material Assets associated with the business or operations of the Group; or
 - (iii) acquire from any member of the Group any Material Asset associated with the business or operations of the Company held by that member; or
 - (iv) acquire more than 50% of the Shares on issue,
- (b) that the Board unanimously determines, in good faith and acting reasonably:
 - (i) is capable of being valued and completed on a timely basis; and
 - (ii) is more favourable to the Company and its Shareholders than the Transaction,
- (c) after having:
 - (i) consulted with its financial adviser and receiving written advice from its financial adviser that the Alternative Transaction is more favourable to the Company and its Shareholders than the Transaction;
 - (ii) taken into account all aspects of the Alternative Transaction including its terms and conditions, including whether the Alternative Transaction is subject to financing in any way, the identity, reputation and commercial standing of the person proposing it, any legal, financial, regulatory and timing considerations and any conditions precedent; and
 - (iii) received written advice from senior counsel practising in the area of corporate law that failing to respond to such an Alternative Transaction would more likely than not constitute a breach of the Board's fiduciary duties or statutory obligations.

Tax means any federal, state, local or foreign tax, levy, charge, impost, deduction, withholding or duty of any nature at any time:

- (a) imposed, levied or collected by any Government Agency in Australia or a foreign country; or
- (b) required to be remitted to, or collected, withheld or assessed by, any Government Agency in Australia or a foreign country,

and includes:

- (c) income tax (whether imposed on or measured by net income, gross income, income as specifically defined, earnings, profits or selected items of income, earnings, or profits), capital gains tax, franking deficit tax, pay-as-you go tax, payroll tax, superannuation guarantee charge and social security contributions, gross receipts taxes, environmental taxes, sales or use taxes, registration duties, franchise taxes, licence taxes and other charges (including payment of surface rights, employment taxes, excise duties, occupation taxes, premium taxes, property taxes, windfall profit taxes, alternative or add-on minimum taxes and customs duties;
- (d) any Liability for an amount relating to tax arising under contract, by operation of law, by reason of being a successor to or transferee from another entity, or otherwise;
- (e) unless the context otherwise requires, any GST or stamp duty; and
- (f) any related interest, expense, fine, penalty or other charge.

Term Sheet has the meaning given in paragraph C of the Background.

Termination Date means the date this agreement is terminated in accordance with its terms.

Trading Day has the meaning given in the Settlement Rules.

Transaction means the subscriptions for Shares and options contemplated under:

- (a) this agreement;
- (b) the SQM Subscription Agreement; and
- (c) the Summit Subscription Agreement.

Warranty means a warranty given by a party in this agreement.

Yangala Project means the Company's sylvinite project located 90 km north of Pointe Noire, Republic of Congo.

1.2 Construction

Unless expressed to the contrary, in this agreement;

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) "includes" means includes without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;
- (f) a reference to:
 - (i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
 - (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
 - (iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
 - (v) a right includes a benefit, remedy, discretion or power;
 - (vi) time is to local time in Perth, Western Australia;
 - (vii) "\$" or "dollars" is a reference to Australian currency;
 - (viii) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;
 - (ix) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions and email;
 - (x) this agreement includes all schedules and annexures to this document to the extent expressly incorporated by the terms of this agreement; and
 - (xi) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be of this agreement;

- (g) if the date on or by which any act must be done under this agreement is not a Business Day, the act must be done on or by the next Business Day;
- (h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded; and
- (i) a reference to the Company's knowledge or awareness, or words to that effect, in relation to a matter, is to the knowledge the Company has after making, or would have if it had made, due and careful enquiries in relation to that matter of the managing director, company secretary, chief financial officer and chief operating officer.

2 SUBSCRIPTION

- (a) Subject to the Conditions Precedent being satisfied or waived in accordance with the terms of this agreement, the Investor must subscribe for, or procure its Nominee to subscribe for, the Placement Shares for the Subscription Amount and the Company must issue the Placement Shares and the Options to the Investor or its Nominee free from any Encumbrances and on the terms of this agreement (**Subscription**). The Options will be issued to the Investor or its Nominee for no additional consideration.
- (b) The number of Placement Shares to be issued will be calculated as follows:

$$Placement\ Shares = \left(\frac{Subscription\ Amount \times Exchange\ Rate}{Issue\ Price} \right)$$

3 CONDITIONS PRECEDENT

3.1 Conditions Precedent

Completion is conditional upon the following conditions precedent being satisfied or waived in accordance with clause 3.2:

		Party entitled to benefit
1.	No Material Adverse Change having occurred or become known to the Company prior to the Completion Date.	Investor
2.	Shareholders approving the Company's issue to the Investor of the Placement Shares and Options, and the issue of Shares as a result of any exercise of the Options, for the purpose of Listing Rule 7.1 and, if required by ASX, Listing	Company

		Party entitled to benefit
	Rule 10.1.	
3.	Shareholders approving the appointment of the Investor Nominee Director to the Board with effect from Completion.	Investor
4.	Satisfaction or waiver (in accordance with its terms) of the Interdependent Subscription Agreement Conditions Precedent.	Investor and Company
5.	No material event of default having occurred by any person under any Material Contract prior to the Completion Date.	Investor
6.	No temporary restraining order, preliminary or permanent injunction or other order issued by a court of competent jurisdiction preventing any aspect of the Transaction being in effect prior to the Completion Date.	Investor and Company
7.	There being no material breach, and there are no facts, matters or circumstances that may reasonably be expected to lead to a material breach, of any of the Company Warranties or clause 5 of this agreement prior to the Completion Date.	Investor
8.	<p>Either:</p> <p>(a) the Treasurer of the Commonwealth of Australia (or his delegate) gives written advice either with conditions satisfactory to the Investor or without conditions that there are no objections under Australia's Foreign Investment Policy to the proposed issue by the Company of the Placement Shares and the Options to the Investor; or</p> <p>(b) after notice of the proposed acquisition of the Placement Shares has been given by the Investor to the Treasurer of the Commonwealth of Australia under the Foreign Acquisitions and Takeovers Act 1975 (Cth), the Treasurer ceases to be empowered</p>	Investor

		Party entitled to benefit
	to make any order under Part III of that Act because of lapse of time.	

3.2 Waiver of Conditions Precedent

The Conditions Precedent may only be waived in writing by a party or parties entitled to the benefit of that Condition Precedent (as set out in the table in clause 3.1) and will be effective only to the extent specifically set out in that waiver.

3.3 Reasonable endeavours

- (a) Each party must use its reasonable endeavours to:
 - (i) satisfy the Conditions Precedent as soon as reasonably possible and in any event before the Long Stop Date; and
 - (ii) co-operate with the other party in doing anything reasonably necessary to satisfy the Conditions Precedent.
- (b) Each party must promptly notify the other party in writing if it becomes aware that a Condition Precedent is:
 - (i) satisfied; or
 - (ii) becomes incapable of being satisfied before the Long Stop Date.

3.4 Failure to satisfy

If the Conditions Precedent are not satisfied or waived on or before the Long Stop Date, then any party not in material breach of this agreement may terminate this agreement by 2 Business Days' notice given to the other party, in which case this agreement will terminate at the end of that 2 Business Day period.

3.5 Investor costs

- (a) If any of the Condition Precedents set out in clauses 3.1(1), (2), (4), (5), (6) or (7) are either:
 - (i) not satisfied or waived; or
 - (ii) are incapable of being satisfied or waived,
 by the Long Stop Date and the Investor terminates this agreement in accordance with clause 3.4, then, subject to clause 3.5(c), without prejudice to any other rights of the Investor but subject to clause 8.2(c), the Company must reimburse all Due Diligence Costs, up to a maximum of \$905,000.

- (b) Within 20 Business Days of a demand for payment by the Investor that sets out the amount required to be paid in accordance with clause 3.5(a) (**Due Diligence Cost Amount**), the Company must pay the Due Diligence Cost Amount to a bank account nominated by the Investor in immediately available funds without set off or withholding.
- (c) The Company is only liable to reimburse to the Investor any Due Diligence Costs under clause 3.5(a) if this agreement is terminated by the Investor in accordance with clause 3.4 as a result of the non-satisfaction of the Condition Precedent set out in clause 3.1(1) in accordance with its terms, where the event leading to the non-satisfaction of that Condition Precedent was caused, or contributed to, by any action or inaction of the Company.

4 TRANSACTION IMPLEMENTATION

4.1 Implementation

The Company and the Investor must each take all steps within their respective power reasonably necessary to implement the Transaction on and subject to the terms of this agreement as soon as reasonably practicable after the Execution Date, including taking each of the steps set out in this clause 4.

4.2 Company obligations

The Company must execute all documents and do all acts and things within its power as may be necessary for the implementation and performance of the Transaction on and subject to the terms of this agreement. Without limiting the foregoing, the Company must (to the fullest extent reasonably possible):

- (a) to the extent any regulatory approvals are required from Government Agencies or any approvals are required from third parties in connection with the Transaction:
 - (i) take all steps it is responsible for as part of the process for obtaining the relevant approvals, including responding to requests for information at the earliest practicable time and liaising with each relevant Government Agency or third party;
 - (ii) co-operate with, and provide all reasonable assistance required by, the Investor to the extent necessary or appropriate, to seek to resolve any matters raised by a Government Agency or third party; and
 - (iii) keep the Investor informed of any material matters raised with the Company by any Government Agency or third party in connection with the Transaction, and ensure that (to the extent it is reasonable to do so), the Investor is provided with drafts of any material written

communications to be sent to the Government Agency and any amendments reasonably required by the Investor are made to those communications;

- (b) prepare a draft of the Notice of Meeting in respect of the Transaction in accordance with all applicable laws and in particular with the Corporations Act and the Listing Rules and:
 - (i) make available to the Investor advanced drafts of that information (so that the Investor has a reasonable opportunity to review and comment on the drafts); and
 - (ii) consult with the Investor in relation to the content of those drafts and consider in good faith, for the purpose of amending those drafts (as to content and presentation), comments from or on behalf of the Investor on those drafts;
- (c) if required, promptly appoint an independent expert to provide a report for inclusion in the Notice of Meeting and provide any assistance and information reasonably requested by the independent expert to enable it to prepare the independent expert's report (and any update to any such report); and
- (d) promptly inform and consult with the Investor in relation to any matters raised by ASX and, if applicable, ASIC in connection with the Notice of Meeting or the Transaction, including in relation to any presentation and/or the making of any submission in writing or at any proposed meeting with ASX and, if applicable, ASIC, and co-operate with the Investor to resolve any such matters.

4.3 Investor obligations

The Investor must execute all documents and do all acts and things within its power as may be reasonably necessary for the implementation and performance of the Transaction on and subject to the terms of this agreement including taking all steps reasonably necessary to assist the Company to comply with its obligations under clause 4.2. Without limiting the foregoing, the Investor must (to the fullest extent reasonably possible):

- (a) provide to the Company such information regarding the Investor as required to ensure the Notice of Meeting complies with the requirements of the ASX Listing Rules and the Corporations Act applicable to the Transaction (**Investor Information**);
- (b) confirm the identity of the initial proposed Investor Nominee Director, and provide all required information on the initial proposed Investor Nominee Director to be included in the Notice of Meeting;

- (c) review drafts of the Notice of Meeting prepared by the Company and provide comments on those drafts in good faith; and
- (d) upon reasonable request, advise the Company of the status and progress of satisfying item 8 in clause 3.1.

4.4 Notice of Meeting

- (a) The Company and the Investor agree that:
 - (i) the efficient preparation of the Notice of Meeting is in the interests of the Company, the Investor and the Shareholders; and
 - (ii) they will each use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external advisers) to produce the Notice of Meeting as soon as reasonably practicable.
- (b) If there is a dispute as to the content of any part of the Notice of Meeting, the parties must consult in good faith and use their reasonable endeavours to resolve the dispute within 2 Business Days. If the parties fail to agree on the form or content of the Notice of Meeting that is required by ASX or, to the extent applicable, ASIC:
 - (i) the Investor will have the final decision on the form or content of any Investor Information; and
 - (ii) the Company will have the final decision on the form or content of any other information.

4.5 Agreed Announcement

- (a) The Company must authorise and issue the Agreed Announcement immediately upon execution of this agreement, which will include a statement to the effect that, in the absence of a Superior Alternative Transaction:
 - (i) the Directors consider the Transaction to be in the best interests of the Shareholders and recommend that the Shareholders vote at the EGM in favour of all of the resolutions concerning the Investor to give effect to the Transaction, including the appointment of the Investor Nominee Director to the Board (**Resolutions**); and
 - (ii) each Director that owns or controls Shares intends to vote his Shares or procure his Shares are voted in favour of the Resolutions.
- (b) The Company must ensure that, in the absence of a Superior Alternative Transaction, no Director changes his recommendation to vote in favour of the Resolutions prior to Completion.

5 OBLIGATIONS PRIOR TO COMPLETION

5.1 Appointment of Investor Nominee Director

Pursuant to clause 11.11 of the Constitution, the Company will procure that immediately following satisfaction of the Condition Precedent set out at clause 3.1(3), the Board will hold a meeting to ratify and approve the appointment of the Investor Nominee Director subject only to receipt of the Definitive Documents signed by the Investor Nominee Director.

5.2 Actions before Completion Date

From the Execution Date until the earlier of Completion or the Termination Date:

- (a) the Company will:
 - (i) maintain, and shall procure that each Subsidiary maintains, all Licences; and
 - (ii) upon reasonable request, inform the Investor of the status of the Conditions Precedent and provide the Investor with information to allow it to monitor the performance of the Company; and
- (b) the Company must not, and must ensure that each Subsidiary does not, (without the Investor's prior written consent):
 - (i) acquire or propose to acquire any assets, whose aggregate value exceeds \$500,000;
 - (ii) enter into any new contract or commitment requiring it to pay more than \$500,000 per annum, other than a drilling contract in respect of the next 8 holes at the Yangala Project and the next 3 holes at the Kola Project;
 - (iii) commence or settle any legal proceedings, arbitration, mediation or any other form of litigation or dispute resolution or administrative or governmental proceedings where the amount claimed by or against the Company exceeds \$500,000;
 - (iv) make or declare any distribution whether by way of dividend or capital reduction or otherwise and whether in cash or in specie;
 - (v) convert all or any Shares into a larger or smaller number of Shares;
 - (vi) reduce its share capital in any way or enter into or resolve to enter into a buy-back agreement;
 - (vii) charge, or agree to charge, or grant any Encumbrance over, the whole, or a substantial part, or any part of its business, assets or property;

- (viii) incur any financial indebtedness or issue any debt securities other any financial indebtedness incurred within the existing limits of any existing debt facility or debt securities, other than in the ordinary course of business;
- (ix) resolve to be wound up;
- (x) amend or forgive any amounts owing to the Company under any debt facility, including the debt facility between the Company and Sintoukola Potash existing at the Execution Date;
- (xi) make any acquisition or enter into or propose to enter into any joint venture or partnership involving or reasonably likely to involve expenditure in excess of \$500,000 except as otherwise disclosed in writing to the Investor before the Execution Date;
- (xii) restructure its business in any material way;
- (xiii) save for Permitted Issues and issues pursuant to the Transaction, issue or grant any Shares, options or performance rights under the Plan, or other Shares, options, securities, equity, debt, hybrid or convertible securities to any person;
- (xiv) grant any special voting or other rights that attach to the Shares;
- (xv) issue or agree to issue any shares or stock or convertible securities or other equity in any of its Subsidiaries;
- (xvi) agree to dispose or alienate or do anything which would result in the Company disposing of its stock or any of its interests in its Subsidiaries, sell any assets or exploration or production rights in respect of the area the subject of the Licences;
- (xvii) abandon the Licences or otherwise alienate, transfer or dispose any economic interest in respect of the work done as at the Execution Date on the Projects; or
- (xviii) enter into an employment contract with a potential employee or terminate the employment of any employee, unless it relates to the employment of administrative personnel and the total annual employment cost of that existing or potential employee is less than \$75,000.

6 COMPLETION

6.1 Completion Date

- (a) Completion will occur on the date that falls two Business Days after

satisfaction (or waiver in accordance with their terms) of all of the Key Conditions Precedent together with the Condition Precedent in item (4) of clause 3.1 (Completion Date).

- (b) For the avoidance of doubt, Completion will not occur if the Conditions Precedent in items (1), (5), (6) or (7) of clause 3.1 have not been satisfied (or waived in accordance with their terms).

6.2 Company's obligations

At Completion the Company must:

- (a) allot and issue to the Investor (or its Nominee) the Placement Shares free from all Encumbrances or any other third party rights and in accordance with all applicable laws, the Settlement Rules and the Listing Rules;
- (b) enter the name and address of the Investor (or its Nominee) in:
 - (i) the register of members of the Company in respect of the Placement Shares; and
 - (ii) the register of optionholders in respect of the Options;
- (c) sign all documents and do all acts and things (including as required of it by ASX) to ensure that the Placement Shares are granted official quotation by ASX within the time frame specified in clause 7.1(a);
- (d) issue a holding statement to the Investor or its Nominee for the Placement Shares;
- (e) issue a certificate to the Investor or its Nominee for the Options; and
- (f) deliver to the Investor:
 - (i) a counterpart of each of the Definitive Documents duly executed by the Company;
 - (ii) certified copies of the signed minutes of meetings of the EGM resolving to approve the issue of the Placement Shares and the Options and the appointment of the Investor Nominee Director to the Board with effect on and from Completion.

6.3 Investor's obligations

At Completion the Investor must:

- (a) deliver to the Company counterparts of the Definitive Documents duly executed by the Investor Nominee Director; and
- (b) transfer or procure the transfer of the Subscription Amount in immediately available and cleared funds by electronic transfer into a bank account nominated by the Company (which nomination must be confirmed in writing

by or on behalf of the Company at least two Business Days prior to Completion).

6.4 Simultaneous actions at Completion

- (a) In respect of Completion:
- (i) the obligations of the parties under this agreement and in respect of completion under each of the Interdependent Subscription Agreements are interdependent; and
 - (ii) unless otherwise stated, all actions required to be performed by a party at Completion under this agreement and at completion under the Interdependent Subscription Agreements are taken to have occurred simultaneously on the Completion Date.
- (b) If:
- (i) either party fails to fully comply with their obligations under this clause 6 and Completion does not occur, then the party not in breach may terminate this agreement; or
 - (ii) completion under any of the other Interdependent Subscription Agreements does not occur at the same time as Completion under this agreement,

then either the Company (provided it is not in default under that other Interdependent Subscription Agreement) or the Investor may terminate this agreement by giving notice to the other party and:

- (iii) returning to the other all documents delivered to it under this clause 6; and
- (iv) repaying in full (without set-off or deduction) to the other all payments received by it under this clause 6; and
- (v) doing everything reasonably required by the other to reverse any action taken under this clause 6,

promptly and without prejudice to any other rights any party may have in respect of that failure.

7 OBLIGATIONS FOLLOWING COMPLETION

7.1 Quotation of Placement Shares

The Company must:

- (a) ensure that within 3 Trading Days of the issue of the Placement Shares, approval has been given for official quotation on the Official List of the

Placement Shares, conditional only on the usual conditions required by ASX; and

- (b) as soon as reasonably practicable following Completion lodge a form 484 with ASIC with respect to the Placement Shares and appointment of the Investor Nominee Director as a Director and give notification of the Transaction to all Government Agencies required to be notified in the jurisdictions in which Group Members are incorporated (as required).

7.2 Cleansing Notice

The Company must provide a Cleansing Notice to ASX on the Completion Date or, if the Cleansing Notice for any reason is not effective or if the Company cannot satisfy the requirements in order to give a Cleansing Notice, to ensure that an offer for sale of the Placement Shares does not require disclosure to investors, then without prejudice to any rights or remedies the Investor may have under this agreement or otherwise, the Company must no later than thirty (30) days after the date of issue of the Placement Shares lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Placement Shares does not require disclosure to investors.

7.3 Use of funds

The Company covenants in favour of the Investor and agrees that the Subscription Amount will be used, and shall procure that each Subsidiary shall use the Subscription Amount, for the purposes of financing the Projects.

7.4 Investor's ongoing right to board representation

- (a) The Company covenants and agrees that for so long as the Investor has a Relevant Interest of 10% or more of the total issued ordinary share capital of the Company, the Company shall appoint, and shall procure that the Board appoints at least one director as nominated by the Investor to the Board.
- (b) The Company must procure that the Board recommends (subject to its fiduciary duties) the continuing appointment of the Investor Nominee Director to Shareholders at any annual general meeting of the Company when the Investor Nominee Director is up for re-election.
- (c) If Shareholders do not approve the continuing appointment of the Investor Nominee Director, the Company and Investor agree to consult and co-operate with each other in respect of the appointment of an alternative nominee.
- (d) The Company must procure that the Board recommends (subject to its fiduciary duties) the continuing appointment of any other director nominated by the Investor in accordance with this clause 7.4 to Shareholders at any

general meeting of the Company when such nominee director is up for re-election.

- (e) The Company must use its best endeavours to ensure that the number of directors appointed to the Board at any time does not exceed seven.
- (f) In circumstances where it is proposed to hold a general meeting of the Company to elect Directors (**Director Election Meeting**) and the number of candidates for election at that meeting exceeds or is reasonably expected to exceed the number of available Director positions, the Company must prior to the Director Election Meeting taking place, convene a general meeting of Shareholders to approve the deletion of clause 11.8 of the Constitution.
- (g) The Company will put in place directors' liability insurance to the reasonable satisfaction of the Investor on and with effect from the date of appointment of an Investor Nominee Director and must ensure such insurance remains current and in full force and effect for the duration of each Investor Nominee Director's appointment.
- (h) The Company acknowledges and agrees that the Investor Nominee Director is entitled to remuneration and other benefits from the Company in connection with the Investor Nominee Director's position as a Director of the Company, which remuneration and benefits will be provided to the Investor Nominee Director by the Company in accordance with the Company's applicable policies, as more fully set out in the Definitive Agreements.
- (i) The Company will reimburse the reasonable costs incurred by any Investor Nominee Director, in performing his or her duties as a Director, including reasonable travel and accommodation costs to attend the Board meetings.
- (j) The rights of appointment and removal under this clause 7.4 apply equally:
 - (i) to any Director appointments to any committee of the Board; and
 - (ii) in the event persons other than management or representatives of the Republic of Congo are appointed to the board of a Subsidiary of the Company, to the boards of the Company's Subsidiaries.
- (k) The Company must procure (with assistance from the Investor as reasonably required) that full effect is given to any such appointments and removal under this clause 7.4.

7.5 Environmental health and safety

The Company covenants and agrees that it will, and will procure that each of its Subsidiaries will:

- (a) conduct its business in compliance with all applicable environment and public and occupational health and safety laws, regulations and standards (including

the Equator Principles), and in accordance with the Company's policies, in effect from time; and

- (b) will carry out all environmental, health and safety assessments and approvals (or otherwise) with respect to the Projects, in accordance with the laws, regulations and standards (including the Equator Principles) in effect from time to time in the jurisdiction in which the Group Member or a Group Member's assets are located.

7.6 Company accounts

The Company covenants and agrees that from the first financial year commencing after the Completion Date and subject to the Corporations Act, the Company's annual financial statements will be audited by any one of KPMG, Deloitte, PwC or Ernst & Young.

7.7 Information rights

- (a) Subject to clause 7.7(b), the Company must provide all Company information to the Investor including (without limitation):
 - (i) unaudited quarterly financial statements, (profit and loss statement, balance sheet and cash flow statement), and audited annual financial statements (prepared in accordance with IFRS), to be provided by the Company within 45 days and 60 days of the end of each period respectively;
 - (ii) a monthly management report to be provided by the Company within 20 days of the end of each month in a form satisfactory to the Investor;
 - (iii) an annual operating plan and budget in a form acceptable to the Investor (acting reasonably), to be provided by the Company at least 60 days prior to the first day of the year covered by such plan and any amendments to such operating plan and budget approved by the Board; and
 - (iv) copies of all notices, circulars, minutes of meetings and such other information that is available to Shareholders relating to the Company.
- (b) The Company is not required to provide the Disclosable Information to the Investor:
 - (i) to the extent that it has been provided to the Investor by the Investor Nominee Director; or
 - (ii) if the Investor ceases to have a Relevant Interest in 10% or more of the issued ordinary share capital of the Company.

7.8 Off take

- (a) In this clause:
- (i) **Calculation Period** means a period of 6 consecutive months ending on the day prior to the first day of a Production Period;
 - (ii) **Investor's Relevant Interest** means in respect of a Calculation Period, the Investor's average Relevant Interest in the total issued ordinary share capital of the Company during that Calculation Period;
 - (iii) **Production Commencement Date** means the date product is first produced on any of the Company's Projects; and
 - (iv) **Production Period** means a period of 6 consecutive months commencing on 1 January or 1 July in any year, other than the first Production Period which commences on the Production Commencement Date, and expires on the first to occur of 31 December or 30 June.
- (b) On and from Completion, for so long as the Investor's Relevant Interest is 10% or more and subject to clause 7.8(c), the Investor is granted a first right of refusal to purchase on arm's length terms:
- (i) if the Investor's Relevant Interest is between 10% and 20% during a Calculation Period, 20% of the product produced from any of the Projects during the Production Period commencing immediately after the end of that Calculation Period; and
 - (ii) if the Investor's Relevant Interest is greater than 20% during a Calculation Period, that percentage of the product produced from any of the Projects during the Production Period commencing immediately after the end of that Calculation Period equal to the Investor's Relevant Interest during that Calculation Period.
- (c) If one or more of the Other Investors with offtake rights considered as a group has a Relevant Interest in 80% or more of the total issued ordinary share capital of the Company during any Calculation Period and provided the Investor's Relevant Interest is 10% or more during that Calculation Period:
- (i) the Investor will be granted a right of first refusal to purchase on an arm's length basis, that percentage of product produced from any of the Projects during the Production Period commencing immediately after the end of that Calculation Period that is equal to the Investor's Relevant Interest during that Calculation Period; and
 - (ii) each of the Other Investors with offtake rights having a Relevant Interest in at least 10% of the total issued ordinary share capital of

the Company will be granted a right of first refusal to purchase on an arm's length basis, that percentage of product produced from any of the Projects during the Production Period commencing immediately after the end of that Calculation Period that is equal to that Other Investor's average Relevant Interest in the total issued ordinary share capital of the Company during that Calculation Period.

- (d) Prior to closing on construction finance for any of the Projects, the parties must negotiate in good faith a more formal off take agreement setting out the terms on which the Investor will purchase products from the Company as contemplated by clause 7.8.

7.9 Marketing and distribution

The Company acknowledges that each of the Investor and SQM has the capability to market and distribute product produced from the Projects, and that it is the Company's intention to negotiate commercial terms with the Investor and SQM in relation to the marketing and distribution of product in jurisdictions where the Investor and SQM have expertise.

7.10 Trade secrets

- (a) Investor may disclose and the Company may utilise technical confidential information from Investor related to methodologies for purposes to estimate, calculate, determine or choose any kind of criteria, parameters, geological analysis, operational methods or exploitation process in connection with the Projects (Trade Secrets).
- (b) The Trade Secrets shall be considered for all intents and purposes as private and exclusive property of the Investor, and it is not the purpose of any party to this agreement to transfer or acquire, as applicable, any kind of Trade Secrets. Without the prior written authorization of the Investor, the Company shall not use or transfer the Trade Secrets, in any fashion, in any place, in any activity, industry or business other than for the Projects.
- (c) The parties shall consider any Trade Secrets received as Confidential Information of the Investor, with all the restrictions and obligations related to such Confidential Information arising under this agreement, with such restrictions and obligation surviving for a period of fifteen (15) years from the termination of this agreement. The parties to this agreement expressly agree and consent to the preceding term, considering the origin and nature of the information referred to in this clause.

7.11 Technical assistance

From time to time at the request of the Company, the Investor may provide technical assistance and advice to the Company on the terms and conditions (including as to frequency and cost) as agreed between the parties, acting reasonably.

7.12 Confirmation of validity of Kola Mining Licence

- (a) For the purpose of complying with the Mining Code with regard to the granting of mining titles, the Company will as soon as reasonably practicable following Completion, request the Government of the Republic of Congo to confirm, through the provisions of the Mining Convention that, the Decree No 2013-412 of 9 August 2013 relating to the Kola Mining Licence as gazetted on 15 August 2013 was validly requested by Sintoukola Potash) and as a result Sintoukola Potash is the lawful holder of the Kola Mining Licence and guarantee the approval, through the Mining Convention Ratification Law, of the transfer of the Kola Mining Licence to Kola Mining.
- (b) If agreed between the Investor and the Company, the Company will use its best endeavours to ensure that Sintoukola Potash and Kola Mining take the following steps in relation to the Kola Mining Licence:
 - (i) the existing decree for the grant of the Kola Mining Licence be amended by the making of a new decree in accordance with relevant Congolese law pursuant to which Sintoukola Potash is designated as the holder of the Kola Mining Licence in place of Kola Mining; and
 - (ii) a new decree is made in accordance with relevant Congolese law pursuant to which Sintoukola Potash is authorised to transfer the Kola Mining Licence to Kola Mining.

7.13 Management incentive arrangements

- (a) The Company may prior to Completion grant up to 8,150,000 performance rights (**New Performance Rights**) under the Elemental Minerals Limited Performance Rights Plan to the existing executives and employees set out in Annexure 4 (each a **Performance Right Holder**), provided that the New Performance Rights are issued to the Performance Right Holders on the following terms:
 - (i) the Company must have the right to amend any and all conditions on which the New Performance Rights have been issued including quantum issued, tenor and expiry and the relevant milestones without the Performance Right Holder's consent;
 - (ii) the New Performance Rights will automatically lapse at Completion; and

- (iii) each Performance Right Holder must acknowledge that:
 - (A) the Company has the right in its sole discretion to make the amendments referred to in clause 7.13(a)(i); and
 - (B) the New Performance Rights will automatically lapse at Completion.
- (b) As soon as reasonably practicable following Completion, the Investor will have the right to:
 - (i) review the current management incentive schemes of the Company, including the Elemental Minerals Limited Performance Rights Plan and all offers made under those schemes to the Company's management and employees, including the terms of, and any milestones for, the New Performance Rights; and
 - (ii) if thought fit, propose:
 - (A) amendments to any and all conditions on which the New Performance Rights have been issued including quantum issued, tenor and expiry and the relevant milestones; and
 - (B) amendments to, or replacements of, any management incentive schemes, including the Elemental Minerals Limited Performance Rights Plan,for consideration and, if thought fit, approval by the Company's remuneration committee within 3 months of Completion, subject to all legal and regulatory requirements.
- (c) The Company must implement any proposals under clause 7.13(b) as soon as practicable after approval by the Company's remuneration committee is obtained and in the case of revised performance conditions relating to the New Performance Rights, within 10 Business Days of such approval.

7.14 Key employment contracts

While the Investor holds 10% or more of the total issued Shares in the Company, it will have the right (not to be unreasonably withheld) to approve the appointment, whether on an employment or consultancy basis, of certain persons critical to the Projects (as agreed between the Company and Investor from time to time).

7.15 Best practices

- (a) The Company must and must use its best endeavours to ensure that its directors, officers, shareholders and employees:
 - (i) follow the highest international standards of ethical business practice, including for the purposes of preventing the Company from becoming

an instrument for money laundering, terrorism financing, fraud or other corrupt or illegal purposes;

- (ii) take all reasonable steps to:
 - (A) ensure the health and safety of its workforce, including complying with all applicable occupational health and safety laws; and
 - (B) protect the environment, including complying with all applicable environmental laws,

(Best Practice Principles).

- (b) Following Completion, the Company must ensure that:
 - (i) the Company prepares internal policies to reflect the Best Practice Principles and that these policies are adopted by the Board and provided to all employees;
 - (ii) the Directors are provided with training regarding the Best Practice Principles at least once per year; and
 - (iii) each Director (and any subsequently appointed director) confirms in writing its agreement to be bound by the Best Practice Principles.

8 EXCLUSIVITY

8.1 Company's obligations

- (a) During the Exclusivity Period, the Company must not and must ensure that its Group Members and each of their respective Related Entities, representatives, officers, employees, directors or agents (**Representatives**) do not, directly or indirectly, solicit, invite, encourage or initiate any enquiry, negotiation, discussion or proposal or engage with any person which may reasonably be expected to encourage or lead to an Alternative Transaction.
- (b) During the Exclusivity Period, the Company must ensure that neither it nor any of its Representatives, without the prior written consent of the Investor, enter into, continue or participate in negotiations or discussions or enter into any contract, arrangement or understanding with any person other than the Investor regarding an Alternative Transaction, even if:
 - (i) that person's Alternative Transaction was not directly or indirectly solicited, initiated or encouraged by the Company or any of its Related Entities;
 - (ii) that person has publicly announced their Alternative Transaction.

- (c) During the Exclusivity Period, the Company must immediately give to the Investor complete commercial details if it is approached by any person to engage in any activity that would breach its obligations in this clause or may reasonably be likely expected to lead to an Alternative Transaction and provide in writing to the Investor:
 - (i) the identity of that person; and
 - (ii) the nature of the expression of interest or proposed Alternative Transaction made by the person making the approach and provide regular updates on the status of the expression of interest or proposed Alternative Transaction.

8.2 Break fee

- (a) If the Company:
 - (i) breaches any aspect of its obligations under this clause;
 - (ii) is in material breach of any other provision of this agreement (and this agreement is terminated by the Investor as a result of that breach);
 - (iii) attempts to unlawfully terminate this agreement; or
 - (iv) enters into an agreement regarding an Alternative Transaction, including a Superior Alternative Transaction,

the Company must pay to the Investor within 20 Business Days of a demand for payment, an amount equal to all reasonable direct and indirect costs incurred by the Investor in relation to the Transaction, up to a maximum aggregate amount of \$905,000.

- (b) Any amount payable by the Company under clause 8.2(a) must be paid in immediately available funds to a bank account nominated by the Investor without set off or withholding.
- (c) The provisions of this clause 8.2 do not limit any other rights of the Investor in respect of any breach by the Company of this agreement, including any rights under the indemnity in clause 10.1(b) save that the aggregate amount to be paid by the Company under clauses 3.5 and 8.2(a) shall not be greater than \$905,000.

8.3 Compliance with law

If any provision of this clause is invalid or unenforceable for any reason, the parties will use reasonable endeavours to amend this clause so it is enforceable.

8.4 Carve-outs to exclusivity

Nothing under this clause prevents the Company or its Representatives from

providing information:

- (a) to conclude a Permitted Issue;
- (b) to its Representatives;
- (c) to its auditors, bankers, customers or suppliers acting in that capacity, in the ordinary and usual course of business; or
- (d) required to be provided by law or the Listing Rules.

9 CONFIDENTIALITY

9.1 Confidentiality Obligations

Each party must:

- (a) only use the Confidential Information to make decisions regarding its investment in the Company or otherwise in accordance with the enjoyment of rights and performance of obligations under this agreement (as applicable); and
- (b) keep that Confidential Information confidential and not disclose it or allow it to be disclosed to any third party except:
 - (i) with the prior written approval of the other party; or
 - (ii) if required by law or the Listing Rules to which a party, or a Related Body Corporate of a party, is subject;
 - (iii) to Related Bodies Corporate, officers, employees and consultants or advisers of the parties (or its Related Bodies Corporate) who have a need to know (and only to the extent that each has a need to know) and are aware that the Confidential Information must be kept confidential,

and the parties must take or cause to be taken reasonable precautions necessary to maintain the secrecy and confidentiality of the Confidential Information.

9.2 Announcements

Subject at all times to the compliance by the Company with its legal and regulatory obligations regarding disclosure of information, the Company must notify the Investor of any proposed announcement regarding the entry into or the existence of this agreement or any other agreement with any of the Consortium of Investors, and reasonably consult with the Investor as to its content and seek prior approvals of the Investor for any such announcement.

9.3 Exceptions

The obligations of confidentiality under this agreement do not extend to information that (whether before or after the Completion Date):

- (a) is disclosed to a party to this agreement, but at the time of disclosure is rightfully known to or in the possession or control of the party and not subject to an obligation of confidentiality on the party;
- (b) is public knowledge (otherwise than as a result of a breach of this agreement or any other obligation of confidence); or
- (c) is required to be disclosed by law or any order of any court, tribunal, authority or regulatory body or in connection with the enforcement of this agreement or by the rules of a stock exchange.

10 WARRANTIES

10.1 Warranties by the Company

- (a) The Company warrants and represents to the Investor as an inducement to the Investor entering into this agreement that each of the warranties set out in Schedule 1 (**Company Warranties**) is true and complete as at the Execution Date and as at the Completion Date and each day in between.
- (b) Subject to clauses 10.1(c) and 10.1(d), the Company indemnifies the Investor from any Liability that may be incurred or sustained by the Investor or for which the Investor is liable, which arise directly or indirectly out of, or in connection with or as a result of any inaccuracy in or breach of the Company Warranties.
- (c) Each Company Warranty is to be read down and qualified by any information, fact, matter or circumstance:
 - (i) fairly disclosed to the Investor by the Company in the Disclosure Letter; or
 - (ii) is fairly disclosed in the public domain on the Execution Date; or
 - (iii) that would have been disclosed to the Investor if the Investor had conducted searches 10 Business Days prior to the Execution Date of records open to public inspection maintained by ASIC in respect of the Company,which is or may be inconsistent with that Company Warranty. To the extent that any Company Warranty is incorrect or misleading having regard to any such information, Liability for such Company Warranties shall be excluded.
- (d) The Investor acknowledges and agrees that:

- (i) it has received and understood the contents of the Disclosure Letter;
- (ii) the information on the future financial performance or future prospects of any Group Member has been prepared in good faith and to the best of the relevant Group Member's knowledge and belief, but by their nature is subject to uncertainties and contingencies, and actual results may differ from those contemplated by such forward-looking statements; and
- (iii) except as provided in the Company Warranties and to the extent permitted by law, all terms, conditions, warranties and statements, whether express, implied, written, oral, collateral, statutory or otherwise, are excluded.

10.2 Warranties by the Investor

The Investor warrants to the Company that each of the warranties set out below is true and complete as at the Execution Date and as at the Completion Date (except where a warranty refers to only one of those dates, that warranty is only given at that date):

- (a) it is a body corporate duly incorporated under the laws of the Singapore;
- (b) it has the power to own its assets and to carry on its business as now conducted or contemplated;
- (c) it has the corporate power to enter into and perform or cause to be performed its obligations under this agreement and to carry out the transactions contemplated by this agreement;
- (d) it has taken or will take all necessary corporate action to authorise the entry into and performance of this agreement and to carry out the transactions contemplated by this agreement;
- (e) this agreement is a valid and binding obligation enforceable in accordance with its terms, subject to any necessary stamping;
- (f) the execution and performance by it of this agreement and the transactions contemplated by it did not and will not breach its constitution or any other document, agreement, deed, order, judgment, law, rule or regulation to which the Investor is party or is subject or by which the Investor is bound (including that the Investor is not a person to whom Chapter 10.1 of the Listing Rules applies);
- (g) it agrees to become a member of the Company for the purposes of section 231(b) of the Corporations Act and to be bound by the constitution of the Company; and
- (h) at the Completion Date, it will not be an Associate of any of the Other

Investors or any of their respective Subsidiaries.

The Investor indemnifies the Company from any Liability that may be incurred or sustained by the Company as a result of any of any inaccuracy in or breach of the warranties set out in this clause 10.2.

10.3 Maximum aggregate Liability

The Company's maximum aggregate Liability for breach of a Company Warranty is limited to the Subscription Amount.

10.4 Notification of Breach

A party must immediately notify the other in writing of any facts or circumstances which constitute or may constitute a breach of any Warranty. Such notification does not limit or affect the liability of the notifying party for any such breach.

10.5 Breach before Completion Date

- (a) Each party must use its best endeavours to ensure that it does not act (or omit to act) in a manner which it knows, or ought reasonably to know, would constitute or give rise to a breach of a Warranty at the Execution Date or which would or might make any Warranty inaccurate or misleading if they were so given.
- (b) Each party must fully disclose to the other party any fact, matter or circumstance of which it becomes aware before and including the Completion Date and which is, or may reasonably be expected to give rise to, a breach of a Warranty for the benefit of the other party. Such notification does not limit or affect the liability of the disclosing party for any such breach.

10.6 Survival of Warranties

The Warranties will survive the issue of Placement Shares pursuant to this agreement and continue in full force and effect for the benefit of the other party to this agreement. Liability for breach of any warranty is not confined to breaches discovered before the issue of the Placement Shares pursuant to this agreement.

11 ANTI-DILUTION RIGHTS

- (a) From the Completion Date and whilst the Investor has a Relevant Interest in 10% or more of the issued ordinary share capital of the Company, if the Company requires funding (either debt or equity), or otherwise intends to offer Shares to any person (except Shares offered under any management incentive schemes of the Company), the Company agrees:
 - (i) it will first consult with the Investor in relation to the proposed form of such funding or issue prior to discussions with any third party;

- (ii) if it proposes to issue new Shares then it will use reasonable endeavours to do it by way of a pro-rata rights issue to the existing Shareholders;
 - (iii) if it proposes to issue new Shares for cash, and it is not practicable to do so in accordance with clause 11(a)(ii), the Company will provide the Investor with a right to be issued additional Shares for cash, on the same terms and conditions as those offered to each other third party investor on a pro-rata basis equivalent to the Investor's Relevant Interest in the issued ordinary share capital of the Company at the date of the issue, or if such right does not entitle the Investor to at least maintain its Relevant Interest post-issue it will offer such number of Shares to ensure that the the Investor has the right to at least maintain its Relevant Interest post-issue; and
 - (iv) if it proposes to issue new Shares for non-cash consideration, it will provide the Investor with a right to participate on a cash equivalent basis (as agreed by the parties) in any new issues of Shares issued by the Company other than for cash on a pro-rata basis equivalent to the Investor's Relevant Interest in the issued ordinary share capital of the Company at the date of the issue, or if such right does not entitle the Investor to at least maintain its Relevant Interest post-issue it will offer such number of Shares to ensure that the the Investor has the right to at least maintain its Relevant Interest post-issue.
- (b) Any issue of Shares to the Investor shall be subject to any requisite Shareholder and regulatory approvals as may be necessary from time to time, which the Company will use reasonable endeavours to obtain as promptly as practicable.
 - (c) The Company will not be obliged to issue any Shares to Investor under this clause 11 to the extent that to do so would result in a violation of applicable laws or the Listing Rules.

12 TERMINATION RIGHTS

12.1 Termination Events

A party may terminate this agreement by notice in writing to the other party:

- (a) in accordance with the terms of this agreement, including under clause 3.4 or 6.4(b);
- (b) if the other party commits an Event of Default; or
- (c) if there is an Insolvency Event in relation to the other party.

12.2 Effect of termination

If the agreement evidenced by this document is terminated in accordance with its terms, this agreement is of no further effect and:

- (a) the parties are released from any further obligations under this agreement except accrued obligations (including any obligation to pay the Due Diligence Costs) and those that are expressed to survive termination under clause 15.14; but
- (b) the parties remain liable for any breach of this agreement committed before that termination.

13 NOTICES

13.1 Service of notices

A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:

- (a) in writing and in English directed to the recipient's address for notices specified in the Details, as varied by any Notice; and
- (b) hand delivered or sent by prepaid post, facsimile or email to that address.

13.2 Effective on receipt

A Notice given in accordance with clause 13.1 takes effect when received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, the second Business Day after the date of posting, or the seventh Business Day after the date of posting if posted to or from outside Australia);
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within twelve hours after the transmission, the recipient informs the sender that it has not received the entire Notice,
- (d) if sent by email, when the sender's email system requests an automatic message confirming successful transmission of the entire Notice unless, within twelve hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery or transmission under paragraph (a) or (c) is not on a Business Day or after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the Business Day after that delivery, receipt or transmission.

14 DISPUTE RESOLUTION

14.1 Application

- (a) In this clause 14, **Dispute** means any dispute or difference between the parties arising out of, relating to or in connection with this agreement, including any dispute or difference as to the formation, validity, existence or termination of this agreement other than:
- (i) if the party seeks urgent interlocutory, injunctive or declaratory relief; or
 - (ii) where a party has failed to observe the requirements of this clause and another party seeks to enforce compliance with this clause.
- (b) Any Dispute must be determined in accordance with the procedure in this clause 14.

14.2 Negotiation

- (a) If any Dispute arises, a party to the Dispute (**Referring Party**) may give notice to the other party or parties to the Dispute (**Dispute Notice**). The Dispute Notice must:
- (i) be in writing;
 - (ii) state that it is given pursuant to this clause 14.2;
 - (iii) include or be accompanied by reasonable particulars of the Dispute including:
 - (A) a brief description of the circumstances in which the Dispute arose;
 - (B) references to any:
 - (aa) provisions of this document;
 - (bb) acts or omissions of any person, relevant to the Dispute;
 - (C) where applicable, the amount in dispute (whether monetary or any other commodity) and if not precisely known, the best estimate available.
- (b) Within 15 Business Days of the Referring Party giving the Dispute Notice (**Resolution Period**), the parties (through their respectively appointed senior executives who have authority to resolve the Dispute) must meet at least once to attempt to resolve the Dispute.

- (c) The parties may meet more than once to resolve a Dispute, and any meeting may be in person, via telephone, videoconference, internet-based instant messaging or any other agreed means of instantaneous communication to effect the meeting.

14.3 Condition precedent to litigation

A party must not commence any litigation or other legal proceedings in respect of a Dispute unless:

- (a) a Dispute Notice has been given; and
- (b) the Resolution Period has expired.

14.4 Continuance of performance

Despite the existence of a Dispute, the parties must continue to perform their respective obligations under this document.

15 GENERAL

15.1 Costs

Except as expressly stated otherwise in this agreement, each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this agreement.

15.2 Amendment

This agreement may only be varied or replaced by a document executed by the parties.

15.3 Waiver and exercise of rights

- (a) A single or partial exercise or waiver by a party of a right relating to this agreement does not prevent any other exercise of that right or the exercise of any other right.
- (b) A party is not liable for any Liability of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

15.4 No merger

The warranties, undertakings and indemnities in this agreement do not merge on Completion.

15.5 Rights cumulative

Except as expressly stated otherwise in this agreement; the rights of a party under

this agreement are cumulative and are in addition to any other rights of that party.

15.6 Consents

Except as expressly stated otherwise in this agreement, a party may conditionally or unconditionally give or withhold any consent to be given under this agreement and is not obliged to give its reasons for doing so.

15.7 Further steps

Each party must promptly do whatever the other party reasonably requires of it to give effect to this agreement and to perform its obligations under it.

15.8 Governing law

This document and any dispute arising out of or in connection with the subject matter of this agreement is governed by the laws of the State of Western Australia.

15.9 Assignment

- (a) Unless permitted under this agreement, a party must not assign or deal with any right under this agreement without the prior written consent of the other party.
- (b) Any purported dealing in breach of this clause is of no effect.
- (c) The Investor may assign its rights under this agreement to a Related Body Corporate of the Investor without the prior written consent of the other party provided:
 - (i) it notifies the other party in writing of the identity and notice details of the assignee; and
 - (ii) the assigned rights lapse in the event the assignee ceases to be a Related Body Corporate of the Investor.

15.10 Liability

An obligation of two or more persons binds them separately and together.

15.11 Counterparts

- (a) This agreement may be executed in counterparts.
- (b) This agreement is not binding on a party until all executed counterparts have been exchanged.
- (c) Executed counterparts may be exchanged in electronic form (such as email). Without affecting the validity of any counterparts exchanged, the party effecting exchange of counterparts by electronic form must deliver the original executed counterpart as soon as is practicable after the time of exchange.

- (d) The parties agree that executed counterparts of this agreement compiled in the following manner by a party will be deemed a complete and validly compiled executed version of this agreement:
 - (i) the party has received original executed counterparts of this agreement from each other party; and
 - (ii) the party either:
 - (A) compiles each executed counterpart of this agreement into the one document; or
 - (B) compiles the signing pages of each executed counterpart of this agreement and discards all duplicate non-signing pages of the executed counterparts received.

15.12 Entire understanding

- (a) This agreement, the Definitive Documents and the confidentiality agreement between the Company and the Investor's affiliate dated 28 May 2015 contain the entire understanding between the parties as to the subject matter of this document.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this agreement are merged in and superseded by this document (including the Term Sheet) and are of no effect. No party is liable to any other party in respect of those matters.
- (c) No oral explanation or information provided by any party to another:
 - (i) affects the meaning or interpretation of this document; or
 - (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

15.13 Relationship of parties

This document is not intended to create a partnership, joint venture or agency relationship between the parties.

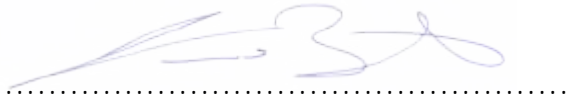
15.14 Survival

Clauses 1, 3.5, 8.2, 9, 13, 14 and 15 survive termination of this agreement.

Signing Page

Executed as an agreement:

Executed by Elemental Minerals Limited (ACN 108 066 422)
in accordance with section 127
of the *Corporations Act 2001* (Cth)



Directors Signature

Sean Bennett
Name of Director (Print)



Secretary/Director Signature

Leonard Math
Name of Secretary/Director (Print)

Executed by and
on behalf of Princess Aurora Company Pte. Limited

Signature

Name

Witness Signature

Name of Witness (Print)

Signing Page

Executed as an agreement:

Executed by Elemental Minerals Limited (ACN 108 066 422)
in accordance with section 127
of the *Corporations Act 2001* (Cth)


.....
Directors Signature


.....
Secretary/Director Signature

.....
Name of Director (Print)

.....
Name of Secretary/Director (Print)

Executed by and
on behalf of Princess Aurora Company Pte. Limited


.....
Signature


.....
Witness Signature

.....
Name

CHRISTOPHER A BURTON
.....
Name of Witness (Print)

