



Information Memorandum

Salt and Food Production Project

A contribution to economic wellbeing, nutritional support and peace.

The world's largest solar-salt project creating an oasis with flow-on benefits such as the production of potable water, fresh vegetables, animal fodder, aquaculture and mariculture

Combining philanthropy with investment

SALTERNAS LIMITED

ACN : 153 123 801

FOR THE OFFER OF SHARES AT AN ISSUE PRICE OF AUD 0.40 EACH TO RAISE \$14,000,000

THIS IS NOT A PROSPECTUS

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers immediately.

2 July 2018

Commercial in Confidence

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FROM THE CHAIRMAN

I am honoured to serve you as the Chairman of the Board of Salternas Limited.

I have been fortunate to have spent many of my 40-plus years in the Natural Resources and Sovereign Risk Mitigation sectors, on projects related to natural resources on the African Continent.

This Project is centred around the establishment of the largest single production facility of solar-salt in the World, whereby the land-based infrastructure is located in Somaliland, a self-declared state, independent from the Federal Republic of Somalia.

On introduction to the project concept by founders John Balfe, Mohamoud Jirdeh Hussein and Wally Hughes, I was struck by the potential to create wealth for the shareholders from an unlimited natural resource of the sea, without exploiting the natural wealth of a developing nation. On the contrary, Salternas Limited shall create wealth, economic wellbeing and life-saving sustenance to the population of the host state.

The preliminary economic statistics read that with an estimated salt revenue of about US\$9.6 billion over 21 years, an estimated IRR of 37% and Cumulative cash flow of US\$5.14 billion pre-tax with a NPV of US\$2.8 billion (DR of 4%) and a payback in 6.5 years.

In a nutshell, a proportion of the annual pre-tax cash-flow from the salt production (estimated at an eventual US\$350 million (AU\$450 million) will be reinvested to produce a major humanitarian program to produce enough food to create zero hunger and relieve the Somaliland population from famine, that has blighted the Horn of Africa to tragic proportions (Self-sustaining Humanitarian Relief).

Currently, the group are seeking funding from ethically-minded investors to make this ambitious project a reality. Already, Salternas has a binding agreement with the Somaliland Government for a renewable 25-year lease of 150 sq.km of oceanfront land to locate the project and its infrastructure, with an option for more, if required.

The investor is urged to consider this venture as a non-speculative industrial undertaking, and not the traditional speculative undertaking that is customarily linked to exploration and mining.

My ambition, and that of my team, is to create wealth for you over a long period of time, thus giving you the satisfaction that you are contributing to saving tens of thousands of lives as a bonus.

Using the latest technologies in energy generation, salt harvesting, water harvesting, desert-based agriculture, mariculture and aquaculture, Salternas Limited is destined to succeed on your (the shareholder's) behalf, and the peoples of Somaliland and surrounding sovereign states.

Our philosophy is that of the highest standards of corporate and social responsibility, economic and industrial competence, continuous improvement, empathy and diligence.

Please take the time to read this document, consider its content; and I look forward to welcoming you on-board.



CRMA



Eur.Ing. Professor Colin Roberts LL.M Resources Law & Policy (Dundee), P.G.Dip. International Commercial Arbitration (QMULondon), B.Eng Mining Engineering (WASM-Curtin), P.Eng, C.Eng, C.Pet.Eng, C.Sci, FIMMM, FEI, FSAIMM, FAIE, FAusIMM(CP), FCIArb, FDBF, MAIA, MCIM, MIEAust, SPE, SME

2018 Chairman of the Board

1 EXECUTIVE SUMMARY

Salternas Limited (“SL” or the “Company”) has been established to Build, Own and Operate (BOO) the world’s largest solar salt production facility in Somaliland (“The Project”).

With an estimated:

- salt revenue of about USD 9.5 billion over 21 years production,
- IRR of 37%
- Cumulative cash flow of USD 5.5 billion pre-tax with an
- NPV of USD 2.8 billion (DR of 4% or USD 1.16 billion DR 10%);

SL intends to simultaneously construct additional facilities to enable the production of the food products detailed in the document.

This resource-non-speculative project is based on certainty. It is not an exploration or mining project, but a simple production project producing a guaranteed natural resource of 10 million TPA in perpetuity; therefore, no exploration drilling, resource delineation or uncertainty, simply the construction of salt-plant facilities, ponds and food production infrastructure. This project is ideally suited to the investor with philanthropic intentions, juxtaposed with an attractive return on investment.

SL has secured a 25-year agreement, renewable for successive terms of 25 years thereafter, with the Government of Somaliland to develop a solar salt production facility to produce up to 10 million tons of salt for export per annum. The Government has granted SL a first-stage minimum of 150 km² of ocean frontage land.

The project is financially and technically viable with Somaliland possessing a perfect climate for solar salt production with good access to major shipping routes.

The global market for solar salt is currently faced with a shortfall of supply with limited capacity for increased production by the main producers. SL can meet the market requirements in both quality and quantity to produce a reliable continuous supply of Australian grade solar salt.

Somaliland has a hostile climate with unreliable rainfall, receding ground water supplies and drought conditions are becoming more frequent. These conditions are excellent for solar salt production, but to survive in them requires water and food. The question is how do we get the water? The answer was provided by Mr Charlie Paton, decades ago when he conducted his trials of what became the Seawater Greenhouse Ltd¹. Today there are many variations on his system working successfully in many countries including Abu Dhabi, Oman, Australia, Somaliland and the Canary Islands; with a similar system working in Jordan, Tunisia and Qatar.

The Directors of SL have taken a basic solar-salt production proposal, which by itself is a stand-alone highly-profitable venture and intend to expand the concept to utilize the main function of the production system. Solar Salt is produced by nature’s power supply, sun and wind causing evaporation of sea water until only salt remains. Allowing for seepage, the process evaporates 64 tonnes of sea water to produce 1 tonne of salt. For each million tonnes of salt produced, there is about 50 million tonnes of clean fresh water vapor available at no cost. The atmosphere above the ponds is laden with moist air that normally will dissipate on the wind.

By utilizing a similar system to that of Charlie Paton, SL can “harvest some of the salt-free moisture”, by condensation of the moisture into water and create conditions that

¹ <https://seawatergreenhouse.com>



will grow many types of vegetation including food crops in greenhouse type structures. The location for the salt works is on land classified by a study,² as “unsuitable for agriculture”.

There is limitless potential for this methodology to be applied in this Somaliland region and indeed help to meet some of *The Sustainable Development Goals of the World Bank Group*. The Solar Salt production system will provide a continuous supply of fresh water as a by-product that can be used to feed hydroponics greenhouse production and irrigate crops in close proximity as did Mr Paton³. The land can be suitable for agriculture if the right methods are applied.

The salt works is one of the most environmentally sustainable industries imaginable, creating a wetland environment that provides a safe-haven for wildlife, creates conditions suitable for fishery and aquaculture, produces fresh water as a by-product and is financially profitable. A most remarkable aspect of solar salt production is that the material supply is endless and up to 90 percent of the power required is provided by Nature.

The project is in a remote area of Somaliland, west of Berbera, and will require the establishment of all support infrastructure for industry including water, sanitation, electrical, communications, shipping facilities, airstrip, accommodation and community social facilities. A self-sustaining community modelled on the 1970s North West Australia remote mine sites.

Work to date;

SL has over several years progressed the project to a stage where it believes it is now technically and commercially viable, subject to more detailed feasibility work. This work to date includes;

- a detailed assessment of suitable solar salt locations
- a desktop scoping study
- development of an economic model
- securing contractors for the project
- an assessment of sovereign risk and risk mitigation

To proceed to the next stage, the Company will perform:

- 1) A scoping and pre-feasibility study costing AUD 3,500,000 and
- 2) A definitive feasibility study costing (DFS) AUD 10,500,000

² IUCN East Africa Programme, Somali Natural Resources Management Programme, An Ecological Assessment of the Coastal Plain of Northwestern Somalia (Somaliland) May 2000

³ <https://seawatergreenhouse.com/somaliland/>

2 THE PROJECT

The world's largest solar-salt project creating an oasis with flow-on benefits such as the production of potable water, fresh vegetables, animal fodder, aquaculture and mariculture.

Project highlights include:

- Direct product line of 10 million tonnes of salt per annum (NaCl, which is the basis of the operation, MgCl, and KCl).
- Construction of Stage 1 (5 million tonne production) within 18 months.
- First production within 18 - 24 months of completion of first stage construction.
- Full production of 10 million tonnes achievement target in 5 years.
- Estimated salt revenue of approximately USD 9 billion over 20 years.
- Cumulative cash flow of approximately USD 5 billion after tax.
- 100% Return of Capital within 24 - 36 months from commencement of production.
- Future production of food (through aquaculture and agriculture) products including drinking water.
- Close to effective shipping
- Internal Rate of Return (IRR) - 37%
- Net Present Value (NPV) – USD 1.1 billion (using a discount rate of 10%)

SL intends to simultaneously construct additional facilities to enable the production of the food products mentioned above.



Figure 1 Map of Somaliland

This technically non-speculative project is based on certainty. It is not an exploration or mining project, but a simple production project producing a guaranteed natural resource of 10 million TPA in perpetuity; therefore, no exploration drilling, resource delineation or uncertainty, simply the construction of salt-plant facilities, ponds and food production infrastructure.

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Somaliland has a hostile climate with unreliable rainfall, receding ground water supplies and drought conditions are becoming more frequent. These conditions are excellent for solar salt production, but to survive in them requires water and food. The question is how do we get the water? The answer was provided by Mr. Charlie Paton decades ago when he conducted his trials of what became the Seawater Greenhouse. Today there are many variations on his system working successfully in many countries.



Figure 2 Harsh climatic conditions within Somaliland

The Directors of SL have taken a basic solar salt production proposal, which by itself is a stand-alone highly-profitable venture and intend to expand the concept to utilize the main function of the production system. Solar Salt is produced by nature's power supply, sun and wind causing evaporation of sea water until only salt remains. Allowing for seepage, the process evaporates 64 tonnes of sea water to produce 1 tonne of salt. For each million tonnes of salt produced, there is about 50 million tonnes of clean fresh water vapor available at no cost. The atmosphere above the ponds is laden with moist air that normally would dissipate on the wind.

By utilizing a similar system to that of Charlie Paton, SL can "harvest some of the salt-free moisture" by condensation of the moisture into water and create conditions that will grow many types of vegetation including food crops in greenhouse type structures. The location for the salt works is on land classified by a study,⁴ as "unsuitable for agriculture".

There is enormous potential for this methodology to be applied in this Somaliland region and indeed help to meet some of *The Sustainable Development Goals of the World Bank Group*. The Solar Salt production system will provide a continuous supply of fresh water as a by-product that can be used to feed hydroponic greenhouse production and

⁴ IUCN East Africa Programme, Somali Natural Resources Management Programme, An Ecological Assessment of the Coastal Plain of Northwestern Somalia (Somaliland) May 2000

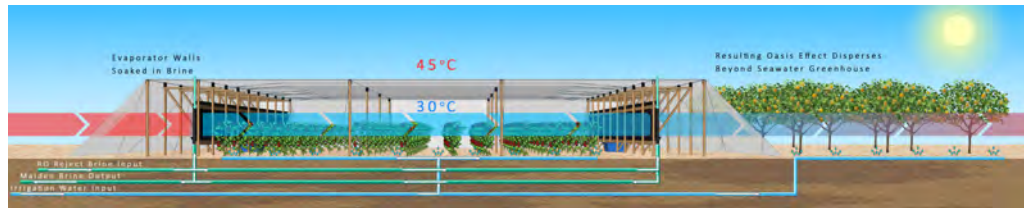


Figure 3 greenhouse (Courtesy of “Seawater Greenhouses Ltd”)

irrigate crops in close proximity as did Mr Paton⁵. The land can be suitable for agriculture if the right methods are applied.

The salt works is one of the most environmentally sustainable industries imaginable, creating a wetland environment that provides a safe-haven for wildlife, creates conditions suitable for fishery and aquaculture, produces fresh water as a by-product and is financially profitable. A most remarkable aspect of solar salt production is the material supply is endless and up to 90 percent of the power required is provided by nature.

The project is in a remote area of Somaliland, west of Berbera, and will require the establishment of all support infrastructure for industry including water, sanitation, electrical, communications, shipping facilities, airstrip, accommodation and community social facilities. A self-sustaining community modelled on the 1970s North West Australia remote mine sites.

⁵ <https://seawatergreenhouse.com/somaliland/>

3 COMMUNITY BENEFITS

3.1 REDUCED POVERTY AND ECONOMIC WELLBEING

Salt production will employ a few hundred, mainly male workers, during construction; and about 450 in production. Greenhouse food crop systems are operated by mainly female workers due to their superior care and dexterity when completing delicate plant handling. Seawater Greenhouse Ltd (SGL) indicates that 500 hectares (5km²) of greenhouse operations produces 150,000 tons of vegetables (sufficient to feed 1 million people @ 0.4kg/day⁶), employs 3,000 people mainly female and sequesters 8,250 tons of CO₂ per year. When site works commence a greenhouse will be built to provide fresh vegetables to the workforce. This employment alone would support a population up to 24,000 people, taking into account family and extended family dependents, plus local enterprise will be encouraged to expand the greenhouse system with water supplied from the site. The export market for fresh fruit and vegetables can be supplied with air freight using the site airfield.

3.2 ZERO HUNGER

One of the outstanding greenhouse successes, is the fodder shed system of production for animal feeds. Manama University, Bahrain has completed studies that verify the system produces 100 to 200 tons per hectare of fresh green fodder every 8 days. A total possible green fodder yield of 5,424 and 5,000 tons per hectare per year can be achieved with hydroponics system (25 crops per year) for cow pea and barley respectively.



Figure 4 Type of food produced through the project

The fodder shed system is in use in the arid region of South Australia to sustain stock during drought. SL can replicate these systems and attain similar results on site. Local industry can be established to develop feedlot for livestock and lead to establishment of meat processing instead of live exports that provide very poor returns. The Water Supply system can facilitate the ongoing development of the livestock industry.

3.3 GOOD HEALTH AND WELLBEING

A resilient livestock industry is important to the Somali people's traditional lifestyle and animal-sourced foods, e.g. meat, milk, butter and eggs are energy dense and a rich source of micronutrients that are particularly important to pregnant women and babies.

⁶ WHO Recommended intake per person is 0.4kg per day.



Figure 5 Livestock - the major source of export income.

Hydroponics production of fodder can help reduce the risk of zoonotic animal disease that are harmful to humans. The FAO have spent years trying to improve livestock in the arid regions of Africa with drought destroying any success.

3.4 QUALITY EDUCATION

Healthy food and improved nutrition have a positive effect on child wellbeing, learning ability and improved performances.



Figure 6 Food provided to children will help improve learning skills

The workforce for the salt works will require many types of skills and SL will train suitable applicants. The project could become a source of industry training for Government and NGO programmes, in both industries; expanding to salt production, aquaculture, agriculture as well as construction.

3.5 GENDER EQUALITY

The horticulture production will improve the status of women by way of employment income for the household, and participation in health and social welfare.

3.6 CLEAN WATER AND SANITATION

The water provided by SL will be potable. Clean, safe water will be available for the community to maintain health. Sanitation will be first world standard with treatment and disposal systems.



Figure 7 Potable water will be an important by-product of the project

3.7 AFFORDABLE CLEAN ENERGY

The project will have a dedicated power supply that will provide base power to the community. Solar energy will be incorporated as the project develops to minimize use of fossil fuels. Alternative energy use will be a strategy the Company will employ at all opportunities. As the community numbers increase a waste management regime will incorporate waste to energy systems.



Figure 8 The project will be powered mainly through solar energy

3.8 DECENT WORK AND ECONOMIC GROWTH

In 2015 the global number of unemployed people reached 197.1 million (ILO 2016). 470 million jobs are needed for new entrants to the labor market between 2016 and 2030 worldwide. (UNDG, 2013). The demand for animal protein drives the global food markets (OECD/FAO 2015), creating major business opportunities for the sector. The salt project's water source, food source, animal feed production and livestock value chain can create in excess of 24,000 meaningful jobs both on and off-site. The greenhouse crop production in Europe and China employs many millions of workers.

3.9 INDUSTRY, INNOVATIONS AND INFRASTRUCTURE

Low and middle-income countries such as Somaliland are constrained by a lack of processing infrastructure such as abattoirs, tanneries etc. The same applies to crop produce with little or no value adding. SL will use a bottom up method of developing industries with appropriate infrastructure, e.g. fodder production, to feed lots, to meat process plant for export. Fresh chilled meats by air freight facilities, frozen bulk meat export using the Company port facilities. A fish processing plant established near the port can obtain finfish from the first ponds, brine shrimp etc. that are part of the process. Local fishing industry can develop by using the port and the cold store facility and obtain ice from the cold store to preserve the quality of the catch. The Gulf

Countries have good markets for daily fresh produce within easy reach for cost effective air freight to be used for high quality greenhouse products. The basic infrastructure is required for salt production and shipping and can be designed to facilitate the development of other innovative activities.

3.10 REDUCED INEQUALITIES

The largest share of the world's poor live in rural areas, and half of the poor keep livestock (World Bank 2016 Robinson 2011). The SL Salt project has the capacity to provide water and feed to livestock in the surrounding region to create a market for the selling of stock thus generating a source of income that can provide a degree of security to the livestock owner.

3.11 SUSTAINABLE CITIES AND COMMUNICATIONS

The project could lead to the creation of a major urban development, if so, the planners have a clean sheet to work with no existing headaches.

3.12 RESPONSIBLE CONSUMPTION AND PRODUCTION

All sectors of the SL project will be conversant with current and future regulatory requirements.

3.13 CLIMATE ACTION

The production of Solar Salt is one of the world's most environmental friendly industries with every tonne of solar salt produced that replaces processed salt removing a potential 1 tonne of CO₂.⁷ The livestock industry will undergo improvements that can contribute to climate change mitigation.

3.14 LIFE BELOW WATER

The integration of sustainable livestock and fish farming systems contributes to reduced pollution.

3.15 LIFE ON THE LAND

SL are well-aware of the desertification of the lands in Somaliland due to climate and overgrazing. The degradation of the soils is repairable with careful restoration methods. The system SL intend to use for crop production uses little or no soils. SL will be using biodiversity methods with animal manures and green bio waste, algae and mineral supplements from the salt process system.

3.16 PEACE JUSTICE AND STRONG INSTITUTIONS

The project will provide secure employment with a decent standard of living to the community. Development of local industries that are associated with the project will create many thousands of jobs including the livestock industry to improve farmers' livelihood and reduce the root cause of many conflicts in the arid regions.

⁷ www.salt-partners.com/pdf/Bharuch2007_Presentation.pdf



Figure 9 A local woman police officer demonstrating gender inclusivity in Somaliland

3.17 PARTNERSHIPS FOR THE GOALS

SL believe its Solar Salt project is a sustainable proposal with environmental credentials that are hard to match. SL is also aware that sustainable development needs to be a progressive consultation with the many sectors likely to be affected, including Governments, the community private sector and civil society to progress the project through dialogue, consultation and positive conclusion.

4 SALT

Salt (NaCl) has numerous industrial and other uses and is an essential element in the diet of humans, animals and plants.



Figure 10 Salt – The Quest

Salt was in general use even before history was recorded. A very small proportion of global salt production is used for human consumption. Greater than 70% is used in the Chemicals Industry, for industrial, food, agriculture, snow and ice removal, soil stabilisation and water softeners.

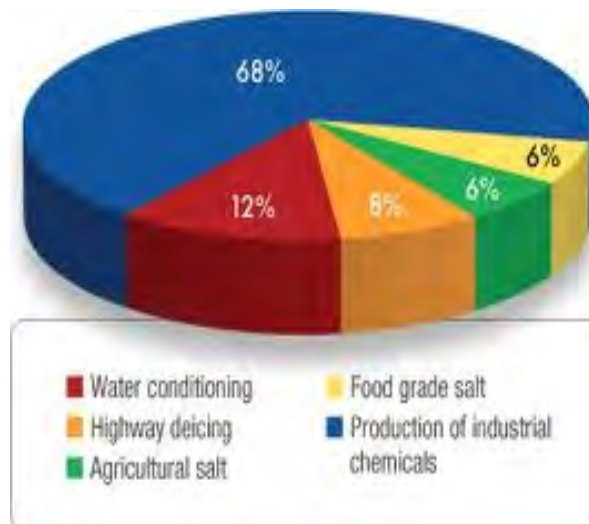


Figure 11 The breakdown of salt usage

Electrolysis of salt produces **chlorine** (which underpins 55% of all chemical production e.g. disinfecting water, controlling pathogens etc); and **caustic soda** (sodium hydroxide); e.g. the primary material in the refining process of alumina) and **hydrogen** (e.g. making ammonia and margarine).

Total World Salt Production is about 300 million tons per annum made up of:

Production type	Million TPA
Solar Salt	120
Mining (Rock Salt)	90
Brines Evaporation	90

Table 1 Salt manufacturing by production type

China is the largest producer globally, with annual output of 70 million tons, followed by the US, with a production of 45 million tons per year.

Demand is increasing by about 2% - 4% per annum.

Asia accounts for almost 45% of demand and current producers are not meeting this market demand.

Salt is produced in three ways:

- **Solar Salt** – essentially solar evaporation of water from natural brines such as seawater.
- **Mining** – similar to mining coal – sinking shafts into salt deposits, drilling, loading and hauling.
- **Brine Evaporation** – the water from brine is removed by heat processing which leaves granules of flake-type salt.

SL, for its purpose, considers Solar Salt production as the most efficient production methodology.



Figure 12 Utah Evaporation Ponds in a Desert Environment

The reasons SL considers solar salt is the most suitable include:

- High Quality
- Inexpensive to produce
- That it employs renewable energy most effectively
- That Salt-fields are environmentally beneficial wetlands
- That it commands a premium due to its quality.

4.1 MARKET

Buyers of salt are mainly large global chemical companies, who use salt as a raw material for the production of caustic soda and chlorine and derivatives from these products.

Key vendors;

- K + S
- Akzo Nobel
- Cargil
- Compass Minerals
- INEOS
- Solvay

The market for “chemical” salt is expected to grow by 2% to 4% (CAGR) from 2018 to 2022 with growth markets being the Asian and African / Middle East regions. This is offset by flat markets in North America and Western Europe.

Expansion in China’s chemical manufacturing industry is mainly driving growth in demand for salt. In addition, future lower energy (gas) prices in North America will increase chlor-alkali production in this region and in turn increase demand for salt.

Quality of the salt product, especially in China, is a key marketing factor for SL, as the company’s product will not need any reprocessing to bring it to an acceptable industry standard.

Lower freight costs, brought about by an excess of bulk loading ships, has allowed many salt producers to access markets which were previously cost prohibitive.

The three main suppliers of solar salt are;

- Dampier Salt (Australia)
- ESSA (Mexico)
- Mitsui, Shark Bay & Onslow (Australia)

Several other small scale solar salt operations exist around the world; however, these operations are marginal at best and highly sensitive to the price of salt.

Offtake agreements;

As part of the feasibility work to be conducted by SL, offtake agreements with major buyers of salt will be secured. A potential to have one of these buyers as a corner stone investor is also being considered.

5 LOCATION

Somaliland is a self-declared state that is not yet internationally recognized. Somaliland is known as an autonomous region of Somalia.

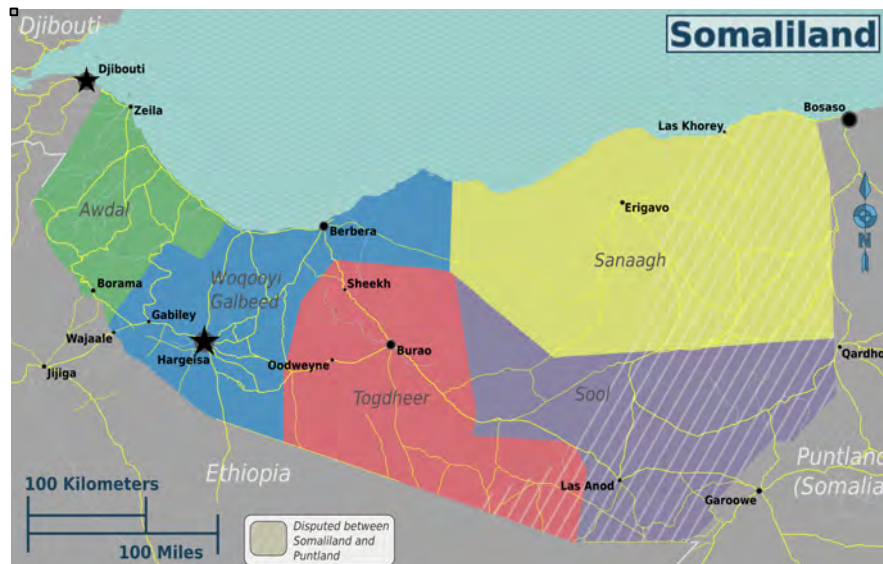


Figure 13 Map of the self-declared state of Somaliland

Somaliland is situated on the Gulf of Aden, the higher salinity of the seawater and ideal climatic conditions, render the location as one of the World's best-suited locations for solar salt production.

Population	3.5 million
Area	137,600 km ²
Legal System	Civil Law
Official Language	Somali, Arabic, English
Capital	Hargeisa
Independence from Somalia	18 May 1991 (Unrecognized)
GDP	USD 6.2 billion (2016)
GDP per capital	USD 434 p.a. (2016)

Table 2 Key country data for Somaliland

6 SOVEREIGN RISK

It is known that Somalia is one of the world's most challenging operating environments, however, in the autonomous region of Somaliland, comparatively more advanced institutional capacity and rule of law provides a more stable investment environment.⁸ Professor Colin Roberts⁹, an expert of world repute on sovereign risk, legal risk and foreign direct investment (FDI), has been engaged to advise mechanisms to mitigate such risks to the foreign direct investor. In the summary of a report, prepared for SL dated July 23, 2015, Professor Roberts outlined the steps required to maximize sovereign risk mitigation, which takes advantage of international law and insurances available. This, concluded that Somalia, and Somaliland in particular, could be considered an attractive location for this project. However, this is still work in progress, and SL is working on various sovereign risk mechanisms.

SL is in the process of

- Registering (now completed) a fully-owned subsidiary in Germany ("Salternas GmbH") to take advantage of any relevant treaties between Somalia and Germany; thus, allowing for dispute resolution under the International Court of Justice (ICJ) and the International Centre for Settlement of Investment Disputes (Washington Convention) under the auspices of the World Bank.
- Obtaining contractual approval from the host State of Somalia to further mitigate sovereign risk.
- Obtaining political risk insurance (PRI) to specifically mitigate risks such as:
 - Currency inconvertibility and transfer restriction
 - Expropriation
 - War, terrorism and civil disturbance
 - Breach of contract
 - Non-honouring of sovereign obligations
 - Payment of foreign arbitral awards.

In addition, Professor Roberts has conducted a legal due diligence with particular emphasis on corporate governance. Each of the Directors has signed a declaration stating compliance with corporate criminal responsibility and anti-bribery. SL has in-place an International Code of Business Conduct to ensure all Directors, officers, employees, agents and contractors comply with the highest international governance standards.

⁸ Mohamed M. Jamma-Lecturer at the University of Hargeysa states "Somaliland is now an oasis of sorts, a relatively peaceful, reasonably well functioning corner of a country that lies in ruins. Gunmen do not rule the streets here. The local police do. A series of elections have been held, including a presidential contest that was closer than the one in which George W. Bush beat Al Gore. The courts declared Mr. Kahin the victor and the populace accepted it. In essence, Somaliland has been able to manage interclan rivalry and build basic democratic institutions, whereas the rest of Somalia has found itself in an anarchic struggle for control."

⁹ <https://www.linkedin.com/in/prof-colin-roberts-euring-llm-9107466/>



6.1 TAXATION

Somalia does not currently have a cogent taxation system in-place; however, Somaliland does have a basic system in-place. SL, its affiliates, contractors and any third-party involved in operating or maintaining the Project qualifies for exemption from all tax, including import and export duties and the Somali Government has verbally indicated that if the project proceeds, further exemptions will be considered.

Current gazetted taxes payable in Somaliland are as follows:

Tax Type	Rate	Comments
<i>Company Tax</i>		
Residential companies	10.0%	
Non-residential companies	16.3%	
Capital Gains Tax	10.0%	On net gains
Branch Profits Tax	16.3%	Foreign entities
Value Added Tax	5.0%	
Employment Tax	6.0%	Gross annual income
Local Taxes (Vehicle Road Tax)	0.5%	Value of vehicle
Single Business Permit	200 - 600	USD
Personal Tax	6.0%	Gross income

Table 3 Somalia taxation rates

7 PRODUCTION

7.1 SALT PRODUCTION

SL has secured a 25-year term contract with successive terms of 25 years thereafter with the Somaliland Government to develop a solar salt project west of the port of Berbera. For Stage One, SL has been granted exclusive possession by way of lease of between 150 – 250 km² of ocean frontage to develop the project.

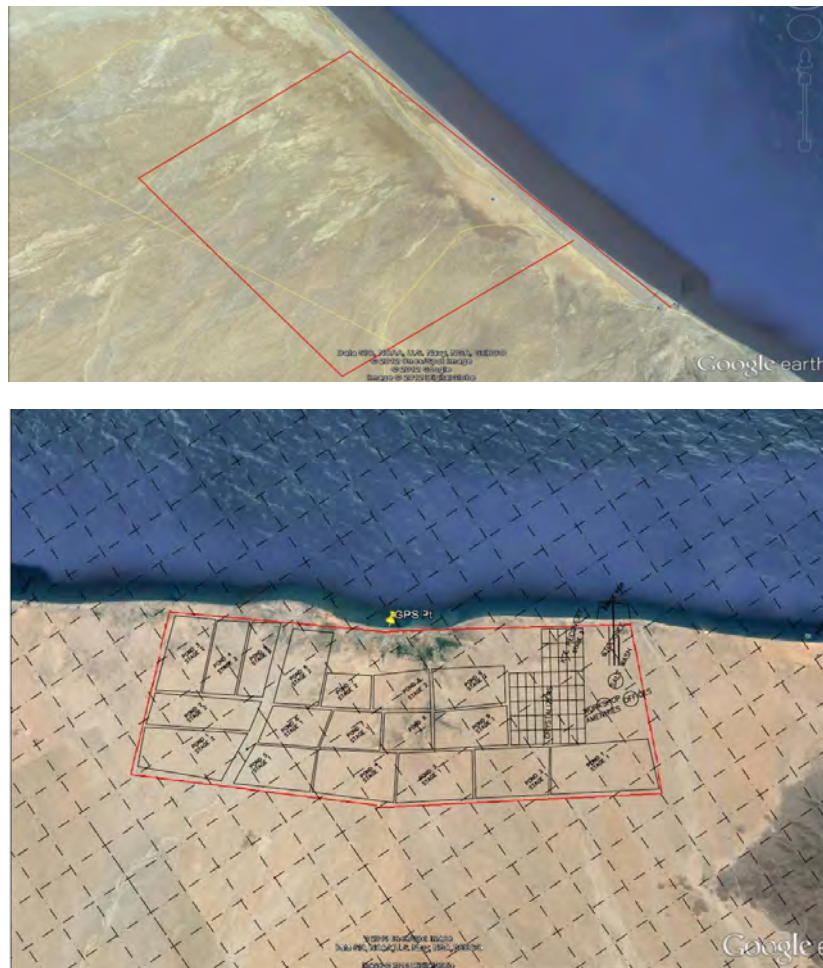


Figure 143 Site Plan showing the area and pond configuration used for the production of solar salt

The project area has all the essential elements for the production of high quality solar salt including, but not limited to, low rainfall, high solar evaporation rates, steady winds, minimal environmental concerns and minimal disruptions to local communities.

7.2 INTERNAL STUDY AND ENGINEERING

High grade Solar Salt is a product that is used in the Chlor-Alkali industry. One of the biggest producers of the product operates in the North of Western Australia where the climate provides suitable conditions for the process. The high quality of salt produced in the area meets the requirements for new production methods in use by the Chlor-Alkali companies. The only other country producing a similar product in volume is Mexico. The market for high grade salt is facing an excess of 10 million tonnes per annum shortage and is resorting to secondary processing of lower grade salt to meet the demand. The process (vacuum processing) is expensive and produces pollution in



large quantities. There is limited capacity for expansion by the leading producers to meet the increasing demand. SL has completed extensive studies in locating a suitable site to build a solar salt field capable of producing the high grade solar salt required by this market. The location chosen after exhaustive studies is the North coast of Somaliland. The region has ideal climatic and physical attributes for the production of solar salt. The Company has entered into a long-term contract of agreement with the Government of Somaliland to establish a solar salt-field between Djibouti and the Somaliland Port of Berbera on the coast of the Gulf of Aden.

7.2.1 SALT-FIELD DESIGN

A conceptual design will be based on the climatic capacity for evaporation in the area and the market requirements. The salt field design will follow established industry proven 7-10 pond configuration. A staged development is envisaged with 5 million tonnes of salt per annum being stage 1, increasing to around 10 million tonnes per annum at full production. The high grade solar salt market is dominated by three major producers, in both Mexico and Western Australia. To establish a long term viable business, it will be necessary to establish a capacity equal to the major competition. A long-term production rate of 8-10 million tons per annum is required to secure a long term viable business.

7.2.2 GEOTECHNICAL

A Geotechnical investigation of the area chosen will confirm the suitability of the soil for use in constructing the evaporation and crystallizer ponds. Subject to appropriate preparation and soil placements, the high clay content of the soil will result in low to very low permeability impoundments eliminating the need for liners in the evaporation or crystallizer ponds. All fill required for pond embankment construction can be sourced from within the pond system. Because of the high plastic nature of the soils at the site, good compaction and moisture control will be necessary to ensure the soils achieve the required water retention characteristics and strength. Clay deposits at the nearby foothills will be used for bund walls and suitable rock armor quarried from the same location.

7.2.2.1 SOIL CONDITIONS

Brine in a salt works is held in large ponds with earth bottoms and allowed to concentrate by solar evaporation. The characteristics of the top metre of soil determine the capacity of the land to hold and evaporate brine at the different stages of the concentration process. A gravelly or sandy soil which is impervious is suitable. Too clayey a soil will be weak under wet conditions and will impede harvesting of the salt. The bearing capacity of the soil is to be determined from the point of view of assessing its strength and suitability for construction of roads and embankments. A bearing capacity of at least 1 kg/cm² (100kPa/14.5psi) is required. If lower, it should be improved by the addition of sand during the preparation of the crystallizer floors. Soils profile description in a study conducted by SWALIM 2006-05-24 indicate that soils containing silty clay, clay loams and fine sands that are most suitable for establishing a solar salt works are evident on site. (Dr. M J Metha, Seminar on Salt Technology at Madras August 1981). Samples taken at 10° 33' 51" / 44° 04' 26" the sample depth was 120cm deep and shows up to 74% silt and 42% clay content.

7.2.2.2 METEOROLOGICAL CONDITIONS

The prime factor that affects the production of salt is the evaporation rate in shallow ponds. It is important that the net evaporation rate for the dry season should be at least 500mm for the site to merit consideration. FAO, Swalim 2009 climate observations record potential evapotranspiration ("PET") as 3,100-3,500 mm/y, at

the site location. In a salt works there are several meteorological parameters like temperature, incident radiation, relative humidity and wind velocity that can influence the net evaporation of brine at different concentrations. The first and most important factor to consider is rainfall, the opposite of evaporation. The rainfall pattern over the last ten years needs to reveal the duration of the dry season when salt production operations are feasible. The extent of salt production is determined by the evaporation rate during the dry season. To operate a solar salt works successfully, the annual rainfall should be as low as possible and its distribution restricted to a few months leaving a long clear weather period for salt manufacture. An area receiving less than 600 mm in any span of 100 days during a calendar year is considered suitable. Solar salt fields can be successfully operated in areas where the total annual rainfall is as high as 1600 mm but are restricted to a very short and definite duration of 80 to 90 days during the year. Even during the dry season, showers not exceeding 15 to 20 mm in a single spell within 24 hours do not affect salt manufacturing operations. The proposed site in Somaliland has an average annual rainfall of 100-150mm/y with the wet season increasingly failing to occur. There are no cyclones to cause damage or disrupt production.

7.2.3 PROCESS

SL will undertake the construction and subsequent operation of a solar salt field and the export of the salts produced. The project utilizes a naturally occurring process in which solar energy and wind evaporate moisture from sea water resulting in the production of salt (NaCl) crystals and residual brine (known as bitterns containing the remaining salts present in sea water). The facility will consist of seawater pumps used to pump seawater into a series of concentration ponds. Seawater in the concentration ponds undergoes evaporation resulting in an increase in the salt concentration. The resultant brine is then pumped to smaller crystallizer ponds where the natural evaporation increases the salt concentration to a point where salt crystals are formed. The salt crystals build up to a depth of approximately 0.5 m in the pond. The pond is drained and a mechanical harvesting machine removes the layer of salt crystals which are then taken to a salt wash that removes impurities to produce export grade salt. The salt is stockpiled before being loaded on to ships for transport to customers.

7.2.4 LOCATION TO MARKETS

The location for the proposed salt field in Somaliland is on one of the busiest shipping routes for East and West bound vessels. With access to Western Europe via the Suez Canal and close proximity to the rapidly expanding Indian Subcontinent, South-East Asia, China, Japan and the Korean markets. The potential for fast containerized cargo is present with the Middle East container hubs in Sahlala, Oman, Djibouti and United Arab Emirates. The Petrochemical industries of the Middle East also present market opportunities.

7.2.5 PERMANENT PRODUCTION FACILITIES

The permanent production facilities comprise the permanent earthworks that form the evaporation and crystallizer ponds, plus other structures required to produce the salt.

7.2.5.1 EVAPORATION PONDS

A series of earth formed ponds of reducing size to match the required salt field production capacity and the evaporation performance prevailing in the region. In operation, the density of the brine in each pond is managed within a set range, as it progresses from pond to pond.

7.2.5.2 CRYSTALLIZER PONDS

The pond area required has been divided so that liquor density can be better managed, providing for better control over the quality of the salt deposited.



Figure 15 Stockpiling of crystallized salt (Cargill – Bonaire)

Over the course of a year, each crystallizer pond receives batches of saturated brine from the evaporation ponds, depending on the availability of brine and brine levels in the crystallizer. Bittern's liquor will be periodically released from the crystallizer to minimize the deposition of magnesium salts. Immediately prior to harvest, the crystallizers will be drained and the salt floor exposed, ready for harvesting.

7.2.5.3 POND INTERCONNECTING FEED AND DRAINAGE SYSTEMS

These channels, pipes and control structures allow control of the flow of brine from pond to pond, using hydraulic gradient from pond 1 to pond 9.

7.2.5.4 PUMPING STATIONS

The transfer from the evaporation ponds to the crystallizers cannot be fully achieved by gravity and the saturated brine must be pumped. Likewise, the supply of brine to the washing plant for product washing and the transfer of bitterns. The principle pumping will be to pump sea-water to pond-1; thereafter, the process will be gravity-fed with minor pumping requirements.

7.2.5.5 PRODUCT STOCKPILE LAYDOWN AND HARD STAND

Earthworks are required to provide a stable, all weather laydown area to hold harvested salt, prior to the washing process, plus to stockpile the washed salt prior to shipment.

7.2.5.6 SALT WASH AND STACKER RECLAIMER

A 3,000 TPH salt wash plant and transport conveyor to stacker. A 3,000 TPH Stacker/ reclaimer and 3,000 TPH conveyor to 3,000 TPH barge loader.



Figure 16 Salt reclaiming from stockpiles

7.2.5.7 MOBILE EQUIPMENT

Mobile equipment will include an 800 TPH mechanical salt harvester loading direct into 50-tonne capacity trailers in three-road-train format and a Caterpillar D7 at the salt wash area and stockpile.



Figure 17 Harvesting of salt from the crystallizer ponds

A Caterpillar 950 loader will be located at the barge/ship loader and will also be used for general operation on site. Other mobile equipment will include a complement of general maintenance equipment including Caterpillar 12h grader for servicing haul roads, levee banks, a field service refuel vehicle, a personnel transport bus and two utility vehicles,

7.2.5.8 CONTRACTOR PRODUCTION EQUIPMENT

It is proposed to employ the services of suitably equipped local contractors for routine property maintenance and miscellaneous works.

7.2.5.9 UTILITIES AND SUPPORT FACILITIES

The following utilities and facilities are required to support the salt field operations.

- Site access roads and vehicle hard stand areas
- Office and amenities
- Accommodation camp and kitchens
- Laboratory and chemical store
- Workshop equipment store and fuel store
- Power supply, area lighting and communications.
- Potable water supply for amenities only, sewerage and waste water treatment unit
- Security fence and gate house.
- Air strip for staff rotation and emergency.

7.2.5.10 INFRASTRUCTURE

Initially, infrastructure main power supply of 5 MW will be from diesel generators on site. Additional water will be harvested from the waste heat.

Other on-site infrastructure will be:

- Water from bore field and desalination unit
- Diesel fuel in bund tank area 4 million litres per annum
- Roads within the site area constructed as required; (Access road to public highway by Govt)
- Sewage construction package treatment plant, dry bio system.

7.3 WATER AND FOOD PRODUCTION

Coinciding with the first salt production, SL, in partnership with international institutions and local stakeholders, shall begin construction of the “Seawater Greenhouse¹⁰”.



Figure 18 Illustration of a nominal area of 50 hectares with the ratio 2 outdoor cultivation: 1 greenhouse (Courtesy of “Seawater Greenhouses Ltd”)

This stage of the overall project has the following attributes:

- “Seawater Greenhouses” strategically located to take full advantage of moisture laden air for both condensation and absorption by plants; e.g. production of 6 litres of fresh water from each square metre of greenhouse per day.
- Hydroponic green fodder feedstock for cattle – e.g. Bahrain - 200 tonnes of cow pea and barley per hectare per 8-day cycle.
- Aquaculture in each pond with different species depending on the water salinity.

The downstream value adding

- Separation of Potassium and Magnesium Chloride in Stage 2 as a by-product.
- Harvesting fresh water through evaporation capture for drinking and agricultural purposes.
- Implementation of Solar Salt Projects which replace vacuum salt may earn carbon credits [Certified Emission Reduction (CER)].

¹⁰ Registered Trademark of “Seawater Greenhouse Ltd”.

8 ECONOMICS

A snapshot of the figures is displayed in the matrix below using the New York Primary and Secondary Credit Rate as the discount rate of 4%, and a comparison at a discount rate of 10%.

Item	Unit	Value
Salt Price	USD/T	50.00
Operating costs (at 10 million tonne prod.)	USD/T	7.04
Net Present Value (NPV) @ 4% disc. rate	USD Bn	2.84
Net Present Value (NPV) @ 10% disc. rate	USD Bn	1.16
Internal Rate of Return (IRR)	%	37.42%
Payback Period	Years	6 – 7
Cumulative Cashflow @ 21 years	USD Bn	5.5

Note: Assumptions: FOB price of salt is USD 50/T increasing at 1% p.a.

Table 4 Key economic data

At full production, the salt project alone will create revenues exceeding USD 500 million p.a. (10% of Somalia's GDP in 2016) and will almost double Somalia's exports of 2016.

8.1 PRELIMINARY COSTINGS

Item	Source	Value million
Scoping and Feasibility Studies *	Private Equity	AUD 3.5
Definitive Feasibility Study *	Private Equity	AUD 10.5
Plant Construction (Stage 1)	Project Finance and Equity	USD 190.0
Plant Construction (Stage 2)	Project Finance and Equity	USD 60.0

* Including Engineering, Economic, Environment and Social Impact Assessments

Table 5 Preliminary costs for the project



8.2 PROJECT EXECUTION

The Project Execution Schedule is displayed below:

Work Program	Quarters													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Definitive Feasibility Study														
Commercial Contracts														
Contractor Selection														
Project Finance														
Orders (Long lead-time)														
Construction Stage 1														
Commissioning														
Production														

Table 6 Project timing in quarters (equiv. to 3.5 years)



9 STRATEGY

Funding and operation strategy includes:

1. Raise scoping, pre-feasibility and DFS study finance of AUD 14 million, which will include engineering design, project costing, preliminary environmental, legal transactions and social impact statements.
2. Raise through equity and project finance USD 250 million to construct the project.

10 THE TEAM

PROFESSOR COLIN ROBERTS – CHAIRMAN



Eur.Ing. Professor COLIN ROBERTS LL.M Resources Law & Policy (Dundee), P.G.Dip. International Commercial Arbitration (London), B.Eng Mining Engineering (WASM-Curtin), P.Eng, C.Eng, C.Pet.Eng, C.Sci, FIMMM, FEI, FSAIMM, FAIE, FAusIMM(CP), FDBF Genève, FCIArb, FFAVE(Master), MAIA, MCIM, MIEAust, SPE, SME

Professor Colin Roberts – philanthropist, practices as an International Mineral, Infrastructure and Petro-strategist. A graduate of the Western Australian School of Mines, University of Dundee and Queen Mary College, University of London, he is a Chartered Petroleum Engineer, Chartered Mining Engineer, Chartered Scientist, Resources Legal Expert, International Commercial and Investment Arbitrator, Accredited International Commercial Mediator, Adjudicator, Expert Determiner and Dispute Board Member, with over 40 years of Multi-disciplinary resource industry experience, most of which has been in the developing world and Africa in particular. His current fields of specialization are in the areas of foreign direct investment (FDI) strategy, engineering, international trade & investment law, law of treaties, law of the sea, competition law and dispute resolution in the resources, energy and infrastructure sectors. He regularly advises governments on the attraction and facilitation of FDI and corporations that meet the highest ethical standards, on the mitigation of non-technical risks, particularly sovereign risk. He has an enviable reputation for his negotiation and mediation skills, thus, keeping disputing parties out of the international courts and tribunals unnecessarily. Professor Roberts is internationally recognized for his intelligent counsel, dedication and numerous successes in promoting harmonious interstate and commercial relationships. He has been called upon to assist in the successful mediation of the settlement of armed-conflict in civil war. Colin is a Professor of Petroleum and Mining Engineering and international Resource Law at Curtin University, and was Director of the Centre for Energy, Petroleum and Mineral Law and Policy (CEPMLP), University of Dundee.

MR JOHN BALFE – MANAGING DIRECTOR

Mr John Balfe is a Company Director with 40 years Civil Engineering and Construction project supervision and management. He has a long track record of ensuring projects are delivered to the highest quality, within budget by effectively organizing, managing and utilizing all resources to the maximum. Being actively involved in all aspects of the project life-cycle he can deliver high value projects in organizations across different geographies. He has established a personal relationship with various arms of Government in Somalia over many years and has worked continuously to introduce Australian companies to tender for Government works and commercial opportunities in the region. Project history includes on site supervision of iron ore projects at Dampier, Paraburdoo, Pannawonica and Cape Lambert. Panguna Copper Mine on Bougainville. Dampier Salt Jetty. Civil works contract in Kenya and Somalia. He was appointed Consultant to Ministry of Public Works Mogadishu Somalia, to complete feasibility study for reconstruction of war damage Government property. Consultant to Ministry of Aviation, Somali Air Traffic Management Development JV with Ambidje Group Pty Ltd. Ministry of Fisheries Somalia, Fisheries project for Australian Fishing Companies to operate in Somalia waters. Ministry of Agriculture and Range Lands.

MR WALTER (WALLY) HUGHES – DIRECTOR



Mr Hughes is a registered builder in WA with 48 years of experience in construction. The principal area of expertise is precast concrete (tilt-up) in commercial, industrial and mining areas. A major driver to deliver under time and under budget. These were achieved by considering and using innovative methods. Mr Hughes was a past president of the Tiltup Association of WA. Pertinent experience relating to the Somaliland Solar Salt project. Is that he was part of the construction team on both the Port Hedland and the Dampier solar salt fields. He was also a contractor at Useless Loop for the Shark Bay Salt Company. Mr Hughes has been either a contractor or part of the team on many mining and civil projects throughout WA. Experienced in all construction and civil aspects involved in the salt field from the sluice gates through to the offices. Along with Mr John Balfe, Mr Hughes firstly located another site for the salt field, which had political issues, evaluated several other sites before finding the present site in Somaliland. Together they investigated and ensured that the site is one of the world's most ideal solar salt sites.

MR MOHAMOUD JIRDEH HUSSEIN - DIRECTOR

Mr Mohamoud Jirdeh Hussein (centre) with the former British Prime Minister, Mr David Cameron and former British Foreign Minister for Africa, Sir Henry Bellingham.

Mr Mohamoud Jirdeh Hussein is a prominent Somali business man, head of the Jirdeh Hussein Company. Mr Hussein has twice served as a Minister in the Government of Somalia and is a member of the Board of Directors of The Somali Central Bank. He was appointed Deputy Chairman of the Somali National Government Reconciliation Committee; Minister of Health; Minister of Labour, Social Affairs and Youth and Sport; Somali Diplomatic Representative at London Olympics and attended the Non-Aligned Movement Conference in Iran. The Jirdeh Hussein Company, based in Mogadishu, has a long history of trade throughout the Gulf region and has provided essential support to the peace keeping effort in Somalia. The Company, which has interests in building and construction, property development, agriculture and waste recycling technologies, has conducted successful food aid distributions on behalf of USAID. Mr Hussein is continuing with a program to provide rehabilitation and training to the disabled and is creating a trade training project for unemployed youth. In addition, he obtained the support of the Arab League in providing scholarships for training midwives in Mogadishu. Mr Hussein a highly respected Clan elder is well received in both Somalia and Somaliland where his skill as a mediator and negotiator are well known. He has provided support and advice over the years that has been invaluable to the Company in its endeavours in the region. He has played a key role in the development of the Solar Salt project.

MR BRADLEY GREEN – COMPANY SECRETARY

Mr Bradley Green (right) receiving a token of appreciation from Mr Syed Yousaf Raza Gillani – Prime Minister of Pakistan

Mr Bradley Green - B. Bus (econ.), Grad Dip Mgmt

Bradley is a Mining Economist by profession with over 25 years' experience in the mining industry, mainly focussing on the evaluation and development of early stage mining projects in Australia and overseas. His overseas experience includes projects in Pakistan, China, Philippines, Indonesia, Iran, Papua New Guinea and various African countries, including Sierra Leone and Namibia.

Bradley is currently Managing Director of Mining Resource Development Corporation Pty Ltd, which company evaluates and invests in early stage mining projects. Over the years Bradley has held board and management / consulting positions with several mining companies and provided feasibility advice to various companies, including Extract Resources, Harmony Gold Mining Co, BHP Billiton and Rio Tinto.

Prior to this Bradley was the Chief Accountant / Corporate Manager for Indian Ocean Resources Limited, which developed, with Nord Resources, the Karara Gold Mine in Western Australia. This company also developed gold tailings treatment operations in Sandstone, Cue, Great Fingall and Kookynie.

Prior to this Bradley was the Accountant at Cockburn Cement / Adelaide Brighton Cement and also acted for BGC in the development of a lime kiln in Western Australia. He was also the Accountant at Western Mining Corporation's Kwinana and Kalgoorlie Operations.

Bradley has a Bachelor of Business (Economics) and Graduate Diploma in Business Management from the University of NSW, New South Wales.

MR STEN SODERSTROM – FEASIBILITY STUDY MANAGER



FAICD, FAIEng, CPEng, M.Sc (Operations Research, UK), B.Eng (UK)

Mr Soderstrom is an experienced board member and executive with over 30 years of international project management, construction, development and operations experience in the mining and mineral processing industry covering iron ore, gold, polymetallic and base metal projects from \$100M to \$5b. Experience from Australia, New Zealand, Indonesia, India, Philippines, Sweden and several African countries. He has proven experience with ASX listing requirements, continuous disclosure obligations, good corporate governance and duties and responsibilities of Company Directors in the Australian regulatory framework. He provides Project Development Management and related services to corporate clients.

11 IMPORTANT NOTICES:

11.1 ISSUE OF INFORMATION MEMORANDUM

This Information Memorandum is issued by SL. The Information Memorandum is being delivered to a restricted number of parties (recipients or recipient). By retaining this Information Memorandum, the recipient acknowledges and represents to the Company that it has read, understood and accepted the terms of this important notices section. If the recipient does not accept these terms, it must immediately return this Information Memorandum to the Company and not take any further action in relation to the offer.

11.2 PURPOSE

This Information Memorandum has been prepared solely for the purpose of assisting recipients in deciding whether to investigate further a possible acquisition of securities in the Company and may only be used for that purpose. This Information Memorandum is not intended to provide the sole or principal basis of any investment or credit decision or any other risk evaluation and may not be considered as a recommendation by the Company or any other person in connection with an investment in the Company. Any recipient should determine its interest in acquiring securities in the Company on the basis of independent investigations that it considers necessary or desirable. This Information Memorandum has not been, and will not be, lodged with the Australian Securities and Investment Commission. Any invitation to purchase or subscribe for the securities will be an offer that does not need disclosure for the purposes of section 708 of the Corporations Act. By retaining this Information Memorandum, the recipient represents to the Company that it is:

- 1) A sophisticated investor under section 708(8) (a) of the Corporations Act or
- 2) A professional investor under section 708(11) of the Corporations Act, or
- 3) both.

If that is not the case, and in the alternative, the Company may issue shares to the recipient in reliance on certain other categories in section 708 of the Corporations Act.

11.3 CONFIDENTIALITY

By accepting this Information Memorandum, the recipient acknowledges and agrees that:

- 1) This Information Memorandum and all of the information contained is confidential and it will keep strictly confidential the Information Memorandum and all of such information, and all other information made available to the recipient in connection with it;
- 2) Neither the Information Memorandum nor any such information will be used, in whole or in part, by the recipient or any of its officers, employees, servants or agents for any purpose other than deciding whether to investigate further a possible acquisition of securities in the Company;
- 3) It will not be reproduced, either in whole or part or in any part or parts, without prior written consent of the Company;
- 4) Upon request it will return promptly this Information Memorandum, together with any other material received in connection with it, to the Company without retaining any copies; and
- 5) Upon request it will enter into a separate confidentiality undertaking substantially on these terms with the Company.



11.4 EXCLUSION OF LIABILITY

The Company does not accept any liability for any loss or damage suffered or incurred by the recipient or any other person or entity however caused (including negligence) relating in any way to this Information Memorandum including, without limitation, the information contained in it, any errors or omissions however caused by the recipient or any other person or entity placing any reliance on this Information Memorandum, its accuracy or reliability.

11.5 DISCLAIMER

This document has been prepared by SL. The information contained in this presentation is a professional opinion only and is given in good faith. Certain information in this document has been derived from third parties and though SL has no reason to believe that it is not accurate, reliable or complete, it has not been independently audited or verified by SL. Any forward-looking statements included in this document involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and may be unknown to, SL. In particular, they speak only as of the date of this document, they assume the success of SL's strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties and risks. Actual future events may vary materially from the forward-looking statements and the assumptions on which the forward-looking statements are based. Recipients of this document (Recipients) are cautioned to not place undue reliance on such forward-looking statements. SL makes no representation or warranty as to the accuracy, reliability or completeness of information in this document and does not take responsibility for updating any information or correcting any error or omission which may become apparent after this document has been issued. To the extent permitted by law, SL and its officers, employees, related bodies corporate and agents (Agents) disclaim all liability, direct, indirect or consequential (and, whether or not arising out of the negligence, default or lack of care of SL and/or any of its Agents) for any loss or damage suffered by a recipient, or other persons arising out of, or in connection with, any use or reliance on this presentation or information.

11.6 PRIVACY STATEMENT

If you complete an application form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, and facilitate your relationship with the Company. The information may be used from time to time and disclosed to persons inspecting the register of members. You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact us at the relevant contact number set out in this Information Memorandum, collection, maintenance and disclosure of certain personal information is governed by legislation including the privacy act 1988 (as amended) and the Corporations Act. You should note that if you do not provide the information required on the application for shares, the Company might not be able to accept or process your application.



12 DETAILS OF THE OFFER

12.1 IMPORTANT NOTICE

This section is not intended to provide full information for investors intending to apply for the Shares offered pursuant to this Information Memorandum. This Information Memorandum should be read and considered in its entirety, including the Important Notices regarding investment in the Company.

12.2 THE OFFER

The Company invites applications for 35,000,000 Shares at an Issue Price of **AUD 0.40** per share to raise **AUD 14 million (~USD 10.5 million)**. Shares issued under this Information Memorandum will be fully paid and rank equally with other Shares on issue.

12.3 MINIMUM APPLICATION UNDER THE OFFER

Applications under the Offer must be for a minimum of **200,000 Shares** with a value of **AUD 50,000 (~USD 38,000) – lesser amounts will be accepted at the discretion of the BOARD**. Applications to subscribe for Shares under the Offer will only be accepted on the Application Form attached to this Information Memorandum.

12.4 INDICATIVE TIMETABLE

Opening Date	2 July 2018
Closing Date	3 February 2019
Despatch of Share Certificates	19 March 2019

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

13 CAPITAL STRUCTURE

SL is an Australian Registered Company. The Company's Issued Capital is currently 50 million issued. The Company intends to raise AUD 14 million at an issue price of AUD 40c per share. The Company has provided for acceptance of up to AUD 1 million in oversubscriptions.

	Post AUD 14m raise. Mn shares	Post IPO Mn shares
Existing Shares	50.0	85.0
Total Shares	85.0	155.0

13.1 OBJECTIVES OF THE OFFER AND USE OF FUNDS

Funds raised from the Offer will be used to fund the first stage of the project including a Scoping Study and Feasibility Study. The second stage of the project will consist of a Definitive Feasibility Study, including Technical evaluation, environmental and social impact studies allowing the project to reach Bankable Status and also allow development of Company corporate activities. These could include preparation for the purposes of a proposed quotation of the Company's securities on an approved stock exchange. Exchanges being considered include Frankfurt, London and Singapore. In the event of oversubscription, the Company will proceed with further development of the project. The Company's overall budget is;

Budget Item	Stage 1 AUD	Stage 2 USD ¹
<i>Technical Program</i>		
Scoping Study	800,000	
Feasibility Study	2,300,000	
Definitive Feasibility Study	7,500,000	
Corporate Listing Preparation	500,000	
Working Capital	1,200,000	
Promotion	900,000	
Contingency	800,000	
Project construction (unescalated)		250,000,000
Total	14,000,000	250,000,000

1. Project construction will be paid in USD

13.2 MINIMUM SUBSCRIPTION

No Shares offered by this Information Memorandum will be issued if applications are not received for a minimum of AUD 600,000. Should applications for Shares not be received within three months from the date of this Information Memorandum, the Company will repay the application monies to the Applicants or issue a supplementary Information Memorandum or Replacement Memorandum and allow applicants one month to withdraw their applications and applications monies will be repaid. The minimum subscription was set at AUD 600,000 to allow swift progress with the Scoping Study. After Capital raising has reached a minimum level of AUD 600,000, Shares may be issued, and the Capital raised used for the purposes described in this Information Memorandum.

13.3 ALLOTMENT

Allotment of Shares offered by this Information Memorandum will take place as soon as practicable after the Closing Date. Prior to allotment, all application monies shall be held by the Company on trust. The Company will retain any interest earned on the application monies irrespective of whether the allotment of Shares takes place. The Directors reserve the right to allot Shares in full for any application or to allot any lesser number. Where the number of Shares allotted is less than the number applied for, or where no allotment is made, the surplus application monies will be returned by cheque or electronic transfer to the applicant within seven (7) days of the allotment date.

13.4 APPLICANTS OUTSIDE AUSTRALIA

This Information Memorandum is not intended to and does not constitute an offer in any place or jurisdiction, or to any person to whom it would not be lawful to make such an offer or to issue this Information Memorandum. The distribution of this Information Memorandum in jurisdictions outside Australia may be restricted by law and any person who comes into possession of this Information Memorandum should seek advice on and observe any such restrictions. It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Shares pursuant to this Information Memorandum. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

13.5 ESCROW OF SHARES

In the event the Company seeks admission to the official list of an approved Stock Exchange (ASE), certain of the Shares may be subject to the restricted securities provisions of that exchange. Accordingly, a proportion of such Shares, to be determined by an ASE, may be required to be held in escrow for a period of time, as determined by relevant exchange.

13.6 SHARES ARE NOT TRANSFERABLE

Shares acquired under this Information Memorandum must not be acquired with the purpose of selling or transferring the Shares, or granting, issuing or transferring interests in, or options over, the Shares within 12 months after the date of their issue, other than in accordance with the requirements of the Corporations Act. It is a term of the issue that the Company will not register any transfer of Shares which are sold or transferred by you within the first 12 months of the issue of the Shares unless you have provided the Company with satisfactory evidence that the person to whom you intend to transfer the Shares is a Sophisticated or Professional Investor within the meaning of Sections 708(8) or 708(11) of the Corporations Act.

13.7 DIVIDEND POLICY

This project is a major infrastructure, construction and production project. The main aim of the project is to bring to production status the potential assets in the tenements. The distribution of dividends therefore, will be unlikely in the short term.

13.8 RISK FACTORS OF INVESTMENT IN THE COMPANY

Investment in the developing world is by its nature, speculative. The investor must consider risk factors prior to investment in this project. These factors are covered in more detail elsewhere in this document.



13.9 ENQUIRIES

All enquiries regarding this Information Memorandum should be directed to:
Professor Colin Roberts - Chairman
Salternas Limited
14 Vale Street, Mount Lawley WA 6050 Australia
Email : croberts@salternas.com.au



14 COMPANY BACKGROUND

14.1 COMPANY DETAILS

Salternas Limited
ACN: 153 123 801

14.2 BOARD AND MANAGEMENT

The names of the Directors in office at the time of release of this Information Memorandum are detailed below. The Company is at an early stage of development and there is strong technical focus at the Board level. The Company is using the expertise of a team of advisers, selected for their specific skills. In the next stage of corporate development, an expert Executive Team will be established. Following the completion of the capital raising pursuant to this Information Memorandum, the Company will seek to appoint independent Board members. The current Directors profiles are included elsewhere in this document.

Name	Position
Professor Colin Roberts	Chairman
Mr John Balfe	Managing Director
Mr Walter Hughes	Director
Mr Mohamoud Jirdeh Hussein	Director
Mr Bradley Green	Company Secretary

14.3 CORPORATE DIRECTORY

Registered Company Office	14 Vale Street Mount Lawley WA 6050 Australia
Business Offices	Salternas Limited 14 Vale Street Mount Lawley WA 6050 Australia Salternas GmbH Neuer Wall 10 20354 Hamburg Germany
Auditors	Westcourt Level 2, 116 Roe Street Northbridge WA 6003 Australia
Bankers	Australia ANZ Banking Group 464 Hay Street Subiaco WA 6460 Australia Germany Postbank Filialvertrieb AG Meesenring 11 a D-23566 Lübeck Germany
Lawyers	Hanning Matthiesen LLM Hertzweg 1 23568 Lübeck Germany



15 ADDITIONAL INFORMATION

15.1 COMPANY HISTORY, TAX STATUS AND FINANCIAL YEAR

SL was formed in September 2011. It is registered with the Australian Securities and Investment Commission (ASIC). The Company's financial year ends on 30 June annually. The Company is subject to Australian Law and Taxation requirements.

15.2 CORPORATE GOVERNANCE

The primary responsibility of the Board is to represent and advance shareholder interests and to protect the interests of stakeholders. The Board is responsible for the overall corporate governance of the Company, including its strategic direction, establishing goals for management and monitoring the achievement of these goals. The Board recognizes the need for the Company to operate with the highest standards of behaviour and accountability. Guidelines are established in Australia for the conduct of companies and Requirements for an Unlisted Public Company will be adhered to.

15.3 TAXATION IMPLICATIONS

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual's financial affairs. All potential investors need to take independent financial advice regarding taxation consequences that may follow the investment in the Company. To the maximum extent permitted by law, the Company, its offices and each of their respective advisers accept no liability with respect to the taxation consequences of subscribing for Shares under this Information Memorandum.

15.4 LITIGATION

Legal proceedings may arise from time to time in the course of the 'Company's business. SL, as with all companies, may be subject to litigation from time to time. At the release date of this Information Memorandum, the Company is not involved in any legal proceedings, nor so far as the Directors are aware are any legal proceedings pending or threatened against the Company, which might have a material adverse effect on the business or financial position of the Company.

15.5 DIRECTORS INTERESTS

The Directors and their related entities have the following interests in the Shares of the Company at the date of release of this Information Memorandum.

Directors Shareholdings	Shares	Options
Professor Colin Roberts	5,000,000	Nil
Mr John Balfe	10,475,000	Nil
Mr Walter Hughes	10,575,000	Nil
Mr Mohamoud Jirdeh Hussein	10,475,000	Nil

The Directors of SL have not been fully reimbursed for work to date on the Project and remain as creditors on the Company's balance sheet. Payments for this work to date will be made when the project is fully funded, or when the Company has sufficient surplus funds.

15.6 COMPANY CONSTITUTION

A full copy of the Company Constitution is available from the Company free of charge on request. The Constitution includes descriptions of the rights and liabilities attaching to Shares in the Company. These rights and liabilities can involve complex questions



of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

Included in the Company's constitution is a mission statement which binds the company to progress both its commercial and philanthropic activities. This mission statement is as follows;

"To construct and operate an integrated enterprise for the profitable production of solar salt and downstream facilities for the production of fresh food in the forms of agriculture, aquaculture and mariculture with the aim of providing famine relief to the peoples of Somalia and Somaliland in particular. For the life of the company, there will be no variation to these objectives and goals."

15.7 BOARD APPROVAL

This Information Memorandum has been approved by a duly passed resolution of the Board of the Company.

16 RISK FACTORS

The Directors and Management of SL have used their best efforts to ensure that information contained herein is correct and factual. The Company, its Directors or employees or consultants provide no warranty, guarantee, representation or undertaking (in any way whatsoever) in regard to any matter. It is important that investors read this Information Memorandum in its entirety and seek professional advice before applying for securities in the Company. The securities, the subject of this Information Memorandum, should be considered speculative, with a medium to long-term investment outlook. The ability to sell or transfer the Shares may be limited. Prospective investors in the Company should consider the Risk Factors described in this section together with the information contained elsewhere in this Information Memorandum before deciding to apply for Shares. The Company's operations are subject to a number of risks that may have an impact upon its future performance. Before subscribing for Shares offered by this Information Memorandum, prospective investors should carefully evaluate the Company business. Potential investors should carefully consider the risks in light of their personal circumstances. If you are in doubt as to how to deal with this document, you should consult your legal and/or financial adviser.

16.1 GENERAL RISK FACTORS

Investors should be aware that an investment in SL involves risk that may be higher than risks associated with an investment in some other companies. Careful consideration should be given to all matters raised in this Information Memorandum. Some of these risks may be able to be mitigated by the use of appropriate safeguards and actions, but some are outside the control of SL and may not be able to be mitigated. The following summary, which is not exhaustive, represents some of the major risk factors that potential investors need to be aware of. Factors such as inflation, interest rates, supply and demand, levels of taxation, taxation law, and accounting practices, government legislation or intervention, natural disasters, social upheaval, and more may have impact on the parties and market conditions generally. Factors such as industrial legislation, availability of skilled workers, the possibility of industrial action or disruptions may have a direct impact on commodity prices, operating and capital cost, labour costs and general market conditions. Accordingly, the Company's future possible revenue and operations can be affected by these factors that are beyond the control of the Company. General movement in local and international stock markets and economic conditions could all affect the market value of the company. Any of these factors and those identified below or a combination of all of them in the future may materially affect the performance of the Company and the market price of the Shares. The risk factors set out below are not exhaustive. Any investment in the Company carries no guarantees with respect to value, profitability, payment of dividends, return of capital or price at which the Shares may trade if and when SL secures quotation of its equities on an authorized stock exchange.

16.2 ENVIRONMENTAL IMPACT AND HERITAGE CONSIDERATIONS.

The Company's construction and production program will need to conform to all conditions as required by current and any future legislation relating to environmental and heritage matters. Development of the leases will be dependent on meeting environmental guidelines and that required being applied by relevant government authorities.

16.3 GOVERNMENT LEGISLATION POLICY CHANGES

Revenue and expenditure of the Company may be affected by changes in international, federal, state, or local government laws, regulations or policies, or in taxation legislation. Government legislation policies are subject to review and change



from time to time. Such changes are likely to be out of the control of the Company and may affect industry profitability. The operation of SL is subject to extensive environmental laws and regulations. Violations of these requirements would result in liabilities that affect the Company's financial condition. At present, SL is not aware of any at issues or changes that would affect its business. However, changes in community attitudes on matters such as taxation, and competition policy may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's business plans. Any such government action may also require increased capital or operating expenditures and could impact on the Company's business.

16.4 ECONOMIC FACTORS

Factors beyond the control of the Directors that could affect revenues and value of the Company include but are not limited to inflation, currency fluctuation, interest rates, supply and demand of relevant inputs and outputs, and industrial disruption have an impact on operating costs and the value of Company Shares.

16.5 EXCHANGE RATE RISK

The Company's revenue is likely to be denominated in foreign currency whereas certain significant components of expenditure of the Company will be incurred primarily in Australian dollars. This will expose the Company to fluctuations in volatility of the rate of exchange between the Australian dollar and these other currencies as determined by international markets. The Company will be exposed to exchange rate risk as it expects to market its products internationally. The Company might develop hedging procedures and policies to manage exchange rate risk. Should the Company be unable to cover this risk the resultant loss of revenue may have materially adverse effect on the Company's operating results and financial condition.

16.6 DEVELOPMENT AND CONTINUITY OF OPERATIONS

The Company's development may be adversely impacted by numerous issues including, but not limited to, land access, native title and heritage and environmental legislation, industrial disputes, cost overruns, government approval, licensing and approvals processing and other unforeseen contingencies. Such issues could render development uneconomical, resulting in a need to cease development, thus, adversely impacting on the operating and financial performance.

16.7 KEY PERSONNEL MANAGEMENT

The Company relies on a number of key employees and consultants. There is a risk that the Company may fail to attract or retain employees and consultants. This would have a negative impact upon the development of the Company. The loss of any of these individuals could have an adverse impact on the business of SL. The Company's success will, to a large extent, be dependent on the ability and experience of its Directors, Executive Management and Employees. Although the Company does not currently envisage any difficulties in recruiting people with the necessary expertise to operate and manage the project, its ability to recruit may, in the future be affected by the competitive market for staff and the skills which the Company requires. Loss of key people and difficulties in recruitment may affect the Company's ability to expand and may have an adverse effect on the Company's business.

16.8 COMPETITION

The introduction of new competitors or a more aggressive competitive response from existing participants may affect the operating performance of the Company. Given the growth in Salt markets, the market could become increasingly competitive on both a local and global basis. There is no assurance that the Company will be able to compete



successfully in such a marketplace and the increasing competition could adversely affect the possible earnings of the Company.

16.9 SALES AND MARKETING RISK

Based on actual demand and in discussions with various interested parties to date, the Company believes there is a market to sell all of its possible future production. However, if the Company fails to secure contracts for any future production or the Company does not satisfy conditions in its proposed off-take agreements, this may adversely affect the financial performance of the Company.

16.10 OPERATING COST RISK

Operating costs are based on the Company's experience and best estimates however a variety of other factors outside the Company's control may increase the operational costs of its activities.

16.11 LIQUIDITY RISK

There is currently no public market for the Shares in the Company. One of the Directors' current strategies include a possible listing of the Company on an ASE as deemed appropriate for the Company. There can be no guarantee that the Company will be granted listing for the quotation and trading of its securities on any appropriate stock exchange. In the event that the Company does not list on an ASE, there will be no liquid market for shareholders to dispose of their Shares.

16.12 ADDITIONAL FINANCING REQUIREMENTS

The Directors expect the proceeds of the Offer will provide sufficient Capital Resources to enable the Company to achieve its initial business objectives of undertaking the necessary studies to achieve Bankable status. However, the Directors can give no assurances that such objectives will in fact be met without future borrowings or further capital raisings and if such borrowings or capital raisings are required that they can be obtained on terms favourable to the Company, if at all.

16.13 LEGAL RISK

The introduction of new legislation amendments to existing legislation by government developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could adversely impact on the assets, operations and, ultimately, the financial performance of the Company and the value of its Shares. In addition, there is a commercial risk that legal action may be taken against the Company in relationship to commercial matters.

16.14 INSURANCE

The Company will undertake a reasonable due diligence in assessing the creditworthiness of its insurance providers. There will however remain the risk that an insurer defaults in payment for a claim by the Company under an insurance policy, if the assuming Company can actually secure any such insurance on acceptable terms.

16.15 LIMITED COMPANY HISTORY

SL was established in September 2011. The Company has recently completed negotiations with the host Sovereign State and investigated Sovereign Risk mitigation. It has achieved a lot in a short time, however, the Company has no meaningful historical financial or operating history. The Company's prospects must be considered in the light of risks, expenses and difficulties encountered by companies in the early stages of development, and companies in new and rapidly evolving industries.

16.16 SOVEREIGN RISK

SL addresses this elsewhere in this document, however, It is known that Somalia is one of the world's most challenging operating environments, however, in the autonomous region of Somaliland, comparatively more advanced institutional capacity and rule of law provides a more stable investment environment.¹¹ Professor Colin Roberts¹², an expert of world repute on sovereign risk, legal risk and foreign direct investment (FDI), has been engaged to advise mechanisms to mitigate such risks to the foreign direct investor. In the summary of a report¹³, prepared for SL dated July 23, 2015, Professor Roberts outlined the steps required to maximize sovereign risk mitigation, which takes advantage of international law and insurances available. This, concluded that Somalia, and Somaliland in particular, could be considered an attractive location for this project. However, this is still work in progress, and SL is working on various sovereign risk mechanisms.

¹¹ Mohamed M. Jamma-Lecturer at the University of Hargeysa states "Somaliland is now an oasis of sorts, a relatively peaceful, reasonably well functioning corner of a country that lies in ruins. Gunmen do not rule the streets here. The local police do. A series of elections have been held, including a presidential contest that was closer than the one in which George W. Bush beat Al Gore. The courts declared Mr. Kahin the victor and the populace accepted it. In essence, Somaliland has been able to manage interclan rivalry and build basic democratic institutions, whereas the rest of Somalia has found itself in an anarchic struggle for control."

¹² <https://www.linkedin.com/in/prof-colin-roberts-euring-llm-9107466/>

¹³ Available on request

17 INFORMATION FOR INVESTORS

Potential Investors should note that this Information Memorandum is not a Prospectus. This document is an Exempt Personal Offer under Section 708(1)-(7) of the Australian Corporations Act (2001). It is not a disclosure document and is intended purely for Information purposes. Investors are requested to use the Application Form provided. Prior to applying for Shares, it is the responsibility of Investors to consider the Information Memorandum in its entirety, be aware of the Risks involved and conduct their own Due Diligence. The Company retains the right to accept oversubscriptions of up to AUD 1 million. The allocation of Shares under the Offer will be at the discretion of the Company. In the event of oversubscription, Investors who have completed valid Application Forms will be contacted by the Company. Applicants may then consider their options.

Investors are requested to:

1. Complete the attached Application Form
2. Please note and complete the Certificates for Sophisticated Investors.
3. Payment can be made electronically to;

Salternas Limited
ANZ Banking Group
BSB : 016 460
Account : 529 901 175

or by Cheque: please address the cheque to "Salternas Limited," the cheque should be crossed and marked "Not Negotiable." Cheque details should be recorded on the application form;

Application Form For Shares in Salternas Limited

The applicant set out below hereby applies for the number of fully paid shares (Offer Shares) in the capital of Salternas Limited (ACN 153 123 801) (Company) as set out below at a price of \$0.40 per Offer Share and makes payment for the subscription proceeds, pursuant to the Offer under the terms set out in the Company's Information Memorandum dated 1 July 2018 (Information Memorandum).

1. Number of Offer Shares and Payment Amount

I/We apply for :

(Insert No. Offer Shares applied for)

Offer Shares at \$0.40 per Offer Share payable in full with this application

(Insert Total Amount Payable for Offer Shares)

2. Full Name Details of Applicant – Title, Given Names and Surname or Company Name

	Name to show on Share certificate (refer below for correct name form)
Applicant (1)	
Joint Application (2)	
Joint Application (3)	

3. Address Details

Number and Street			
Suburb / City	State	Post Code	Country

4. Contact Details

Email	Mobile no.	Work no.	Home no.
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5. Tax File Number

Tax file no. or exemption category	ABN if Company or ARSN if Super Fund
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6. Cheque / Electronic Transfer Details

Ref. for Electronic Trans.	Bank	BSB and Account no.	Amount AU\$
Cheque drawer	Bank	BSB and Account no.	Amount AU\$

Declaration

This Application Form does not need to be signed. By lodging this Application Form and a cheque or an electronic transfer confirmation for the application money, the applicant hereby:

1. applies for the number of Offer Shares specified in this Application Form or such lesser number as may be allocated by the Directors;
2. agrees to be bound by the Constitution of the Company and the terms of the Information Memorandum;
3. declares that all details and statements in this Application Form are complete and accurate;
4. authorizes the Company's Directors to complete or amend this Application Form and any other documentation where necessary to correct any errors or omissions;



5. acknowledges that he/she received personally the Information Memorandum with the Application Form; and
6. warrants to the Company that he/she satisfies one or both of the requirements set out in parts (a) and (b) of Annexure A to this Application Form.

If an Application Form is not completed correctly, it may still be accepted. Any decision of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it, shall be final.

Instructions to complete this Application Form

You should read the Information Memorandum carefully before completing this Application Form.

Please complete all relevant sections of this Application Form using BLOCK LETTERS.

The below instructions are cross-referenced to each Section of the Application Form.

1. Number of Offer Shares and Payment Amount

Insert the number of Offer Shares that you wish to apply for under the Offer. Enter the total amount payable. Multiply the total number of Offer Shares applied for by AUD 0.40, being the issue price per Offer Share under the Offer.

2. Name(s) in which the Offer Shares are to be registered

Note that ONLY legal entities can hold Offer Shares. The application must be in the name of one or up to three natural persons, companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Correct forms of registrable name to be shown on share certificate

Type of Investor	Correct form of Registration	Incorrect form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms. Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal names(s)	Mrs. Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms. Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	John Smith and Son
Long names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs / Unincorporated Bodies / Business Names Use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the names of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

**3. Postal Address**

Please enter the postal address to be used for all written correspondence. Only one address can be recorded against a holding.

4. Contact Details

Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

5. Tax File Number/ABN/Exemption

If you wish to have your Tax File Number (TFN), ABN or Exemption registered against your holding, please enter the details in section 5. Collection of TFN's is authorized by taxation laws but quotation is not compulsory and it will not affect your Application Form.

6. Cheque or Electronic Payment Details

All payments must be made in Australian Dollars only. All applications are to be accompanied by payment of 100% of the issue price per Offer Share applied for, being AUD 0.40 per Offer Share.

Pay by electronic transfer including internet banking or telegraphic transfer (TT) should be made to:

Bank :	ANZ Banking Group
Account name :	Salternas Limited – Share Application Account
BSB :	016 460
Account number :	529 901 175
Swift Code :	ANZBAU3M
Reference (“name”)	This will appear on our bank statement to ensure we are able to track your payment

Pay by cheque drawn on an Australian branch of a financial institutional in Australian currency, made payable to “Precision Opportunities Fund Ltd – Share Application Account” and crossed “Not Negotiable”. Attach the cheque to the front of the Application Form.

Please complete the relevant details in section 6

How to lodge your Application Form

Mail or deliver your completed Application Form together with your cheque and, if applicable, the original Sophisticated Investor Certificate, to the following address, to arrive no later than 3 August 2018 5.00 pm (Western Standard Time in Perth, Western Australia) on the Closing Date as defined in the Information Memorandum (or such other date as directed by the Company):

Mailing Address

Salternas Limited
14 Vale Street
Mount Lawley WA 6050
Australia

Hand Delivery

Salternas Limited
14 Vale Street
Mount Lawley WA 6050
Australia



Annexure A

Where the amount payable for any Offer Shares requested to be issued by the Company pursuant to this application is less than A\$500,000, the applicant hereby either:

- a) warrants to the Company that the applicant is a “Professional Investor” as that term is defined under Section 708(11) of the Corporations Act 2001 (Cth);
or
- b) attaches an original certificate substantially in the form attached given by a qualified accountant no more than two years before the date of the Information Memorandum, certifying that the applicant (or the person who controls a company or trust applicant):
 - (i) has net assets of at least A\$2.5 million; or
 - (ii) has a gross income for each of the last two financial years of at least AUD 250,000 per year.



Sophisticated Investor Certificate
Pursuant to section 708(8)(c) of the Corporations Act

I, _____
am a “qualified accountant” for the purposes of Section 708(8)(c) of the Corporations Act, being a member of the following professional body:

 (“Body”)

My membership designation from the Body is _____ and I am subject to and in compliance with the Body’s continuing professional education requirements.

I CERTIFY that the following investor has net assets of at least \$2.5 million or has a gross income for each of the last two (2) financial years * specified below of at least A\$250,000 per year.

Full name and title of investor :

Full address of investor :

* The last two financial years for which this certificate applies are [] and []. [insert year]

Signed by qualified accountant :

Print full name :

Date certificate issued :

Phone :

Address :