

# ERRAWARRA

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22 October 2018

Dear Shareholders,

## **SOP and HPA Update**

Highly encouraging proof of concept test results for High Purity Alumina (HPA) have caused us to rethink our capital raising and ASX listing strategy!

We believe Errawarra now has the potential to develop two standalone products, sulphate of potassium (SOP) and HPA. The markets for these products are however quite different - SOP is a fertiliser for the agriculture market and HPA is an input into smartphones and rechargeable batteries.

Considering these positive developments, we believe it's in the best interests of shareholders to split Errawarra into two companies, one focused on agriculture (SOP) and the other on high tech metals (HPA). Splitting the company will enable new investors to choose whether they wish to invest in the agriculture sector, the technology sector or both. It will also allow us to seek out and appoint the appropriate management and consultants having the relevant industry expertise to best drive growth in both industry sectors.

The decision to split Errawarra can only be made by shareholders at a general meeting. We will look to call a meeting to consider the proposal early in 2019. If shareholders approve the split, current Errawarra shareholders will receive a pro-rata issue of shares in the new company and thereafter you'll have exposure to the rapid growth potential of two companies.

In relation to funding, the seed capital raising launched earlier this year was 'put on hold' to enable the Board to consider the full value of the HPA test work. Several existing Errawarra shareholders took the opportunity to apply for additional seed capital and we sincerely thank them for their financial support. If you would also like to apply for seed capital prior to the split, please contact me as soon as possible. With the capital raising put on hold activities have once again been predominantly funded by borrowings which need to be repaid. We will reset the capital raising strategy after publishing the HPA proof of concept results next month.

If you have any questions you are always welcome contact me at [dhicks@errawarra.com](mailto:dhicks@errawarra.com). I'll continue to post relevant content on Twitter so please follow us @SOPandHPA.

We all remain very committed to making Errawarra a success for shareholders.

Best regards,



Damian Hicks  
Executive Director