

AMERALIA INC (AALA)

3200 COUNTY ROAD 31
RIFLE, CO, 81650
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www.ameralia.com

8-K

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THOMSON REUTERS

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report: June 30, 2010
(Date of earliest event reported)



AMERALIA, INC.
(Exact name of registrant as specified in its charter)

000-15474
(Commission File Number)

Utah
(State or other jurisdiction of incorporation)

87-0403973
(IRS Employer Identification No.)

3200 County Road 31, Rifle, Colorado 81650
(Address of principal executive offices, including zip code)

(720) 876-2373
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry in a Material Definitive Agreement

Exchange Agreement and Plan of Reorganization

On June 30, 2010, the Registrant and Sentient USA Resources Fund, L.P., a Delaware limited partnership (“Sentient”), entered into an Exchange Agreement and Plan of Reorganization (the “Exchange Agreement”) pursuant to which Natural Soda Holdings, Inc., a Colorado corporation (“NSHI”), became a wholly-owned subsidiary of the Registrant.

Prior to entering into the Exchange Agreement, Sentient owned 820,000 shares of common stock of NSHI, constituting 82% of NSHI’s issued and outstanding common stock and the Registrant owned 180,000 shares of common stock of NSHI, constituting 18% of NSHI’s issued and outstanding common stock. Sentient also owned 47,954,495 shares of common stock of the Registrant, constituting approximately 72% of the Registrant’s issued and outstanding common stock plus a limited right to acquire up to 5,500,000 additional shares of common stock of the Registrant.

Pursuant to the Exchange Agreement, the Registrant issued 286,119,886 shares of its common stock to Sentient in exchange for the 820,000 shares of common stock of NSHI held by Sentient (the “Exchange”). Following the Exchange, the Registrant owns 100% of the issued and outstanding common stock of NSHI and Sentient owns approximately 94.8% of the Registrant’s issued and outstanding common stock.

The foregoing description of the Exchange Agreement is qualified in its entirety by the full text of the Exchange Agreement, a copy of which is filed as Exhibit 10.56 to this Current Report on Form 8-K and which is hereby incorporated by reference into this Item 1.01.

NSHI, the Registrant’s wholly-owned subsidiary, holds 100% of the issued and outstanding common stock of Natural Soda, Inc., a Colorado corporation (“NSI”). NSI owns various water rights in the Piceance Creek Basin in northwest Colorado, a part of the Colorado River drainage system. NSI also owns the largest Bureau of Land Management leases in the Piceance Creek Basin which contains the largest known deposits of nahcolite, naturally occurring sodium bicarbonate, in the world. For more information regarding NSI, see the Registrant’s Annual Report on Form 10-K for its fiscal year ended June 30, 2009, filed with the Securities and Exchange Commission (the “SEC”) on October 13, 2009.

As a result of the Exchange, the Registrant believes that it will no longer be required to register as an investment company under the Investment Company Act of 1940, as amended. As a condition subsequent under the Exchange Agreement, the Registrant is required to seek a no-action letter from the SEC. If the Registrant does not receive a no-action letter from the SEC, Sentient may rescind the Exchange Agreement.

License Agreement

On June 30, 2010, the Registrant’s wholly-owned subsidiary NSHI and NSHI’s wholly-owned subsidiary NSI entered into a License Agreement with Peter Cassidy, an officer and director of Sentient (the “License Agreement”), pursuant to which Mr. Cassidy licensed patented technology relating to oil shale processing (the “Licensed Technology”) to NSHI and NSI for the lump sum of \$100, solely for research and development purposes. The License Agreement specifically prohibits the use of the Licensed Technology by NSHI or NSI for any income generating activities or any activities intended to produce commercial quantities of oil shale products (the “Prohibited Activities”). If at any time NSHI or NSI desire to engage in the Prohibited Activities, Mr. Cassidy agreed to negotiate in good faith in respect of a royalty and license agreement of the Licensed Technology to enable NSHI and NSI to engage in the Prohibited Activities. If Mr. Cassidy determines to license the Licensed Technology to an independent third party, Mr. Cassidy agreed to provide NSHI and NSI with a right of first offer to license the Licensed Technology.

During the term of the License Agreement, NSHI and NSI have agreed to pay for a research program related to the Licensed Technology.

The foregoing description of the License Agreement is qualified in its entirety by the full text of the License Agreement, a copy of which is filed as Exhibit 10.57 to this Current Report on Form 8-K and which is hereby incorporated by reference into this Item 1.01.

Reimbursement Agreement

On June 29, 2010, NSHI entered into a Cost Reimbursement Agreement (the “Reimbursement Agreement”) with The Sentient Group (“TSG”), an affiliate of Sentient. Pursuant to the Reimbursement Agreement, NSHI agreed to reimburse TSG and Sentient for services provided by TSG and Sentient to NSHI or NSI and for the cost of goods and services provided by third parties to or for the benefit of NSHI or NSI but billed to TSG or Sentient.

The foregoing description of the Reimbursement Agreement is qualified in its entirety by the full text of the Reimbursement Agreement, a copy of which is filed as Exhibit 10.58 to this Current Report on Form 8-K and which is hereby incorporated by reference into this Item 1.01.

Consulting Agreement

On November 21, 2009, NSHI entered into a Consulting Agreement (the “Consulting Agreement”) with Toveloa Pty Limited, an Australian company controlled by Alan You Lee, an affiliate of Sentient, pursuant to which Toveloa Pty Limited agreed to provide certain consulting services to NSHI. At a meeting of its board of directors on June 28, 2010, the Board of Directors and shareholders of NSHI ratified and approved the Consulting Agreement.

The foregoing description of the Consulting Agreement is qualified in its entirety by the full text of the Consulting Agreement, a copy of which is filed as Exhibit 10.59 to this Current Report on Form 8-K and which is hereby incorporated by reference into this Item 1.01.

Item 1.02 Termination of a Material Definitive Agreement

As a condition precedent to the performance of Sentient’s obligations under the Exchange Agreement, the Registrant and Sentient entered into a Termination Agreement, dated June 30, 2010 (the “Termination Agreement”), pursuant to which the Shareholders Agreement by and among the Registrant, NSHI, and Sentient, dated October 31, 2008 (the “Shareholders Agreement”), was terminated.

The Shareholders Agreement contained provisions restricting the transfer of shares of NSHI’s common stock by the Registrant and Sentient, a right of first refusal on sales to third parties of the shares of NSHI’s common stock held by the Registrant, drag along rights benefiting Sentient, and tag along rights benefiting the Registrant. The foregoing description of the Shareholders Agreement is qualified in its entirety by the full text of the Shareholders Agreement, a copy of which is filed as Exhibit 10.55 to the Registrant’s Current Report on Form 8-K filed with the SEC on November 7, 2008 and which is hereby incorporated by reference into this Item 1.02.

Item 2.01 Completion of Acquisition or Disposition of Assets

As discussed under Item 1.01 above, which information is hereby incorporated by reference into this Item 2.01, pursuant to the Exchange, NSHI became a wholly-owned subsidiary of the Registrant. Consequently the Registrant now controls the assets and operations of NSI, a wholly-owned subsidiary of NSHI.

Item 3.02 Unregistered Sale of Equity Securities

Pursuant to the Exchange Agreement, discussed under Item 1.01 above, which information is hereby incorporated by reference into this Item 3.02, the Registrant issued 286,119,886 shares of its common stock to Sentient in exchange for the 820,000 shares of common stock of NSHI held by Sentient. The shares of common stock issued by the Registrant to Sentient under the Exchange Agreement were issued pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), under Section 4(2) of the Securities Act and the rules and regulations promulgated thereunder.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Changes in Fiscal Year

On June 30, 2010, the Registrant filed Amended and Restated Articles of Incorporation with the Secretary of State for the State of Utah to increase the authorized capital of the Registrant from 100,000,000 shares of common stock to 700,000,000 shares of common stock. The foregoing description of the Registrant's Amended and Restated Articles of Incorporation is qualified in its entirety by the full text of the Registrant's Amended and Restated Articles of Incorporation, a copy of which is filed as Exhibit 3.3 to this Current Report on Form 8-K and which is hereby incorporated by reference into this Item 5.03.

As previously disclosed in the Registrant's Current Report on Form 8-K filed with the SEC on June 25, 2010, the amendment to the Registrant's Articles of Incorporation was approved by the Registrant's stockholders at the Registrant's Annual Meeting held on June 21, 2010. The amendment to the Registrant's Articles of Incorporation is described in more detail in the Registrant's definitive proxy statement on Schedule 14A, filed with the Securities and Exchange Commission on May 21, 2010, which information is hereby incorporated by reference into this Item 5.03.

Item 9.01 Financial Statements and Exhibits.

a. Financial Statements of Businesses Acquired

As permitted by Item 9.01(a)(4) of Form 8-K, the Registrant will file the financial statements required by Item 9.01 (a)(1) of Form 8-K pursuant to an amendment of this Current Report on Form 8-K not later than seventy-one (71) calendar days after the date on which a Form 8-K reporting the closing of the acquisition of NSHI was due.

b. Pro Forma Financial Information

As permitted by Item 9.01(b)(2) of Form 8-K, the Registrant will file the pro forma financial information required by Item 9.01 (b)(1) of Form 8-K pursuant to an amendment of this Current Report on Form 8-K not later than seventy-one (71) calendar days after the date on which a Form 8-K reporting the closing of the acquisition of NSHI was due.

d. Exhibits

Exhibit No.	Description
3.3	Amended and Restated Articles of Incorporation, effective June 30, 2010
10.57	Exchange Agreement and Plan of Reorganization, dated June 30, 2010
10.58	License Agreement, dated June 30, 2010, including Amendment Number 1 to License Agreement.
10.59	Reimbursement Agreement, dated June 29, 2010
10.60	Consulting Agreement, dated November 1, 2009

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

AMERALIA, INC.
(Registrant)

Date: July 7, 2010

By: /s/ Robert van Mourik
Name: Robert van Mourik
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
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<u>10.59</u>	Reimbursement Agreement, dated June 29, 2010
<u>10.60</u>	Consulting Agreement, dated November 1, 2009

ARTICLES OF AMENDMENT AND RESTATEMENT
TO THE ARTICLES OF INCORPORATION OF
AMERALIA, INC.

June 30, 2010

In accordance with Section 16–10a–1007 of the Utah Revised Business Corporation Act (the “Utah Act”), AmerAlia, Inc., a Utah corporation (the “Corporation”), hereby declares and certifies as follows:

1. The name under which the Corporation was incorporated was AmerAlia, Inc.
2. The text of the Amended and Restated Articles of Incorporation (the “Restated Articles”) is attached hereto as Exhibit A and is incorporated herein by this reference. The Restated Articles supersede the original Articles of Incorporation of the Corporation and all prior amendments and restatements thereto.
3. The Restated Articles were adopted by the Corporation’s shareholders pursuant to a vote of the shareholders at a duly noticed meeting of the Corporation’s shareholders held on June 21, 2010 (the “Shareholder Action”), in accordance with the requirements of the Utah Act.
4. The Corporation has 66,293,696 shares of common stock, \$0.01 par value (“Common Stock”), outstanding and eligible to vote on the Restated Articles. Pursuant to the Shareholder Action, 63,369,365 votes represented by the Common Stock were cast in favor of increasing the authorized capital of the Corporation. The number of votes cast for the Restated Articles by the holders of Common Stock entitled to vote on the Restated Articles was sufficient for approval by the holders of Common Stock.

[Signature page follows]

IN WITNESS WHEREOF, these Articles of Amendment and Restatement have been executed by the Corporation as of the date first written above.

AMERALIA, INC.

By: /s/ Bill H. Gunn

Name: Bill H. Gunn

Its: Chief Executive Officer

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
AMERALIA, INC.
a Utah corporation

Pursuant to Section 16–10a–1007 of the Utah Business Corporation Act, the following are the Amended and Restated Articles of Incorporation of AmerAlia, Inc. (the “Corporation”).

ARTICLE I
Name of Corporation

The name of the Corporation is AmerAlia, Inc.

ARTICLE II
Duration

The duration of the Corporation is perpetual.

ARTICLE III
Purpose and Powers

The Corporation shall engage in any lawful act or activity for which corporations may be organized under the laws of the State of Utah and shall have and may exercise all rights, powers, and privileges necessary or convenient to effect any of the purposes for which the Corporation has been organized.

ARTICLE IV
Stock

The Corporation is authorized to issue 700,000,000 shares of common stock, par value \$0.01 per share (“Common Stock”), and 1,000,000 shares of preferred stock, \$0.05 par value.

All shares of Common Stock shall be identical and shall entitle the holders thereof to the same rights and privileges. When and as dividends are declared on the Common Stock, whether payable in cash, in property or in securities of the Corporation, the holders of Common Stock shall be entitled to share equally, share for share, in such dividends.

Upon any liquidation, dissolution or winding–up of the Corporation, whether voluntary or involuntary, the remaining assets of the Corporation to be distributed to the holders of Common Stock of the Corporation shall be distributed ratably among the holders of Common Stock.

ARTICLE V
Shareholder Rights

Shares of Common Stock may be issued at such time, upon such terms and conditions and for such consideration as the Board of Directors shall determine.

The holders of Common Stock shall have no preemptive rights to subscribe to any or all additional issues of Common Stock or any securities of the Corporation convertible into Common Stock.

The holders Common Stock shall be entitled to vote on all matters to be voted on by the shareholders of the Corporation. On all matters to be voted on by the holders of Common Stock, the holders shall be entitled to one vote for each share thereof held of record, except that in the election of directors, each holder of Common Stock shall be entitled to vote all of such shareholder's votes for as many persons as there are directors to be elected and for whose election such shareholder has the right to vote. Cumulative voting shall not be allowed in the election of directors or for any other purpose. All holders of Common Stock shall vote together as a single class on all matters as to which holders of Common Stock are entitled to vote.

ARTICLE VI
Board of Directors

The corporate powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, a board of directors.

The number of directors of the Corporation shall be determined in accordance with the Corporation's bylaws as such may be adopted or amended from time to time.

ARTICLE VII
Related Party Transactions

No contract or other transaction between the Corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of the Corporation's directors are directors or officers or are financially interested, shall be either void or voidable because of such relation or interest, or because such director or directors are present at the meeting of the Corporation's board of directors, or a committee thereof which authorizes, approves or ratifies such contract or transaction, or because such director or directors' votes are counted for such purpose if: (a) the fact of such relationship or interest is disclosed or known to the Corporation's board of directors or committee which authorizes, approves, or ratifies the contract or transaction by vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or (b) the fact of such relationship or interest is disclosed or known to the shareholders of the Corporation entitled to vote and such shareholders authorize, approve, or ratify such contract or transaction by vote or written consent; or (c) the contract or transaction is fair and reasonable to the Corporation.

ARTICLE VIII
Liability of Directors

No director shall be personally liable to the corporation or any shareholder of the Corporation for monetary damages for breach of fiduciary duty as a director, except for any matter in respect of which such director shall be liable under Section 16–10–44 of the Utah Business Corporation Act or any amendment or successor provision thereto, and except for any matter in respect of which such director shall be liable by reason that the director (i) has breached such director's duty of loyalty to the Corporation or its shareholders, (ii) has not acted in good faith or, in failing to act, has not acted in good faith, (iii) has acted in a manner involving intentional misconduct or a knowing violation of law or, in failing to act, has acted in a manner involving intentional misconduct or a knowing violation of law, or (iv) has derived an improper personal benefit. Neither the amendment nor repeal of this Article VIII, nor the adoption of any provisions in the Corporation's Articles of Incorporation inconsistent with this Article VIII, shall eliminate or reduce the effect of this Article VIII in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article VIII, would accrue or arise prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE IX
Amendment

These Articles of Incorporation may be amended by the affirmative vote of a majority of the shares entitled to vote on each such amendment.

EXCHANGE AGREEMENT
AND PLAN OF REORGANIZATION

This Exchange Agreement and Plan of Reorganization (the "Agreement") is executed this 30th day of June, 2010, by and between AMERALIA, INC., a Utah corporation ("AmerAlia"), and SENTIENT USA RESOURCES FUND, L.P., a Delaware limited partnership ("Sentient").

RECITALS

WHEREAS, Sentient owns 820,000 shares of Holdings Common Stock, constituting 82% of its authorized, issued and outstanding capital stock and AmerAlia owns 180,000 shares of Holdings Common Stock, constituting 18% of its authorized, issued and outstanding capital stock;

WHEREAS, Sentient also owns 47,954,495 shares of AmerAlia Common Stock, constituting approximately 72% of its authorized, issued and outstanding common stock plus a limited right to acquire up to 5,500,000 additional shares of AmerAlia Common Stock;

WHEREAS, AmerAlia has expressed an interest in owning all of the authorized, issued and outstanding shares of common stock of Holdings and has asked Sentient to exchange its 820,000 shares of Holdings Common Stock for shares of AmerAlia Common Stock;

WHEREAS, Sentient has agreed to exchange its 820,000 shares of Holdings Common Stock for 286,119,886 shares of AmerAlia Common Stock, representing approximately 81.2% of the fully diluted outstanding shares of AmerAlia Common Stock (after giving effect to this issuance); and

WHEREAS, after the exchange referred to herein, AmerAlia will own 100% of the authorized, issued and outstanding Holdings Common Stock and Sentient will own approximately 95% of the authorized, issued and outstanding AmerAlia Common Stock.

NOW, THEREFORE, in consideration of the foregoing recitals, the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. The following terms when used herein shall have the meaning set forth below:
 - a. "AmerAlia" shall mean AmerAlia, Inc., a Utah corporation.
 - b. "AmerAlia Common Stock" means the \$.01 par value per share common stock of AmerAlia.

Exchange Agreement – Sentient LP and AmerAlia

- 1.c. c. “AmerAlia Stock Options” means the authorized, issued and outstanding stock options of AmerAlia as set forth in Exhibit
- d. “Closing” shall have the meaning set forth in Section 3.
- e. “Code” shall mean the United States Internal Revenue Code of 1986, as amended.
- f. “Employee Benefit Plan” means any employee benefit plan, as defined in Section 3(3) of ERISA, which is, previously has been, or will be established or maintained by any member of a controlled group.
- g. “Environmental Laws” means all federal, state, or local laws, ordinances, rules, regulations, interpretations and orders of courts or administrative agencies or authorities relating to pollution or protection of the environment (including, without limitation, ambient air, surface water, ground water, land surface, and subsurface strata), and other laws relating to (a) Polluting Substances or (b) the manufacture, processing, distribution, use, treatment, handling, storage, disposal, or transportation of Polluting Substances.
- h. “GAAP” means generally accepted accounting principles, applied on a consistent basis, as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants and/or in statements of the Financial Accounting Standards Board and/or their respective successors and which are applicable in the circumstances as of the date in question.
- i. “Governmental Body” means any: (a) nation, state, county, city, town, village, district, or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign, or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); (d) multi-national organization or body; or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.
- j. “Holdings” means Natural Soda Holdings, Inc., a Colorado corporation.
- k. “Holdings Common Stock” means the \$.01 par value per share, common stock of Holdings.
- l. “Lien” means any lien, claim, mortgage, security interest, tax lien, pledge, encumbrance, financing statement, or conditional sale or title retention agreement, or any other interest in property designed to secure the repayment of indebtedness or any other obligation, whether arising by agreement, operation of law, or otherwise, and including claims of a right to a security interest and encumbrances whether properly attached, perfected, or recorded.

m. "Material Adverse Effect" means (a) a material adverse effect on the business, operations, properties, assets or condition (financial or otherwise) individually or taken as a whole or (b) the impairment of the ability of any party to perform its obligations under this Agreement or any of other agreements to which it is a party.

n. "Polluting Substance" means all pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes and shall include, without limitation, any flammable explosives, radioactive materials, oil, hazardous materials, hazardous or solid wastes, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act of 1976, the Hazardous and Solid Waste Amendments of 1984, and the Hazardous Materials Transportation Act, as any of the same are hereafter amended, and in the regulations adopted and publications promulgated thereto; provided, in the event any of the foregoing Environmental Laws is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment and, provided, further, to the extent that the applicable laws of any state establish a meaning for "hazardous substance," "hazardous waste," "hazardous material," "solid waste," or "toxic substance" which is broader than that specified in any of the foregoing Environmental Laws, such broader meaning shall apply.

o. "SEC" means the United States Securities and Exchange Commission.

p. "Sentient" means Sentient USA Resources Fund, L.P., a Delaware limited partnership.

q. "Sentient Option" means the right of Sentient to purchase up to 5,500,000 shares of AmerAlia Common Stock, described in the Restructuring Agreement, dated September 25, 2008, as amended by the Amendment to the Restructuring Agreement dated October 31, 2008.

r. "Soda" means Natural Soda, Inc., a Colorado corporation.

2. Exchange.

a. Exchange of Holdings Common Stock for AmerAlia Common Stock by Sentient. At the Closing, AmerAlia will issue to Sentient 286,119,886 shares of AmerAlia Common Stock, representing approximately 81.2% of the fully diluted outstanding shares of AmerAlia Common Stock (after giving effect to this issuance) in exchange for 820,000 shares of Holdings Common Stock, which shall be delivered by Sentient to AmerAlia at the Closing, free and clear of all liens, claims and encumbrances of any person claiming rights by, through or under Sentient.

b. Intended Treatment for Tax Purposes. The parties to this Agreement intend that the acquisition of AmerAlia Common Stock by Sentient and the acquisition of Holdings Common Stock by AmerAlia qualify as an exchange under Section 351(a) of the Code and a reorganization under Section 368(a)(1)(B) of the Code.

- c. Restrictions on Transfer. All shares of AmerAlia Common Stock to be issued hereunder shall be deemed "Restricted Securities" as defined in paragraph (a) of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), and are being acquired by Sentient for investment purposes only and without the present intent to make a further distribution of such shares, except as permitted by applicable law. All shares of AmerAlia Common Stock to be issued under the terms of this Agreement shall be issued pursuant to an exemption from the registration requirements of the Securities Act, under Section 4(2) of the Securities Act and the rules and regulations promulgated thereunder. Certificates representing the shares of AmerAlia Common Stock to be issued hereunder shall bear a restrictive legend in substantially the following form:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY BE OFFERED FOR SALE, SOLD, OR OTHERWISE DISPOSED OF, ONLY IN COMPLIANCE WITH THE REGISTRATION PROVISIONS OF SUCH ACT OR PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION PROVISIONS, THE AVAILABILITY OF WHICH IS TO BE ESTABLISHED TO SATISFACTION OF THE COMPANY.

- d. Adjustments. In the event that the number of shares of AmerAlia's common stock is changed by dividend, stock split, reverse stock split, combination, reclassification or any other event, then the number of shares to be issued to Sentient hereunder (including shares to be issued pursuant to the Sentient Option) shall be equitably adjusted.

3. Closing. The Closing will occur on or before June 30, 2010, at the offices of Dorsey & Whitney, LLP, Republic Plaza Building, Suite 4700, 370 17th Street, Denver, Colorado 80202-5647, or at such other time and place as the parties may agree. At the Closing, the steps described in Section 2 will occur. All transactions occurring at the Closing will be deemed to have taken place simultaneously as part of a single transaction and no transaction will be deemed to have been completed and no document, certificate, or instrument deemed to have been delivered until all transactions have been completed and all documents, instruments, and certificates have been delivered. The transfers that take place at Closing will be deemed to be effective as of the close of business on June 30, 2010.

4. Conditions.

- a. Sentient Conditions Precedent. The obligations of Sentient to close the transactions contemplated by this Agreement shall be subject to the following conditions precedent, any one or more of which may be waived by Sentient in its unfettered discretion.

Exchange Agreement – Sentient LP and AmerAlia

- i. Amended Articles of Incorporation of AmerAlia. At the Closing, the articles of incorporation of AmerAlia shall have been amended to increase the authorized capital to provide for 700,000,000 shares of common stock, \$0.01 par value per share.
- ii. Filings. AmerAlia shall have filed all reports with the SEC that were due from and after June 30, 2008, excluding any filings under the Investment Company Act of 1940, as amended.
- iii. Shareholders Meeting. Any shareholders meetings of AmerAlia that is required in order to effect the transactions described in this Agreement shall have been duly called and held and appropriate resolutions shall have been approved by the vote required.
- iv. Due Diligence. Sentient shall be satisfied, in its unfettered discretion, with the results of all investigations related to AmerAlia, its businesses and assets, including, but not limited to a review of the corporate record books of AmerAlia and Holdings, accurate and complete copies of which have been provided to Sentient.
- v. Opinion of Counsel to AmerAlia. AmerAlia shall have delivered to Sentient the opinion of counsel to AmerAlia in the form attached hereto as Exhibit 4.a.v.
- vi. Cancellation of Reacquired Shares of Preferred Stock of AmerAlia. All issued and outstanding shares of preferred stock of AmerAlia have been reacquired by AmerAlia and shall be cancelled prior to Closing.
- vii. Shareholder Agreement. The shareholder agreement concerning Holdings shall have been terminated effective as of Closing.
- viii. Officer's Certificate. AmerAlia shall deliver to Sentient an officers' certificate dated as of the Closing date certifying that all representations, warranties of AmerAlia set forth herein are true and correct as of the Closing and that all covenants of AmerAlia have been performed and conditions precedent to Sentient's obligations have been satisfied or waived by Sentient in writing.

b. AmerAlia Conditions Precedent. The obligations of AmerAlia to close the transactions contemplated by this Agreement shall be subject to the following conditions precedent, any one or more of which may be waived by AmerAlia in its unfettered discretion.

- i. Shareholder Agreement. The Shareholder agreement concerning Holdings shall have been terminated as of Closing.
 - ii. Shareholders Meetings. Any shareholders meeting of AmerAlia that is required in order to effect the transactions described in this Agreement shall have been held and appropriate resolutions shall have been approved by the vote required.
- c. Conditions Subsequent. This Agreement shall be subject to the following conditions subsequent, which may be waived by Sentient in its unfettered discretion. Sentient shall have the right to rescind the transactions which occurred at Closing and terminate its obligations hereunder if either of the following conditions is not timely satisfied:
- i. Ratification of Agreements. Within ten (10) business days after Closing, AmerAlia's Board of Directors shall have ratified, adopted, approved and confirmed: (i) each contract between AmerAlia and Sentient and any of its affiliates that had been entered into by AmerAlia on or after May 23, 2007, (ii) each issuance of shares or grant of options made by AmerAlia on or after May 23, 2007, (iii) each transaction of AmerAlia in interstate commerce occurring from and after May 23, 2007, and (iv) the issuance of the shares of AmerAlia Common Stock to Sentient and the other actions described in this Agreement.
 - ii. No Action Letter. On or before July 16, 2010, AmerAlia will file a request for a no action letter with the United States Securities and Exchange Commission ("SEC") providing that the SEC will not pursue any actions against AmerAlia for being an unregistered investment company from and after the Closing. On or before August 31, 2010, if AmerAlia has received the no action letter, AmerAlia shall deliver the opinion of its legal counsel in the form attached hereto as Exhibit 4.a.v., without the qualification and exception identified as (e)(ii) therein, and if AmerAlia fails to do so, Sentient shall have the right to rescind as provided below. If the no action letter hasn't been received by August 31, 2010, then Sentient shall have the right to rescind as provided below.

If Sentient rescinds the transactions as permitted in this Subsection 4.c, or if AmerAlia or anyone on its behalf (except Sentient in AmerAlia's behalf) attempts to rescind the transactions described herein, then, on Sentient's demand, AmerAlia will reimburse Sentient all of the costs and expenses incurred by Sentient and its affiliates in negotiating, executing, delivering and closing the Exchange Agreement, including, but not limited to fees, costs and disbursements of legal counsel.

5. Representations and Warranties of AmerAlia. AmerAlia represents and warrants to Sentient as of the date of this Agreement and as of Closing as follows:

a. Corporate Existence, Authority. AmerAlia is a corporation organized, validly existing, and in good standing under the laws of Utah. AmerAlia (i) has all requisite corporate power and authority to own its assets and carry on its business as now conducted, (ii) is qualified to do business in all jurisdictions in which the nature of its business makes such qualification necessary and where failure to so qualify would have a Material Adverse Effect, and (iii) has the corporate power and authority to execute, deliver, and perform its obligations under this Agreement.

b. Enforceability; No Conflict. This Agreement constitutes the legal, valid and binding obligation of AmerAlia, enforceable against it in accordance with its terms. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby will contravene, conflict with, or result in the violation of, default under, or give any person the right to declare a default or to exercise any remedy under: (A) any provision of AmerAlia's organizational documents, or (B) any lease, license, permit or agreement to which AmerAlia is a party or by which it or any of its properties is subject or bound.

c. Exchange Act Compliance.

- i. Exchange Act Compliance. The AmerAlia Common Stock has been registered under Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and AmerAlia is subject to the periodic reporting requirements of Section 13 of the Exchange Act. As of the date of their respective filings, none of the reports filed by AmerAlia with the SEC contains any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- ii. Controls and Procedures. AmerAlia maintains disclosure controls and procedures required by Rule 13a-15 or 15d-15 under the Exchange Act; such controls and procedures are effective to ensure that all material information concerning the Company and its subsidiaries is made known on a timely basis to the individuals responsible for the preparation of the Company's filings with the SEC and other public disclosure documents. AmerAlia has made available to Sentient copies of, all written descriptions of, and all policies, manuals and other documents promulgating, such disclosure controls and procedures. The Chief Executive Officer and the Chief Financial Officer of AmerAlia have signed, and the Company has furnished to the SEC, all certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002; such certifications contain no qualifications or exceptions to the matters certified therein and have not been modified or withdrawn; and neither AmerAlia nor any of its officers has received notice from any governmental entity questioning or challenging the accuracy, completeness, form or manner of filing or submission of such certifications.

d. Financial Statements and Reports. Each of the financial statements of AmerAlia included or incorporated by reference in the SEC Reports was prepared in accordance with GAAP applied on a consistent basis (except as otherwise stated in such financial statements or, in the case of audited statements, the related report thereon of independent certified public accounts), and presents fairly the financial position and results of operations, cash flows and of changes in stockholders' equity of AmerAlia and its consolidated subsidiaries as of the dates and for the periods indicated, subject, in the case of unaudited interim financial statements, to normal year-end audit adjustments, which taken together are not material in amount (with materiality defined as \$10,000 individually or in the aggregate), and except that the unaudited interim financial statements do not contain all of the disclosures required by GAAP.

e. Books and Records. The books of account, minute books, stock record books, and other records of AmerAlia, all of which have been made available to Sentient, are complete and correct. The minute books of AmerAlia contain accurate and complete records of all meetings held of, and corporate action taken by, the stockholders, the Board of Directors, and committees of the Board of Directors of AmerAlia, and no meeting of any such stockholders, Board of Directors, or committee has been held for which minutes have not been prepared and are not contained in such minute books.

f. Capitalization of AmerAlia. The equity capitalization of AmerAlia as of the date of this Agreement is:

- i. Preferred stock: \$0.05 par value per share; 1,000,000 authorized; no shares of which are issued and outstanding;
- ii. Common stock: \$0.01 par value per share; 100,000,000 authorized; 66,293,696 shares issued and outstanding.
- iii. Options. The AmerAlia Stock Options and the Sentient Option;
- iv. Other securities. There are no other agreements relating to the issuance, sale, or transfer of any equity securities or other securities of AmerAlia.

Each of the issued and outstanding shares of capital stock, options, and other securities of AmerAlia has been duly authorized and validly issued, and each outstanding share of capital stock of AmerAlia is fully paid and non-assessable.

g. Registration Rights. No person has any right to request or require AmerAlia to register the sale of any shares owned by such stockholder under the Securities Act on any registration statement.

h. No Violation of Preemptive Rights. No violation of any preemptive rights of any shareholder of AmerAlia has occurred as a result of the transactions contemplated by this Agreement.

i. Indebtedness. Except as shown in the SEC Reports, there is no material indebtedness, liability, or other obligation of AmerAlia.

j. No Default. AmerAlia is not in default under, and there is no circumstance which with the giving of notice, the lapse of time, or both, would constitute a default under, any loan agreement, indenture, mortgage, security agreement, lease, franchise, permit, license or other agreement or obligation to which it is a party or by which any of its properties may be bound which default could be reasonably expected to cause a Material Adverse Effect.

k. Authorization of Securities. The shares of AmerAlia Common Stock to be issued to Sentient, upon receipt will be validly issued, fully paid and non-assessable, with no liability attached to the ownership thereof, free of restrictions on transfer other than under restrictions related to applicable federal and state securities laws.

l. Litigation and Judgments. There is no suit, action, proceeding or investigation pending or, after reasonable inquiry, to the best of his or its knowledge, threatened against or affecting AmerAlia that has not been disclosed in writing to the Sentient or that the outcome of which could reasonably be expected to have a Material Adverse Effect.

m. Rights in Properties; Liens. AmerAlia, has good and marketable title to all properties and assets reflected on its balance sheets, and as of the Closing none of such properties or assets of AmerAlia will be subject to any Liens. AmerAlia enjoys peaceful and undisturbed possession under all leases necessary for the operation of its other properties, assets, and businesses and all such leases are valid and subsisting and are in full force and effect. There exists no default under any provision of any lease which would permit the lessor thereunder to terminate any such lease or to exercise any rights under such lease which, individually or together with all other such defaults, could have a Material Adverse Effect. AmerAlia has the exclusive right to use all property necessary to their business as presently conducted, to the best of his or its knowledge, and AmerAlia's use of its property does not infringe on the rights of any other Person where such nonexclusively or infringement would have a Material Adverse Effect. To the best its knowledge, no other Person is infringing the rights of AmerAlia in any of the intellectual property owned, licensed or used by it. AmerAlia does not owe any royalties, honoraria or fees to any person, except royalties not yet payable to (i) the United States Bureau of Land Management and (ii) E.E. Kinder.

n. Taxes. AmerAlia has filed or caused to be filed all tax returns (foreign, federal, state, and local) required to be filed, including, without limitation, all income, franchise, employment, property, ad valorem, use, customs and sales taxes, and have paid or at closing will pay all of their tax liabilities, and all such returns were accurate and complete other than immaterial amounts or taxes that are being contested by AmerAlia in good faith by appropriate actions or proceedings diligently pursued, and for which adequate reserves in conformity with GAAP with respect thereto have been established and as to which full written disclosure is contained on an Exhibit to this Agreement. To the best of its knowledge, there is no pending investigation of AmerAlia by any taxing authority or pending but unassessed tax liability of AmerAlia. AmerAlia has made no presently effective waiver or extension of any applicable statute of limitations or request for an extension of time to file a tax return, and AmerAlia is not a party to any tax-sharing agreement.

o. ERISA. AmerAlia has complied with all applicable minimum funding requirements and all other applicable and material requirements of ERISA and the Code, applicable to the Employee Benefit Plans it or they sponsor or maintain, and there are no existing conditions that would give rise to material liability thereunder. With respect to any Employee Benefit Plan, AmerAlia has made all contributions or payments to or under each Employee Benefit Plan required by law, by the terms of such Employee Benefit Plan or the terms of any contract or agreement. No Termination Event has occurred in connection with any Pension Plan, and there are no unfunded benefit liabilities, as defined in Section 4001(a)(18) of ERISA, with respect to any pension plan which poses a risk of causing a Lien to be created on the assets of AmerAlia or which will result in the occurrence of a Reportable Event. AmerAlia has not been required to contribute to a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, since September 2, 1974. No material liability to the Pension Benefit Guaranty Corporation has been, or is expected to be, incurred by AmerAlia, Holdings or Soda. The term "liability," as referred to in this Section, includes any joint and several liability. No prohibited transaction under ERISA or the Code has occurred with respect to any Employee Benefit Plan which could have a Material Adverse Effect or a material adverse effect on the condition, financial or otherwise, of an Employee Benefit Plan.

p. Disclosure. No representation, warranty or statement made by AmerAlia in this Agreement or in any of the documents, instruments, exhibits or schedules attached to such agreements or delivered in connection herewith or therewith, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make any statements made herein or therein not misleading. There is no fact that does, or with the passage of time, could reasonably be expected to materially and adversely affect the condition (financial or otherwise), results of operations, business, properties, or prospects of AmerAlia that has not been disclosed in the documents described herein and provided to Sentient.

q. Subsidiaries. AmerAlia has no wholly or partially owned subsidiaries other than Holdings and its wholly owned subsidiary, Soda.

r. Government Approval. No approval or action by, and no notice to or filings with any Governmental Body or person (other than those that have been or on the Closing will be, duly obtained or made and which are, or as of the Closing will be, in full force and effect) is required for the due execution, delivery or performance of its obligations under this Agreement by AmerAlia.

s. Securities Laws. AmerAlia has complied with or is exempt from the registration and/or qualification requirements of all federal and state securities or blue sky laws applicable to the issuance of the AmerAlia Common Stock contemplated by this Agreement. As a result of Closing and completion of the condition subsequent described above, AmerAlia will no longer be required to register as an investment company under the Investment Company Act of 1940, as amended.

t. No Labor Disputes. AmerAlia is not involved in any labor dispute or a party to any collective bargaining agreement, and there are no strikes or walkouts or union organization of any of AmerAlia's employees threatened or in existence and no labor contract is scheduled to expire during the term of this Agreement.

u. Brokers. Neither AmerAlia nor any of its directors has dealt with any broker, finder, commission agent or other Person in connection with the transactions referenced in or contemplated by this Agreement, nor is AmerAlia or any of its directors under any obligation to pay any broker's fee or commission in connection with this transaction.

v. Insurance. The amount and types of insurance carried by AmerAlia and the terms and conditions thereof, are substantially similar to the coverage maintained by companies in the same or similar business as AmerAlia.

w. Royalties. Except for royalties not yet payable to (i) the United States of America, and (ii) E.E. Kinder, none of the interests or properties owned by AmerAlia, Holdings, or Soda is subject to any minimum royalty, advance royalty, production royalty, net smelter return obligation, net profit payment or any similar arrangement.

x. No Material Adverse Change. Since June 30, 2009, there has not been any event, change or circumstance applicable to AmerAlia that could reasonably be expected to have a Materially Adverse Effect.

y. Investment Intent. The Holdings Common Stock is being acquired by AmerAlia for investment purposes only and not with a view toward the resale or distribution thereof. Such shares may only be sold or transferred by AmerAlia if such sale or transfer is registered or exempt from registration under the Securities Act of 1933, as amended and any similar provisions of state law. Such exemption must be established to the reasonable satisfaction of the issuer of the shares.

z. Reorganization. AmerAlia has not taken and has not agreed to take any action (other than actions contemplated by this Agreement) that could reasonably be expected to prevent the transactions contemplated by this Agreement from constituting a "reorganization" under section 368(a)(1)(B) of the Code or as an exchange under Section 351(a) of the Code. AmerAlia is not aware of any agreement, plan or other circumstance that could reasonably be expected to prevent the transactions contemplated by this Agreement from so qualifying.

6. Representations of Sentient. Sentient represents and warrants to AmerAlia that:

a. Investment Intent. The AmerAlia Common Stock is being acquired for investment purposes only and not with a view toward the resale or distribution thereof. Such shares may only be sold or transferred by Sentient if such sale or transfer is registered or exempt from registration under the Securities Act of 1933, as amended and any similar provisions of state law. Such exemption must be established to the reasonable satisfaction of the issuer of the shares.

b. Organization. Sentient is a limited partnership organized, validly existing, and in good standing under the laws of Delaware. Sentient has all requisite limited partnership power and authority to own its assets and carry on its business as now conducted, and has the limited partnership power and authority to execute, deliver, and perform its obligations under this Agreement.

c. -Enforceability. This Agreement constitutes the legal, valid and binding obligation of Sentient, enforceable against it in accordance with its terms. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will contravene, conflict with, or result in the violation of, default under, or give any person the right to declare a default or to exercise any remedy under any provision of Sentient's organizational documents.

d. Title. The 820,000 shares of Holdings Common Stock to be delivered by Sentient to AmerAlia at the Closing, shall be free and clear of all liens, claims and encumbrances of any person claiming rights by, through or under Sentient.

e. Indebtedness. Except as reflected on the financial statements of Holdings as of March 31, 2010 or as otherwise disclosed to AmerAlia, to the knowledge of Sentient, Holdings has not incurred any indebtedness, liability or other obligation that would have a material adverse effect on Holdings.

f. Capitalization. Since November 1, 2008, to the knowledge of Sentient, Holdings has not issued any capital stock, warrants, options or other right to acquire any shares of any class of capital stock of Holdings.

7. Covenants.

a. Election of Directors Nominated by Sentient. As of the Closing, Sentient shall have the right to nominate up to two additional suitably qualified persons to be elected as directors of AmerAlia in addition to the ten current directors serving on AmerAlia's Board of Directors. Upon the nomination of such persons by Sentient, AmerAlia's Board of Directors will expand the size of its Board of Directors to the appropriate size (not to exceed 12 directors) and the Board of Directors will appoint such persons to serve until the next meeting of the shareholders. At the next meeting of the AmerAlia shareholders, Sentient shall have the right to nominate a majority of the directors of AmerAlia's Board of Directors.

b. Efforts to Close. Each of AmerAlia and Sentient will use commercially reasonable efforts to consummate the transactions contemplated by this Agreement including, without limitation, commercially reasonable efforts to remove all conditions precedent to the other party's obligation to close.

c. Certificate. At the Closing, AmerAlia shall deliver to the Sentient executed by Robert van Mourik and Bill H. Gunn, as officers of AmerAlia, a certificate certifying the following:

- i. Accuracy of Representations. The representations and warranties in this Agreement remain true, accurate and complete in all material respects at and as of the Closing;
- ii. SEC Filings. All reports required to be filed with the SEC for AmerAlia's 2009 Fiscal Year and the 2010 Fiscal Year up to the date of Closing have been filed with the SEC, excluding any filings under the Investment Company Act of 1940, as amended;
- iii. Accuracy of SEC Filings. As of the date of their respective filings, none of the SEC Reports or other filed reports (including, but not limited to the annual report for 2009 on form 10-K) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- iv. Financial Statements. Each of the financial statements of AmerAlia included or incorporated by reference in the SEC Reports was prepared in accordance with GAAP applied on a consistent basis (except as otherwise stated in such financial statements or, in the case of audited statements, the related report thereon of independent certified public accounts), and present fairly the financial position and results of operations, cash flows and of changes in stockholders' equity of AmerAlia and its consolidated subsidiaries as of the dates and for the periods indicated, subject, in the case of unaudited interim financial statements, to normal year-end audit adjustments, which taken together are not material in amount (with materiality defined as \$10,000 individually or in the aggregate), and except that the unaudited interim financial statements do not contain all of the disclosures required by GAAP;

- v. No Changes. Since June 30, 2009, there has been no change in any of the significant accounting (including tax accounting) policies, practices, or procedures of AmerAlia or any of its consolidated subsidiaries; and
- vi. Options, Warrants and Rights. AmerAlia does not have any outstanding options, warrants or any other contractual right to acquire (whether by purchase, exchange or any other method) any shares of any class of capital stock except for the AmerAlia Stock Options and the Sentient Option.

8. Miscellaneous.

- a. Remedies. Any Person having any rights under any provision of this Agreement will be entitled to enforce such rights specifically, to recover damages by reason of any breach of any provision of this Agreement, and to exercise all other rights granted by law, which rights may be exercised cumulatively and not alternatively.
- b. Course of Dealing Not an Amendment. No course of dealing between any two or more of the parties or any delay in exercising any rights will operate as a waiver of any rights of Sentient.
- c. Survival of Representations and Warranties. All representations and warranties contained herein or made in writing by any party in connection herewith will survive the execution and delivery of this Agreement for a period of three (3) years after the Closing. Any due diligence investigation by the Sentient shall not limit the representations and warranties given by AmerAlia.
- d. Successors and Assigns. Except as otherwise expressly provided herein, all covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.
- e. Severability. Each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.
- f. Counterparts. This Agreement may be executed in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts when taken together shall constitute one and the same Agreement.

g. Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

h. Notices. Except as otherwise expressly provided herein, all communications provided for hereunder shall be in writing and delivered by Federal Express or other overnight international commercial courier service, (a) if to Sentient, addressed to the address specified below, or to such other address as Sentient may in writing designate, or (b) if to AmerAlia, addressed to the address set forth below or to such other address it may designate in writing. Notices shall be deemed to have been validly served, given or delivered (and "the date" of such notice or words of similar effect shall mean the date) one day after deposit with Federal Express or other overnight international commercial courier service, with all charges for next business day delivery prepaid, or upon actual receipt thereof (whether by noncertified mail, telecopy, telegram, facsimile, or otherwise), whichever is earlier.

If to AmerAlia:

AmerAlia, Inc.
Attn: Chairman
3200 County Road 31
Rifle, CO 81650
Tel: 720-876-2373
Fax: 720-876-2374

With a Copy to:

Robert van Mourik
PO Box 880
Toowong QLD 4066
Australia
Tel: +617-3870-8041
Fax: +617-3870-5887

If to Sentient:

Sentient USA Resources Fund, L.P.
Landmark Square, 1st Floor
64 Earth Close
West Bay Beach South
PO Box 10795
George Town, Grand Cayman KY1-1007
Cayman Islands
Attn: Greg Link
Tel: (345) 946 0933
Fax: (345) 946 0921

Exchange Agreement – Sentient LP and AmerAlia

With a copy (which does not constitute notice) to:

Sentient USA Resources Fund, L.P.
Suite 2401, Level 24, Australia Square Tower
264 George Street, Sydney NSW 2000, Australia
Attn: Peter Cassidy, Director
Tel: (612) 8243-2904
Fax: (612) 8243-2990

i. **Governing Law.** The validity, meaning and effect of this Agreement shall be determined in accordance with the laws of Colorado applicable to contracts made and to be performed entirely in Colorado as if by and between Colorado residents. Venue for any dispute arising under this Agreement will be in Denver County, Colorado.

j. **Schedules and Exhibits.** All schedules and exhibits are an integral part of this Agreement.

k. **Litigation Costs.** If any legal action, arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties therein shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

l. **Final Agreement.** This Agreement and the exhibits and schedules attached hereto constitute the only agreement of the parties concerning the matters herein, and supersedes, merges and renders void all prior written/oral, and/or contemporaneous discussions, agreements and understandings related thereto..

m. **Representation by Counsel.** AmerAlia has been represented by Dorsey & Whitney, LLP in connection with the negotiation, execution and delivery of this Agreement. Sentient has been represented by Quinn & Brooks LLP in connection with the negotiation, execution and delivery of this Agreement.

n. **Public Disclosure.** Except as may be required to comply with applicable law, no party shall make or cause to be made any press release or similar public announcement. The parties acknowledge that AmerAlia and Sentient must make appropriate announcements and filings to comply with obligations under the Securities Exchange Act. Each party agrees that it will provide the other with a copy of any proposed announcement or filing relating to the subject matter of this Agreement prior to the planned release or filing of such announcement, and that the releasing or filing party agrees to endeavor to conform the announcement to the other's reasonable comments, provided that the announcing or filing party can do so and still provide the information to the public that, in filing or announcing party's reasonable opinion, is required by law or regulation. Notwithstanding the foregoing, the party not making the filing or announcement shall not assume any responsibility for the announcement or filing by providing or not providing any comments.

o. **Dispute Resolution.** Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Denver County, Colorado, before three arbitrators. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The arbitrator shall, in the Award, allocate all or part of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party.

The parties agree that any and all -disputes, claims or controversies arising out of or relating to this Agreement shall be submitted to JAMS, or its successor, for mediation, and if the matter is not resolved through mediation, then it shall be submitted to JAMS, or its successor, for final and binding arbitration pursuant to the arbitration clause set forth above. Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested. The parties will cooperate with JAMS and with one another in selecting a mediator from JAMS panel of neutrals, and in scheduling the mediation proceedings. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator or any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Either party may initiate arbitration with respect to the matters submitted to mediation by filing a written demand for arbitration at any time following the initial mediation session or 45 days after the date of filing the written request for mediation, whichever occurs first. The mediation may continue after the commencement of arbitration if the parties so desire. -Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as arbitrator in the case. The provisions of this Clause may be enforced by any Court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the party against whom enforcement is ordered.

p. **Waiver and Modification.** No waiver or modification of any term of this Agreement shall be enforceable unless it is in writing, signed by or on behalf of the party against whom such waiver or modification is asserted.

q. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns, provided that neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other party. No party may assign any claims under the Investment Company Act of 1940, as amended.

r. No Finder. No agent, broker or similar person is or will be entitled to any broker's or finder's fee in connection with the transaction contemplated by this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date set forth in the introductory paragraph.

AMERALIA, INC

By: SENTIENT USA RESOURCES FUND, L.P.
Sentient Executive MLP 1, Limited, General Partner

By: /s/ Bill H. Gunn
Name: Bill H Gunn
Title: Chairman & CEO
Date: June 30, 2010

By: /s/ Gregory Link
Name: Gregory Link
Title: Director
Date: June 30, 2010

Exchange Agreement – Sentient LP and AmerAlia

The following table summarizes information with respect to each non-executive director's outstanding stock options at June 30, 2010.

Name	Number of securities underlying unexercised options # Exercisable	Option exercise price \$	Option expiration date
Neil E. Summerson	37,500	0.40	6/30/10
	37,500	0.88	6/30/11
	37,500	0.29	6/30/12
Geoffrey C. Murphy	37,500	0.40	6/30/10
	37,500	0.88	6/30/11
	37,500	0.29	6/30/12
James V. Riley	37,500	0.40	6/30/10
	37,500	0.88	6/30/11
	37,500	0.29	6/30/12
Robert C. Woolard	37,500	0.40	6/30/10
	37,500	0.88	6/30/11
	37,500	0.29	6/30/12
J. Jeffrey Geldermann	37,500	0.40	6/30/10
	37,500	0.88	6/30/11
	37,500	0.29	6/30/12
Alan De'ath	75,000	0.35	6/30/13
Paul-Henri Couture	75,000	0.35	6/30/13
Michel Marier	75,000	0.35	6/30/13
	787,500		

In addition, Sentient owns the Sentient Option.

Exchange Agreement – Sentient LP and AmerAlia

PETER JAMES CASSIDY

NATURAL SODA HOLDINGS INC

NATURAL SODA INC

LICENCE AGREEMENT

JOHNSON WINTER & SLATTERY

L A W Y E R S

Australia Square, 264 George Street, Sydney, NSW 2000
GPO Box 5286 Sydney NSW 2001
Telephone (02) 8274 9555 Facsimile (02) 8274 9500

211 Victoria Square, Adelaide, SA 5000
GPO Box 2649 Adelaide SA 5001
Telephone (08) 8239 7111 Facsimile (08) 8239 7100

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LICENCE AGREEMENT

THIS AGREEMENT is made 30 June, 2010 between:

- 1 PETER JAMES CASSIDY of 41 Park Avenue, Roseville in the state of New South Wales (PJC); and
- 2 NATURAL SODA HOLDINGS, INC of 3200 County Rd. 31, Rifle, Colorado USA and NATURAL SODA, INC of 3200 County Rd. 31, Rifle, Colorado USA (each a Licensee).

BACKGROUND

- A PJC is or will be the owner of the Technology (as defined below).
- B PJC wishes to grant the Licensee the right to exploit the Existing Technology (as defined below) in the course of, or for the purposes of, conducting research, development and demonstration activities on the lease to be granted under, or as a consequence of, the Nomination Document (as defined below) on the terms and conditions set out in this Agreement.

THE PARTIES AGREE as follows:

1 DEFINITIONS

In this Agreement:

“Business Day” means a day upon which banks are open for normal business in the City of Sydney and excludes Saturdays, Sundays and days that are public holidays in the City of Sydney.

“Confidential Information” means any information belonging to a party acquired in confidence by one party from the other or which is by its nature confidential or commercially sensitive and includes all technical, proprietary and operational information, drawings, techniques, processes, know-how, methods of working, data and specifications, trade secrets and other commercially valuable information of any kind.

“exploit” means to use Intellectual Property Rights in accordance with this Agreement, including using those rights to:

- (a) develop, use or otherwise commercialise the Technology; and/or
- (b) modify, adapt, develop or improve, the Technology.

“Field” means the field described in Schedule 2.

“Improvements” means all Intellectual Property Rights and Technical Information created by or on behalf of Licensee relating to the exploitation of the Technology, whether the Intellectual Property Rights are created, or the Technical Information is acquired, before or after the Term of this Agreement.

“Intellectual Property Rights” means all confidential information (including trade secrets and know-how) and all industrial and intellectual property rights including, without limitation:

- (a) any rights in respect of or in connection with any copyright, patents, trade marks, design rights or eligible layout rights (whether registered or not); and
- (b) any rights to apply for registration of any of the rights referred to in (a).

“IP Applications or Registrations” means registered Intellectual Property Rights or applications for registration of Intellectual Property Rights comprised in or resulting from the Improvements.

“Monash Research” means research being conducted in relation to the Technology at the Department of Chemistry at Monash University, Victoria, Australia.

“Patent” means the patent specified in Schedule 1 and:

- (a) any patent granted in connection with that patent (including any divisionals, continuation, continuation-in-part, re-issue, substitution, extension or renewal of such a patent); and
- (b) all patents granted to PJC in all other countries covering the same subject matter as any patent referred to above including any divisionals, continuation, continuation in part, re-issue, substitution, extension or renewal of such patents; and
- (c) any patent granted as a result of any Patent Application (including any divisionals, continuation, continuation in part, re-issue, substitution, extension or renewal).

“Patent Application” means the patent application specified in Schedule 1 and any application for registration of an invention as a patent where the invention the subject of the patent application is comprised in the Intellectual Property Rights described in Schedule 1.

“Prohibited Activities” means any of the activities covered by clause 2.2 of this Agreement.

“Quarter” means a period of three calendar months commencing on the first days of January, April, July and October in each year.

“RD&D Nomination” means the document entitled “Nomination for an Oil Shale Research, Development, and Demonstration (R, D and D) Lease” with a Nomination Date of November 3, 2009 – January 4, 2010 as set out in Annexure A of this Agreement.

“RD&D Lease” means an oil shale research development and demonstration lease (including any lease granted under, or as a consequence of, the RD&D Nomination), but does not include any lease which permits commercial exploitation of oil shale.

“Technical Information” means all information, know-how and/or expertise in relation to the research, development or use of Technology, whether alone or in combination with other Intellectual Property Rights including, without limiting the generality of the foregoing, (i) results of any research testing or studies, (ii) discoveries, practices, methods, knowledge, processes, ideas, skills, experience, know-how, technology, trade secrets, purification and isolation techniques, instructions, formulae, data, assays, drawings and designs, (iii) chemical, analytical, safety, quality control and testing data, and (iv) all applications, registrations, licences, authorisations, approvals and correspondence submitted to or received from any regulatory authorities relating to any Technology (including, without limitation, minutes and meeting notes relating to any communications with any regulatory authority relating to any Technology).

“Technology” means the Patent Application, any Patent and any Improvements.

“Term” means the period commencing on the date of this Agreement and ending on the earlier of:

- (a) the date of termination of any RD&D Lease;
- (b) the date upon which an RD & D Lease is converted into or exchanged for any other type of lease; or
- (c) if no RD&D Lease is granted within 3 years of the date of this Agreement, 3 years from the date of this Agreement,

unless this Agreement is:

- (a) terminated earlier in accordance with its terms; or
- (b) further extended by agreement in writing by the parties.

2 GRANT OF LICENCE

2.1 Technology Licence

Subject to the terms of this Agreement, PJC grants to Licensee a non-exclusive licence to exploit the Technology within the Field for the Term.

2.2 Prohibition

The Licensee is prohibited from engaging in:

- (a) any income generating activities in connection with the Technology; and
- (b) any activities in connection with the Technology that are intended to produce commercial quantities of anything produced from oil shale.

3 PAYMENTS

3.1 Licence Fee

Licensee will pay PJC the lump sum licence fee of \$100

3.2 Manner of Payment

All payments must be made within 30 days of the execution of this Agreement in United States currency by cheque or any other agreed method.

4 FUTURE ROYALTY ARRANGEMENTS

4.1 Agreement to Negotiate

If, at any time the Licensee wishes to engage in the Prohibited Activities, the parties agree to negotiate in good faith in respect of a royalty and licence agreement to enable the Licensees to engage in such activities.

4.2 Right of First Refusal

- (a) PJC grants to the Licensee the right of first refusal to engage in the Prohibited Activities (“Pre–emptive Right”) should PJC at any time during the Term of this Agreement decide to permit a third party (other than the Licensee) to engage in the Prohibited Activities.
- (b) If PJC decides to permit a third party (other than the Licensee) to engage in the Prohibited Activities, PJC must inform the Licensee of:
 - (i) that decision by written notice; and
 - (ii) at the discretion of PJC, the key terms and conditions under which the third party would be permitted to engage in the Prohibited Activities.
- (c) If the Licensee wishes to exercise the Pre–emptive Right, the Licensee and PJC must, within 21 days enter into a written agreement on a similar basis to the key terms and conditions referred to under clause 4.2(b)(ii).

5 INTELLECTUAL PROPERTY PROTECTION

5.1 Registration

- (a) Throughout the Term, Licensee shall be responsible for the cost of the IP Applications or Registrations in the jurisdictions specified in Schedule 3. The IP Applications or Registrations shall name PJC as the applicant.
- (b) PJC will be responsible for the management and maintenance of the IP Applications or Registrations.
- (c) Licensee shall promptly reimburse all reasonable costs or expenses that may be incurred by PJC in obtaining and maintaining patent protection in the jurisdictions specified in Schedule 3 and such other jurisdictions as Licensee and PJC may agree from time to time.

5.2 Reimbursement

Licensee will promptly reimburse PJC for PJC’s reasonable costs incurred in relation to protection of the Technology in any or all of the jurisdictions specified in Schedule 3, or elsewhere at Licensee’s request, on production of evidence of costs and expenses incurred (including reasonable compensation for internal management and expert time).

6 EXPLOITATION OF THE TECHNOLOGY

6.1 Commercially Reasonable Endeavours

Licensee will use its commercially reasonable endeavours to develop and exploit the Technology during the Term and in so doing will ensure that it complies with all applicable laws, codes, standards and good industry practice and maintain an adequate research program as set out in Schedule 4.

6.2 Improvements

- (a) Improvements are the sole property of PJC.

- (b) Notwithstanding clause 6.2(a), the Licensee agrees to transfer or assign forthwith to PJC the Improvements should that be necessary to make PJC the sole owner of the Improvements if PJC requests the Licensee to do so.

6.3 Intellectual Property Protection for Improvements

Licensee must use its best endeavours to obtain and maintain intellectual property protection for all Improvements in a timely manner.

6.4 Application and Registration

All IP Applications and Registrations must be made in the name of PJC as the sole owner or applicant.

6.5 Reports

Licensee must provide a copy forthwith to PJC all of the following reports:

- (a) Reports (whether work in progress, draft or final) received by the Licensee (including its agents or representatives) in relation to Monash Research;
- (b) Internal reports, reports filed or lodged with government authorities, reports provided to third parties or stakeholders in respect of exploitation of the Technology within the Field.

7 CONFIDENTIAL INFORMATION

7.1 Confidentiality

Each party undertakes, except to the extent required to ensure compliance with the obligations imposed on it pursuant to this Agreement:

- (a) to maintain the confidentiality of Confidential Information disclosed to it ("Receiving Party") and not disclose it or any part of it or use it without written authority of the other party ("Disclosing Party");
- (b) not to remove any Confidential Information from the premises at which it is stored without the written authority of the Disclosing Party;
- (c) not to appropriate, copy or in any way reproduce any of the Confidential Information for itself or any third party; and
- (d) upon termination or expiry of this Agreement, or at the Disclosing Party's earlier request, to return to the Disclosing Party or destroy (as directed by the Disclosing Party) any or all documents or other material containing Confidential Information, unless otherwise agreed in writing between the parties.

7.2 Exceptions

The above sub-clause does not apply to information which:

- (a) at the time of disclosure is already in the public domain;
- (b) becomes available to the public by any means other than breach of this Agreement by the Receiving Party;

- (c) is received by a party from an independent third party who is lawfully in possession and has the power and authority to disclose that information; or
- (d) is required to be disclosed by law or by a lawful requirement of any government or governmental body, authority or agency having authority over the Disclosing Party, or is required to be disclosed in connection with legal proceedings, in which case the party required to make the disclosure will provide the other party with full details of the required disclosure at the earliest opportunity.

7.3 Use of Names and Logos

Neither party may use the name or logo of the other party without the prior written consent of that other party.

7.4 Survival

The parties' rights and obligations under this clause survive termination.

8 WARRANTIES AND LIABILITY

8.1 Warranties of PJC

PJC represents, warrants and undertakes to Licensee that to the best of his actual knowledge at the date of this Agreement:

- (a) neither the execution of this Agreement nor the performance by PJC of his obligations under this Agreement will cause it to be in breach of any agreement to which he is a party or is subject;
- (b) PJC has the right to grant the Licences; and
- (c) PJC has received no notice of any existing or threatened challenges to the validity of the Patent or any Patent Application.

8.2 Limitation of Warranties by PJC

To the extent permitted by law, PJC:

- (a) expressly excludes all warranties, terms, conditions or undertakings, whether express or implied, written or oral, statutory or otherwise, including any warranty of merchantability or fitness for purpose of the Technology, or any part thereof, and will not be liable for any losses and damages (whether special, indirect or consequential) suffered by Licensee as a result of any absence of merchantability or fitness for purpose of the Technology or any part thereof;
- (b) bears no responsibility for obtaining any government approvals in respect of the Technology or any part of them;
- (c) does not warrant that the Technology will produce any particular outcome or that the Technology is capable of commercial exploitation; and
- (d) does not warrant that the use or exploitation of the Technology or any part of it within the Field will not infringe the Intellectual Property Rights of any third party.

8.3 Warranties of Licensee

Licensee represents, warrants and undertakes to PJC that:

- (a) Licensee is duly incorporated and validly existing under the laws of the State of Colorado;
- (b) Licensee is permitted by its constitution and all laws and other obligations applicable to it to enter into and perform its obligations under this Agreement;
- (c) as at the date of this Agreement, Licensee is able to pay its debts as and when they fall due;
- (d) Licensee will comply with all applicable laws, regulations and standards in relation to the testing of the Technology and all other activities undertaken by it concerning the Technology.

8.4 Acknowledgement

Licensee acknowledges:

- (a) that Licensee is responsible for the costs or expenses in respect of obtaining any and all approvals, authorisations, registrations and accreditations necessary or desirable to enable it to exploit the Technology or any part of it within the Field, if the Licensee decides, in its discretion, to obtain approvals, authorisations, registrations and accreditation; and
- (b) PJC is not responsible for the costs or expenses referred to under clause 8.4(a).

8.5 Limit on Liability

- (a) Under no circumstance will PJC's liability to Licensee under this Agreement exceed the total amount received by PJC from Licensee pursuant to this Agreement as at the date on which the event giving rise to the liability occurred.
- (b) In no event shall PJC or Licensee be liable to each other for any loss of profit, loss of opportunity, damage to goodwill or other consequential loss of Licensee, or punitive or exemplary damages.

9 INDEMNITIES AND INSURANCE

9.1 Indemnity from Licensee

Licensee will indemnify and at all times hold PJC fully and effectively indemnified against all losses, costs, actions, claims, demands, expenses, court orders and other liabilities ("Claims") arising directly or indirectly out of or in connection with:

- (a) a breach by Licensee of this Agreement;
- (b) any infringement or alleged infringement of third party Intellectual Property Rights arising from the use of the Technology or any part of it by Licensee or any person authorised by it,

other than, in relation to clause 9.1(b), where the claims arise out of an event giving rise to a breach by PJC of a term of this Agreement or any warranty contained in this Agreement.

This indemnity will survive the termination of this Agreement.

10 INFRINGEMENT NOTIFICATION

10.1 Notification

Each party will inform the other party immediately upon becoming aware of a claimed, suspected or threatened infringement of the Licensed Intellectual Property Rights or a claim by a third party that exploitation of the Licensed Intellectual Property Rights infringes the Intellectual Property Rights of a third party.

10.2 Infringement Proceedings

- (a) Subject to sub-clause (c), if there is an infringement of the Licensed Intellectual Property Rights (or claimed, suspected or threatened infringement), Licensee has first option to take action in relation to such infringement. It is acknowledged and agreed that under Licensee's first option, it may, but is not obliged to, take action in relation to such infringement. Licensee shall consider the overall commercial context of the infringement, and use reasonable commercial judgment when deciding whether or not to take action in relation to such infringement.
- (b) If Licensee takes such action, PJC will (at Licensee's cost and subject to being appropriately indemnified) give Licensee all reasonable assistance required by Licensee in relation to the action. Licensee shall have control of the proceedings, but may not make any admission nor compromise or settle any claim in a manner that would be adverse to PJC's interests without PJC's prior written consent. If Licensee receives an award for damages or other monetary compensation as a result of the action, Licensee shall reimburse PJC for his reasonable costs incurred in assisting Licensee with the action and shall pay to PJC an amount equivalent to the royalties that would have been due to PJC had Licensee received the money by way of sub-licence royalties or Net Sales Revenue (as the case may be).
- (c) If Licensee declines to take such action under its first option within 60 days (or such lesser period as is reasonable in the circumstances), PJC may do so, in which case Licensee shall give PJC all reasonable assistance required by PJC in relation to the action. PJC shall have control of the proceedings, but may not make any admission nor compromise or settle any claim in a manner that would be adverse to Licensee's interests without Licensee's prior written consent. If PJC receives an award for damages or other monetary compensation as a result of the action, it shall reimburse Licensee for its reasonable costs incurred in assisting PJC with the action.
- (d) If Licensee and PJC both wish to take such action, they will co-operate with each other and give all reasonable assistance to each other in relation to the action.

10.3 Licensee not to challenge validity of Patents

Licensee must not directly or indirectly:

- (a) challenge, contest, deny or assist any other person to challenge, contest or deny the validity of the Patent (or any Patent Application) or the right or title of PJC thereto; or

(b) oppose any Patent Application or application by PJC for an extension of the Patent.

10.4. Invalidity of Patent

The invalidity or revocation of the Patent, any Patent Application or any part thereof will not entitle Licensee to claim any loss or damage from PJC.

11 TERMINATION

11.1 Termination

PJC may terminate this Agreement immediately by notice in writing to Licensee where:

- (a) Licensee fails to remedy a breach of this Agreement within 28 days of receiving a notice in writing from PJC requiring the breach to be remedied;
- (b) an order is made for the winding up of Licensee;
- (c) a resolution of the members of Licensee is made for the winding up of Licensee; or
- (d) a receiver, receiver and manager, controller or administrator is appointed to the business or assets or undertaking of Licensee.

11.2 Consequences of Termination

Upon termination or expiry of this Agreement:

- (a) the Licences will terminate;
- (b) Licensee must cease carrying on the activities authorised under the Licences, and must deliver to PJC any items under its control or in its possession embodying the Background IP, the Technology or any part of them; and
- (c) Licensee shall deliver to PJC a copy of the Technical Information

The termination of this Agreement, no matter how arising, will not affect the rights of PJC to receive and retain any benefits then accrued as at the date of termination.

12 DISPUTE RESOLUTION

12.1 Disputes

Any disagreement or dispute between the parties in connection with or arising out of this Agreement (including any question regarding its operation, validity, termination or subject matter) or otherwise in relation to the rights and obligations of the parties under this Agreement (a "Dispute") must be referred to PJC and the Chief Executive Officers of the Licensee for resolution.

12.2 Arbitration

If a Dispute is not resolved within 28 days of the Dispute being referred to PJC and the Chief Executive Officers of the Licensee, the Dispute must be referred to arbitration in accordance with and subject to The Institute of Arbitrators Australia Rules for the Conduct of Commercial Arbitrations and will not be the subject of legal proceedings (except to the extent otherwise provided by statute).

12.3 Urgent Relief

Nothing in this Agreement prevents the parties from seeking interlocutory relief through Courts of appropriate jurisdiction.

13 MISCELLANEOUS PROVISIONS

13.1 No Waiver

A party's failure or delay to exercise a power or right is not a waiver of that right, and the exercise of a power or right does not preclude the future exercise of that or any other power or right.

13.2 Entire Agreement

This Agreement is the entire agreement between the parties as to its subject matter. It supersedes all prior agreements, representations, conduct and understandings.

13.3 Amendments

No amendment of, nor addition to, this Agreement is binding unless it is in writing and executed by the parties to this Agreement.

13.4 Assignment

Neither party may assign or sub-license its rights under this Agreement:

- (a) other than in accordance with the terms of this Agreement; or
- (b) without the prior written consent of the other party, which consent cannot be unreasonably withheld.

13.5 Law

The law of this Agreement is the State of New South Wales, Australia, and the parties submit to the non-exclusive jurisdiction of the Courts of New South Wales, Australia.

13.6 Costs

Each party will bear its own costs in relation to the negotiation and preparation of this Agreement. However, except as expressly provided by this Agreement, the cost of performing an obligation is to be borne by the party concerned.

13.7 Further Acts

The parties will do all things and execute all documents required to permit or facilitate the performance of the transactions contemplated by this Agreement.

13.8 Counterparts

This Agreement may be executed in counterparts, which when taken together are one instrument.

14 NOTICES

14.1 How Notices Must Be Given

A notice, approval, direction, consent, offer, demand or other communication in connection with this Agreement must be:

- (a) in writing;
- (b) signed by an authorised officer of the relevant party; and
- (c) given to the recipient party:
 - (i) by hand delivery;
 - (ii) by pre-paid mail sent to that party; or
 - (iii) by facsimile transmission to that party.

14.2 Where Such Notices Must Be Sent

For the purposes of giving notice:

- (a) deliveries must be delivered to the address of the recipient party set out below;
- (b) mail must be sent to the address of the recipient party set out below;
- (c) facsimile messages must be transmitted to the facsimile number of the recipient party set out below; and in each case must be marked for the attention of the person specified below in relation to the recipient party:

Name: Peter James Cassidy
Address: 41 Park Avenue,
Roseville NSW 2069
Australia

Attention: Mr Peter Cassidy
Facsimile: +61 2 8243 2990

Name: Natural Soda Holdings, Inc.
Address: 3200 County Rd. 31
Rifle, Colorado
USA
Attention: Mr Bill H. Gunn
Facsimile: +1 (720) 876 2374

14.3 Change of Details

- (a) A party may from time to time change any of the details specified above by not less than five Business Days notice to each other party.
- (b) If details are changed in accordance with this clause, this clause applies as if those changed details were set out above.

14.4 Proof of Notices

- (a) Proof of posting by pre-paid mail of a notice in accordance with these provisions is proof of receipt of such notice on the second clear Business Day after posting.
- (b) Proof of transmission by facsimile of a notice in accordance with these provisions is proof of receipt on the date of transmission, but if a transmission is not made on a Business Day or not made before 4.00 pm, then it will be deemed to have been received at 10.00 am on the next Business Day after transmission.

15 Joint & Several Obligations of Licensees

Each of the Licensees is jointly and severally liable for the obligations and liabilities under this Agreement.

16 INTERPRETATION RULES

In this Agreement, unless a contrary intention appears:

- (a) a reference to this Agreement is a reference to this Agreement as amended, varied, novated, supplemented or replaced from time to time;
- (b) a reference to any legislation or any provision of any legislation includes:
 - (i) all regulations, orders or instruments issued under the legislation or provision; and
 - (ii) any modification, consolidation, amendment, re-enactment, replacement or codification of such legislation or provision;
- (c) words or expressions:
 - (i) importing the singular include the plural and vice versa;
 - (ii) importing a gender include the other genders;
 - (iii) denoting individuals include corporations, firms, unincorporated bodies, authorities and instrumentalities;
 - (iv) given meaning in the Recitals have the same meaning in the body of this Agreement.
- (d) a reference to a party to this Agreement or any other instrument includes that party's executors, administrators, successors and permitted assigns;

- (e) where a word or phrase is defined or given meaning, any other part of speech or grammatical form has a corresponding meaning;
- (f) a reference to a clause number or Schedule number is a reference to a clause or Schedule of this Agreement;
- (g) any heading, index, table of contents or marginal note is for convenience only and does not affect the interpretation of this Agreement;
- (h) a provision of this Agreement must not be construed to the disadvantage of a party merely because that party was responsible for the preparation of the Agreement or the inclusion of the provision in the Agreement;
- (i) the Schedules and Recitals to this Agreement form part of this Agreement and have effect as if set out in full in this Agreement;
- (j) where an act would be required to be done, or a time limit or period would expire, on a day which is not a Business Day, the act must be done, or the limit or period will expire, on the following Business Day; and
- (k) a reference to winding up includes winding up, liquidation, dissolution, becoming an insolvent under administration (as defined in section 9 of the Corporations Act 2001 (Cth)), the appointment of an administrator and the occurrence of anything analogous or having a substantially similar effect to any of those conditions or matters under any applicable law.

EXECUTION

EXECUTED by the parties as an Agreement.

SIGNED by PETER JAMES CASSIDY
in the presence of:

/s/ Rod Cox
Signature of Witness

Rod Cox
Name of Witness
(BLOCK LETTERS)

SIGNED for and on behalf of
NATURAL SODA HOLDINGS, INC by

/s/ Brad F. Bunnett
Signature of Authorised Person

President
Office Held

Brad F. Bunnett
Name of Authorised Person
(BLOCK LETTERS)

SIGNED for and on behalf of
NATURAL SODA, INC by

/s/ Brad F. Bunnett
Signature of Authorised Person

President
Office Held

Brad F. Bunnett
Name of Authorised Person
(BLOCK LETTERS)

/s/ Peter Cassidy
Peter James Cassidy

Signature of Authorised Person

Office Held

Name of Authorised Person
(BLOCK LETTERS)

Signature of Authorised Person

Office Held

Name of Authorised Person
(BLOCK LETTERS)

SCHEDULE 1
TECHNOLOGY

The patent referred to in Australian International (PCT) patent Application No. PCT/AU2009/001613, as amended from time to time.

SCHEDULE 2

FIELD

The area marked on Figure 3 of the RD&D Nomination as “NSHI Shale–Oil: initial research”, and does not include the area marked as “NSHI Shale–Oil: preference right”; and

The area classified as the “Multimineral Zone” in the Piceance Basin, Colorado, USA.

SCHEDULE 3
PATENT PROTECTION – JURISDICTIONS

United States of America

SCHEDULE 4
ADEQUATE RESEARCH PROGRAM

Adequate Research program means a program of research, being Monash Research, that satisfies at least the following requirements:

- (i) the employment or involvement of the equivalent of three suitably qualified full-time researchers;
- (ii) the researchers are provided with adequate supervision;
- (iii) the provision of adequate hardware, equipment and materials;
- (iv) the Licensee will actively monitor the research facilities to ensure that the facilities are suitable and appropriate for the research being conducted.

ANNEXURE A
RD&D NOMINATION

AMENDMENT NUMBER 1
TO THE
LICENCE AGREEMENT

THIS AMENDMENT NO. 1 TO THE AGREEMENT shall be effective as of June 30, 2010 between:

- 1 PETER JAMES CASSIDY of 41 Park Avenue, Roseville in the state of New South Wales (PJC); and
- 2 NATURAL SODA HOLDINGS, INC of 3200 County Rd. 31, Rifle, Colorado USA and NATURAL SODA, INC of 3200 County Rd. 31, Rifle, Colorado USA (each a Licensee).

BACKGROUND

- A The parties have executed and delivered a License Agreement dated June 30, 2010; and
- B. The parties wish to amend Section 4.2 of the License Agreement on the terms set forth herein.

THE PARTIES AGREE as follows:

- 1 Section 4.2 of the License Agreement is amended and restated in its entirety to read as follows:
 - 4.2 Right of First Offer
 - (a) PJC grants to the Licensee the right of first refusal to engage in the Prohibited Activities ("Pre-emptive Right") should PJC at any time during the Term of this Agreement decide to permit a third party (other than the Licensee) to engage in the Prohibited Activities.
 - (b) If PJC decides to permit an independent third party (other than the Licensee) to engage in the Prohibited Activities, PJC must inform the Licensee of:
 - (i) that decision by written notice; and
 - (ii) the key terms and conditions under which PJC is considering permitting the third party to engage in the Prohibited Activities.
 - (c) If the Licensee wishes to exercise the Pre-emptive Right, the Licensee and PJC shall, within 21 days of the exercise of the Pre-emptive Right, enter into a written agreement on a similar basis to the key terms and conditions referred to under clause 4.2(b)(ii).

- (d) If the Licensee does not exercise the Pre-emptive Right, PJC shall have 120 days to enter into an agreement with an independent third party on substantially the same key terms and conditions referred to under clause 4.2(b)(ii). If the key terms of the agreement with such third party are materially different than the original terms presented in clause 4.2(b)(ii), then PJC shall provide Licensees with a Pre-emptive Right to enter into an agreement on the same key terms as agreed with such third party. If Licensee waives the Pre-emptive Right, PJC may then enter into an agreement with such third party on such key terms.
- (e) If PJC does not enter into an agreement with an independent third party within 120 days after the original waiver by Licensee of the Pre-emptive Right, PJC shall once again provide Licensee with the Pre-emptive Right and comply with the procedures in Section 4.2 before entering into an agreement with an independent third party.

2. NO FURTHER AMENDMENT

To the extent that this Amendment Number 1 conflicts with, modifies or supplements the License Agreement, the provisions contained in this Amendment Number 1 shall prevail and control, but in all other respects, said License Agreement is hereby ratified and confirmed.

EXECUTED by the parties as an Agreement.

SIGNED by PETER JAMES CASSIDY
in the presence of:

/s/ Rod Cox
Signature of Witness

/s/ Peter Cassidy
Peter James Cassidy

Rod Cox
Name of Witness
(BLOCK LETTERS)

SIGNED for and on behalf of
NATURAL SODA HOLDINGS, INC by

/s/ Brad F. Bunnet
Signature of Authorised Person

.....
Signature of Authorised Person

President
Office Held

.....
Office Held

Brad F. Bunnet
Name of Authorised Person
(BLOCK LETTERS)

.....
Name of Authorised Person
(BLOCK LETTERS)

SIGNED for and on behalf of
NATURAL SODA, INC by

/s/ Brad F. Bunnet
Signature of Authorised Person

.....
Signature of Authorised Person

President
Office Held

.....
Office Held

Brad F. Bunnet
Name of Authorised Person
(BLOCK LETTERS)

.....
Name of Authorised Person
(BLOCK LETTERS)

REIMBURSEMENT AGREEMENT

THIS AGREEMENT (this "Agreement") is executed and delivered on the 29th day of June, 2010, by and between The Sentient Group ("TSG") and Natural Soda Holdings, Inc., a Colorado corporation ("NSHI").

RECITALS:

WHEREAS, NSHI anticipates that TSG and one or more affiliates of Sentient USA Resources Fund, LP ("SURF"), a shareholder of NSHI (collectively "Sentient") will provide services and/or will incur certain costs and expenses directly allocable to NSHI and NSHI's subsidiary, Natural Soda, Inc. ("NSI").

WHEREAS, Sentient will use reasonable efforts to advise management and the Board of Directors of NSHI in advance of providing such services or incurring any such costs and expenses;

WHEREAS, Sentient will attempt to have any third party providers of goods or services to contract with NSHI and/or NSI concerning such goods and services rather than have Sentient pay the bills and seek reimbursement for such amounts, and

WHEREAS, NSHI has agreed to reimburse Sentient and/or one or more of its affiliates for such services, costs and expenses provided that they are reasonable in amount, were incurred in good faith, and are approved by a majority of the disinterested members of the Board of Directors and/or the Shareholders of NSHI as required by the Colorado Business Corporations Act for conflicting interest transactions.

NOW, THEREFORE, in consideration of the foregoing premises, the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Reimbursement Of Costs and Expenses. From time to time, no less frequently than on a quarterly basis, Sentient will prepare and submit a detailed request to NSHI for reimbursement of:

(a) The cost to Sentient of providing services to NSHI and/or NSI, including, but not limited to travel and accommodations associated with the provision of such services (costs of employees or contractors of Sentient will be based on the actual cost to Sentient of providing such services); and

(b) The cost of goods and services provided by third parties to or for the benefit of NSHI and/or NSI, but billed to and paid by Sentient or billed to NSHI and/or NSI and paid by Sentient on behalf of NSHI and/or NSI.

Such requests shall be reasonable in detail and in such form as may be reasonably required by NSHI. At a minimum, such requests shall be reasonably sufficient to satisfy the requirements of the Sarbanes_Oxley Act of 2002 (or as such act might be modified in the future) and the requirements of the Internal Revenue Service to permit NSHI and/or NSI to deduct such payments for United States Income Tax purposes. Sentient will provide NSHI with reasonable backup documentation for each request for reimbursement and a representative of Sentient will be available to discuss the request for reimbursement as needed by management, the Board of Directors or shareholders of NSHI. Reimbursements shall be paid from available cash within a reasonable time after being approved.

2. Prior Consent. Sentient will use reasonable efforts to obtain prior authorization before performing or retaining any services that may be the subject of any reimbursement hereunder or incurring any cost or expense for the benefit of NSHI or NSI. Failure to obtain any such authorization shall not affect Sentient's right to seek reimbursement, but is intended to provide NSHI and NSI with information that will better enable it to understand the value and necessity of such items and to budget for such items.

3. Currency. All references to "dollars" or "\$" herein or in any budget shall mean lawful currency of the United States of America.

4. Headings. The subject headings of the Sections and Subsections of this Agreement and the Paragraphs and Subparagraphs of the Exhibits to this Agreement are included for purposes of

5. Dispute Resolution.

(a) All claims, disputes or other controversies arising out of, or relating to, this Agreement and any other claims, disputes or controversies arising out of or relating to the management or operations of NSHI or NSI (hereinafter collectively referred to as a "Dispute") shall initially be submitted to a senior officer or a member of the board of directors from each party to a Dispute for resolution by mutual agreement between said officers (which senior officers or director will not be a Person who is involved in the regular operations of NSHI or NSI). Any mutual determination by the senior officers shall be reduced to writing and become final and binding upon the parties. However, should such senior officers fail to arrive at a mutual decision as to the Dispute within 20 days after notice to the senior officers of the Dispute, the parties shall then attempt to resolve such Dispute by mediation in accordance with the terms and provisions set forth in the following paragraph.

(b) The parties agree that if the Senior Officers are unable to resolve the Dispute pursuant to the preceding paragraph, either party may submit the Dispute to JAMS, Inc. (www.jamsadr.com and 949-224-1810, "JAMS"), or its successor, for mediation, and if the Dispute is not resolved through mediation, then it shall be submitted to JAMS, or its successor, for final and binding arbitration. Any party to this Agreement may commence mediation by providing to JAMS and the other parties a written request for mediation, setting forth the subject of the Dispute and the relief requested. The parties will cooperate with JAMS and with one another in selecting a mediator from JAMS' panel of neutrals, and in scheduling the mediation proceedings promptly, not later than 20 days after such request for mediation. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator or any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Any party may initiate arbitration with respect to the Disputes submitted to mediation by filing a written demand for arbitration at any time following the initial mediation session or 45 days after the date of filing the written request for mediation, whichever occurs first. The mediation may continue after the commencement of arbitration if the parties so desire. –Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as arbitrator in the case. The provisions of this Clause may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the party against whom enforcement is ordered.

CONSULTING AGREEMENT
STRICTLY CONFIDENTIAL

GENERAL PROVISIONS

Purpose of Agreement

This Consulting Agreement ('Agreement') sets out the terms and conditions of the consulting arrangement between Toveloa Pty Limited ABN 67 003 629 212 a company registered under the Corporations Act in Australia and Natural Soda Holdings, Inc., a corporation registered in the State of Colorado, USA ("NSHT") (together "the Parties") to provide management advisory services ("Consulting Services") to NSHI. References in this agreement to NSHI are intended to be references to NSHI and its subsidiary Natural Soda, Inc., a corporation registered in the State of Colorado, USA. References in this agreement to 'you' and 'your' means 'Toveloa Pty Limited ABN 67 003 629 212'.

Confidential Information

During and after your consultancy with NSHI, except in the proper course of providing the Consulting Services or as required by law, you will not divulge to any person or use any trade secret, intellectual property or any confidential information of, NSHI including but not limited to:

- the businesses, financial arrangements or positions of NSHI;
- any of the dealings, transactions or affairs of the businesses of NSHI and its clients; and
- the terms of contracts, arrangements and transactions between NSHI and its clients and customers.

CONSULTING SERVICES

The Parties acknowledge and agree that the Consulting Services shall be determined by the Board of NSHI based on the needs and requirements of NSHI from time to time. The Parties acknowledge and agree that during this Agreement NSHI may alter your reporting line from time to time to meet its needs or direct you to undertake duties for its affiliate entities. In order to meet the needs of its businesses, NSHI may alter your duties and responsibilities from time to time. NSHI will have regard to your skills and experience and any change will be affected with reasonable notice. The Parties acknowledge and agree that you will engage with the Board, executive management and owners of NSHI in the provision of the Consulting Services. The Parties acknowledge that the Consulting Services may include, but are not limited to, management, financial, commercial, strategic and operational advice and services as the need arises.

The Parties acknowledge and agree that you will render the Consulting Services primarily from Sydney, Australia. The Parties further acknowledge that you may be required to travel, including but not limited to, to the USA from time to time in the provision of the Consultancy Services.

CONSULTING FEES

Retainer

The Consulting Fee will be US\$110,000 per annum with effect from 1 November 2009.

The Consulting Fee may be varied from time to time by mutual agreement.

The Consulting Fee will be payable monthly or as agreed between NSHI and you from time to time.

Bonus

In addition to the Consulting Fee you will be eligible for a bonus up to a maximum of 25% of the Consulting Fee ("Bonus") payable in addition to the Consulting Fee based on the assessment of your performance.

Review

NSHI will review the Consultancy Fee and Bonus at least once in each 12 months during the term of this Agreement on such basis as NSHI in its absolute discretion may determine so as to reflect your performance in the provision of the Consulting Services.

EXPENSES

Reimbursement

NSHI shall reimburse you for all expenses properly incurred by you in the execution of your responsibilities and duties (including, without limitation, travel, accommodation, meals, entertainment and telephone expenses) and substantiated to the reasonable satisfaction of NSHI, whether by production of receipts or otherwise.

Corporate credit cards

NSHI may at its discretion give you a credit card(s) for the purpose of business related expenditure as referred to above. You shall comply with the card issuer's conditions of use of the card and with NSHI's policy for use of credit cards, as varied from time to time.

INSURANCE AND INDEMNITY

Indemnity

NSHI indemnifies you against any liability or loss arising from and any costs, charges and expenses incurred (including, without limitation, legal costs on a full indemnity basis) on or after the Commencement Date in relation to any act or omission by you in your capacity as a consultant, including you being deemed to be an officer, representative or agent of NSHI and including any position in which you are deemed to have a fiduciary duty to NSHI.

Costs of defending proceedings

The indemnity includes, but is not limited to, any liability for costs and expenses incurred by you:

- (a) in defending any proceedings, whether civil or criminal, in which judgment is given in favour of you or in which you are acquitted; and
- (b) in connection with any application in relation to any such proceedings in which relief is granted to you by any court under the Corporations Law or the law in any jurisdiction that you are subject.

The costs and expenses incurred by you for the above purposes shall be paid to you by NSHI as such expenses are incurred provided that you submit a claim for such expenses in a form and with such detail as NSHI may reasonably require.

Limitations

The indemnity:

- (a) applies only to the extent permitted by law;
- (b) does not apply to the extent that any liability, loss, costs, charges or expenses result from any wilful neglect, wilful default, or dishonesty by you;
- (c) applies only to the extent that you are not otherwise indemnified.

Impact of Taxation

The Parties agree that to the extent that any indemnity payment to you pursuant to this clause is taxable to you, the amount of the indemnity payment must be grossed up accordingly.

TERMINATION

Notice

This Agreement may be terminated by you giving to NSHI three months written notice or by NSHI giving three months written notice to you or by NSHI making a corresponding payment in lieu of notice for part or the whole of the notice period.

Termination by NSHI

NSHI may terminate this agreement immediately at any time by giving written notice to you if you:

- (a) are declared bankrupt or compound with your creditors or any of them or assign your estate for the benefit of your creditors or any of them;
- (b) are by reason of illness or other incapacity beyond your control unable to attend to the your responsibilities for six consecutive months or an aggregate of six months in any 12 month period

Entitlements upon termination

On termination of this agreement, whether pursuant to this clause or otherwise, NSHI shall pay to you:

- (a) the Consulting Fee and Service Recognition payable to you on a pro rata basis up to and including the date of termination;
- (b) any other amount due to you or due to a credit card provider pursuant to the clauses dealing with Expenses.

No compensation

Upon termination of this Agreement under its express terms you will not be entitled to claim any compensation or damages from NSHI in respect of termination other than as may be expressly provided for in this Agreement.

OTHER

Severability

Any part of this Agreement which is held to be illegal, void or unenforceable will be ineffective to the extent only of that illegality, voidness or unenforceability, without invalidating the remaining parts of this Agreement.

Entire Agreement

This Agreement constitutes the entire agreement between the Parties and supercedes all written and oral agreements, understandings, commitments and representations between the Parties.

Acknowledgement

We, the undersigned, hereby acknowledge and agree to the terms and conditions of consultancy as set out in this Agreement.

Consulting Agreement

NSHI-TOVELOA PL

Tovelo Pty Limited ABN 67 003 629 212

Director /s/ A. You Lee

Name of Director (print) A. You Lee

Executed as an agreement by NATURAL SODA)

HOLDINGS, INC. by its authorised representative in)

the presence of:)

/s/ Mike De Leeuw
Witness

/s/ Peter Cassidy
Director

Mike De Leeuw
Name of witness (print)

Peter Cassidy
Name of Director (print)

Consulting Agreement

NSHI-TOVELOA PL
