ASX ANNOUNCEMENT

SALT LAKE POTASH LTD

31 January 2017

DECEMBER 2016 QUARTERLY REPORT

*The Board of Salt Lake Potash Limited (**the Company** or **Salt Lake**) is pleased to present its quarterly report for the period ending 31 December 2016.*

Highlights:

Surface Aquifer Exploration Program

- *An 8.5 tonne amphibious excavator completed 127 shallow test pits and 7 trial trenches in the shallow aquifer at the Lake Wells Project. Sustained pump tests were completed on two 4.5m deep trenches in the southern part of the Lake. Highlights include:*
  - *Modelled annual flow rates of 1.1 – 1.3 Litres per second (**L/s**) based on a 1 year simulated model of the results recorded during the 50m trial trench pump test.*
  - *Modelled annual flow rates of 0.23 – 0.28L/s based on a 1 year simulated model of the results recorded during the 25m trial trench pump test.*

Deeper Paleochannel Aquifer

- *The off-lake aircore drilling program, targeting the Lake Wells paleochannel, continued to successfully intersect Basal Paleochannel Sediments along the entire length of the paleochannel unit, which will comprise the main productive aquifer in the deeper part of Lake Wells brine resource.*
- *A second off-lake bore in the deep basal sand aquifer in the northern part of Lake Wells was test pumped at a constant rate of 8L/s for 4 days. The drawdown data exhibited boundary conditions consistent with the paleochannel setting.*

Process Development Testwork

- *The Company conducted a range of process development testwork to significantly enhance the Lake Wells process model. Substantial volumes of brine from Lake Wells were concentrated into harvest salts (Potassium and Sulphate mixed salts) in three separate trials under simulated and actual site conditions.*
- *The conversion and crystallisation of harvest salts at Hazen Research in Colorado then produced the first Sulphate of Potash (**SOP**) samples from Lake Wells brine.*
- *An extensive Site Evaporation Trial (**SET**) was established at Lake Wells. The SET has to date processed approximately 125 tonnes of brine and producing harvest salts on a continuous basis. The SET will continue to operate for up to 12 months generating site specific evaporation data and producing sufficient harvest salts for bulk production of SOP samples for distribution to potential partners and customers.*

Regional Lakes

- *Geophysical surveys were performed at Lake Irwin and Lake Ballard to resolve the geometry of the paleovalley, and to define the position and depth of the paleochannel at each Lake.*
- *Initial evaporation testwork on Lake Irwin brine confirmed the suitability of harvest salts for SOP production.*

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LAKE WELLS EXPLORATION

Surface Aquifer Exploration Program

In November 2016, the Company mobilised an 8.5 tonne amphibious excavator to gather further geological and hydrological data about the shallow brine aquifer hosted by the Quaternary Alluvium stratigraphic sequence in the upper 20 meters of Lake Wells.

The aim of the program is to evaluate the geology of the shallow Lake Bed Sediments, and to undertake pumping trials to provide estimates of the potential brine yield from trenches in the shallow sediment.

The excavator program is also providing important geological and geotechnical information for potential siting and construction of trenches and on-lake brine evaporation ponds.

The program to the end of 2016 included the excavation of 127 test pits in three tranches over the lake playa (refer to Figure 1). The test pits were generally excavated to an area of 1 meter x 1.5 meters and a depth of 4 meters and are representative of the shallow stratigraphy of the Lake playa.

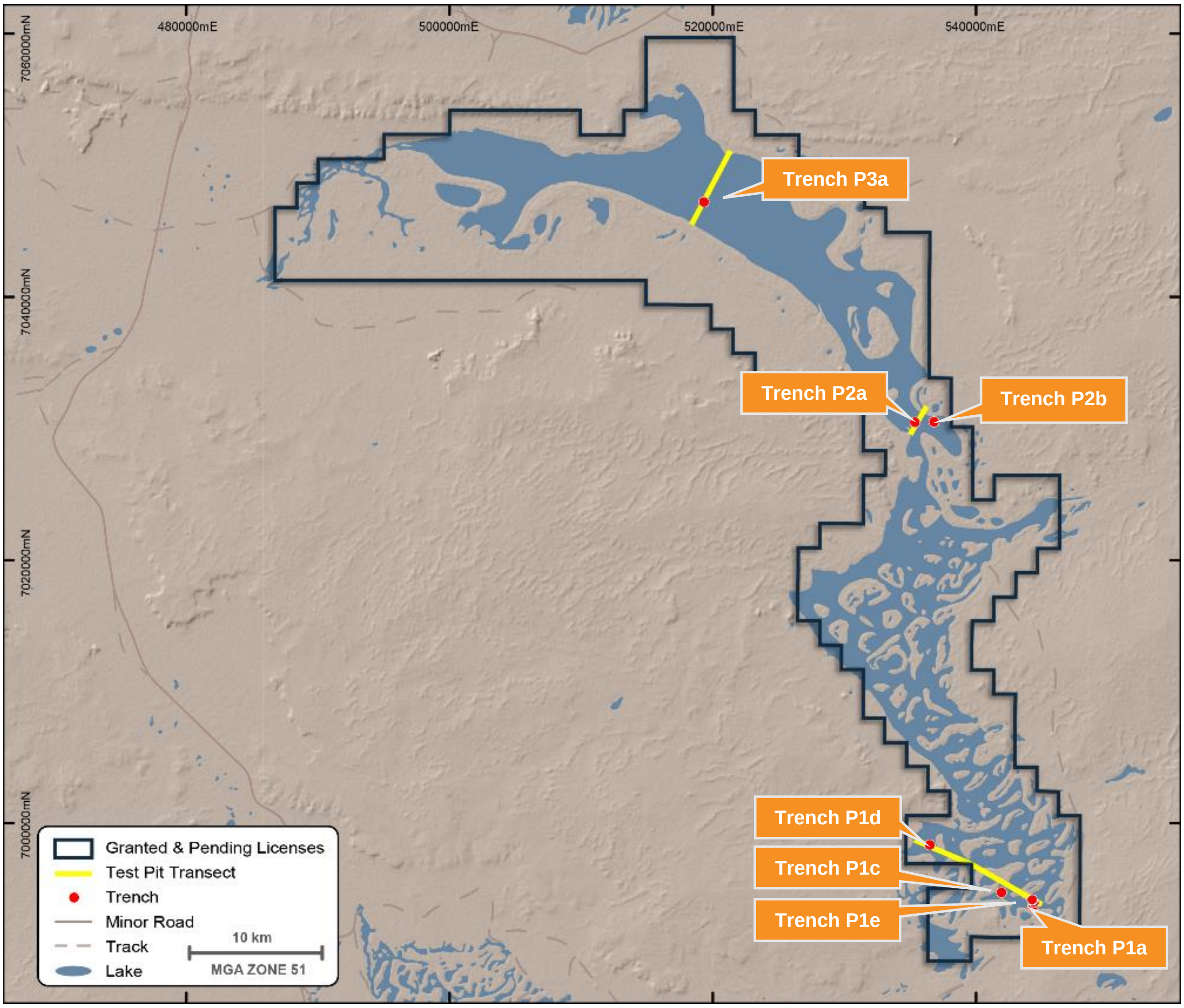


Figure 1: Map of Lake Wells Trench Locations

The test pits were logged for geology, hydrology and brine chemistry during the excavation process. Particle Size Distribution (**PSD**) samples and brine samples were taken from each pit.

The test pits were also subject to short duration pumping tests in order to analyse the recovery of the brine levels in the test pits.

Based on the geology and hydrological information from the test pits, a number of sites for excavation of larger test trenches were chosen, reflecting the variability of the geology and hydrogeology encountered in the lake playa sediments.

A total of seven trenches were excavated on the chosen sites, each approximately 4.5 meters deep and between 25 meters to 50 meters long. Benching was used to provide geotechnical stability for the trench sidewalls and the resulting trenches are approximately 5m wide at the surface and 1m wide at the base.

Five of the trenches were located in the southern end of the Lake Wells, in close proximity to the Evaporation Trial Site (see Figure 3).

To date two trenches have been test pumped (P1a and P1c in Figure 3).

Figure 2: Test Trench Excavation at Lake Wells

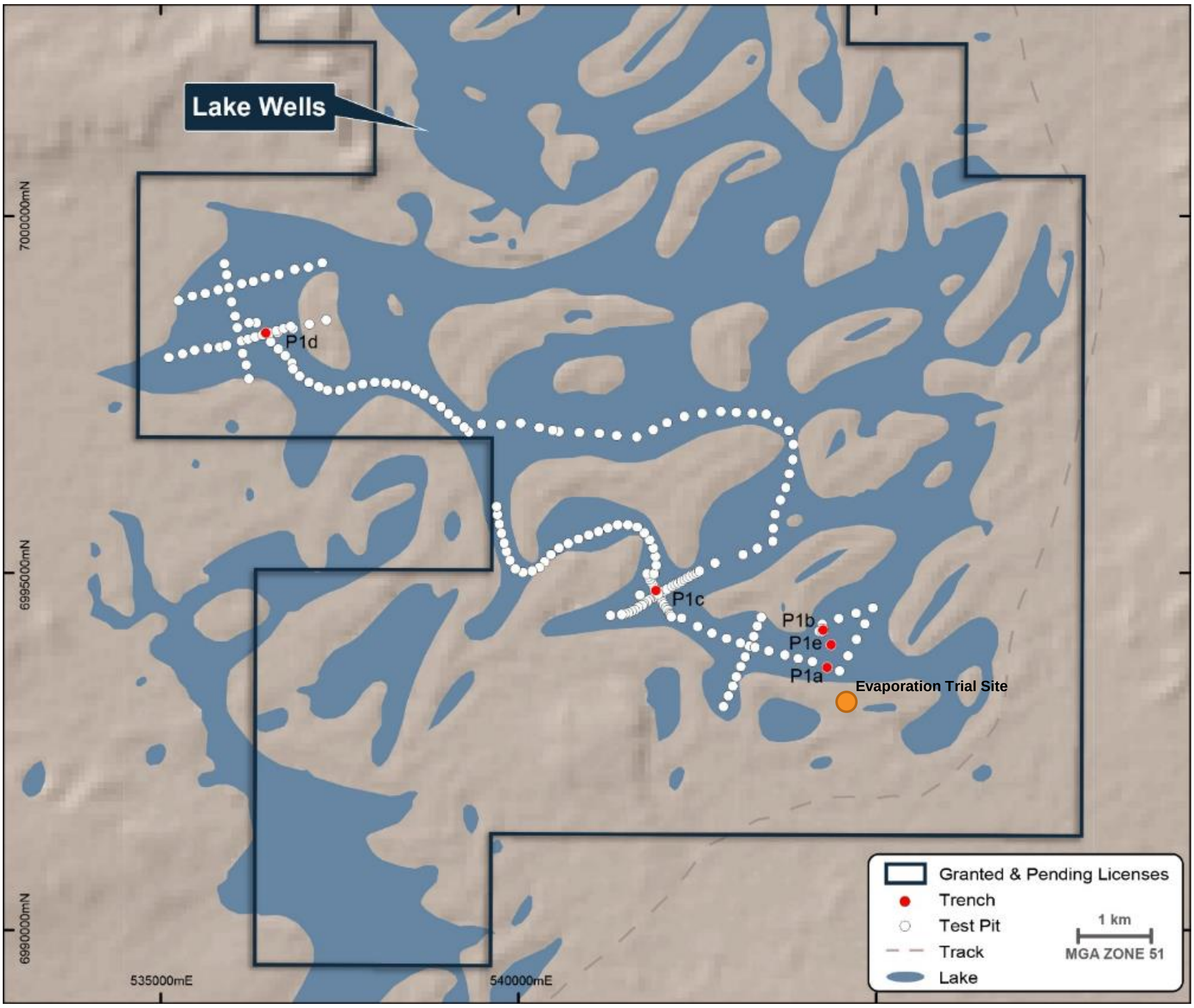


Figure 3: Trench and Test Pits in the Southern part of Lake Wells

Geology of the shallow sediments

Based on the widespread test pits the shallow aquifer geology is reasonably uniform across the Lake. The shallow sediment is generally composed of Cenozoic (Quaternary - Holocene) brown to white to red, unconsolidated, gypsiferous sand, silt and clay with a strong overprint of ferric oxides from 0.5 to around 3 – 8m depth. Dominated by sub-angular, well sorted, very fine to medium quartz sand, the sand commonly grades progressively to a more silt and clay dominated sediment with depth, with occasional interbedded sand lenses. Authigenic prismatic and tabular gypsum is common, growing in discontinuous, vein-like structures throughout the unit, with a large variety of crystal sizes. Minor, medium-grained lithic fragments can be found throughout this gypsum.

Trench P1a (25m)

The geological sequence in P1a consisted of a 0.7m layer of surficial coarse grained evaporate sand overlying silt and clay with evaporate clasts to 3m depth. Plasticine clays were encountered from 3m to the base of the trench. The trench appears to have average brine flows in visual comparison to other trenches and test pits.

Figure 4: Trench Pump Testing in Progress at Trench P1a

Trench P1c (50m)

For P1c the geological sequence includes a 0.4m thick layer of surficial coarse-grained evaporite sand overlying silt with evaporite clasts to 2m depth. The interval from 2m to 2.8m comprised a stiff fractured/fissured clay that yielded significant brine. Sediment from 2.8 to 3.6m was soft clay and the underlying interval to total depth of 4.4m was silt and fine grained evaporate sands that also yielded brine.

Figure 5: Trench P1c at Lake Wells

Sustained Test Pumping Results

Trenches were test pumped for several days using a pair of centrifugal suction pumps yielding up to 4L/s each. The test pumping process involved pumping out the trench volume with both pumps until the brine level was drawn down to a predetermined level above the trench floor. The pump yields were then restricted to keep the brine in the trench at this predetermined level. The brine from the trench was disposed away from the test trenches to prevent recycling of brine and creating an artificial recharge boundary.

Observation wells were constructed at distances varying from 10, 20, 50, and 76 meters away from the trenches to measure the water table drawdown in the surrounding aquifer during trench pumping (see Figure 8 model). These wells were logged for geological information and constructed with slotted 50mm casing to the bottom of the well at 6 meters below surface.

The brine level elevations were measured with water data loggers in both the trench and the observation wells and verified during the test pumping with manual readings. The cumulative brine yield from the pumps were measured with a calibrated flow meter.

Standing water level of the brine was approximately 0.5m below ground surface at each trench and in the observation wells before test pumping started.

The data from the trench test pumping were analysed and processed based on the measured brine flows, water level readings in the trenches and the observation wells. The results are shown in Figures 6 and 7 below.

Note that the amount of brine pumped daily from the trenches decreased after one day in P1a and two days in P1c. This is due to the removal of the trench storage. After this initial period the inflows were from the surrounding aquifer material.

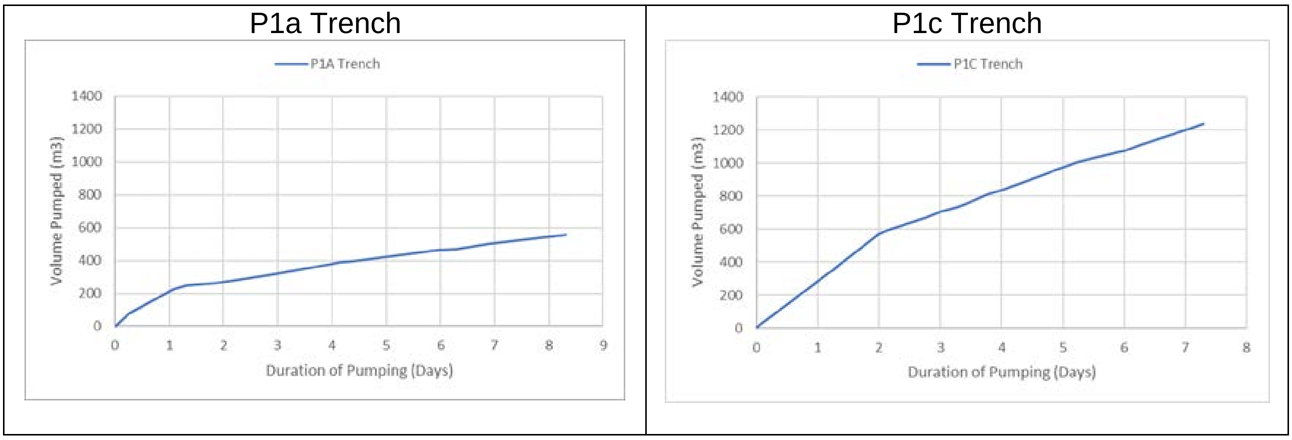
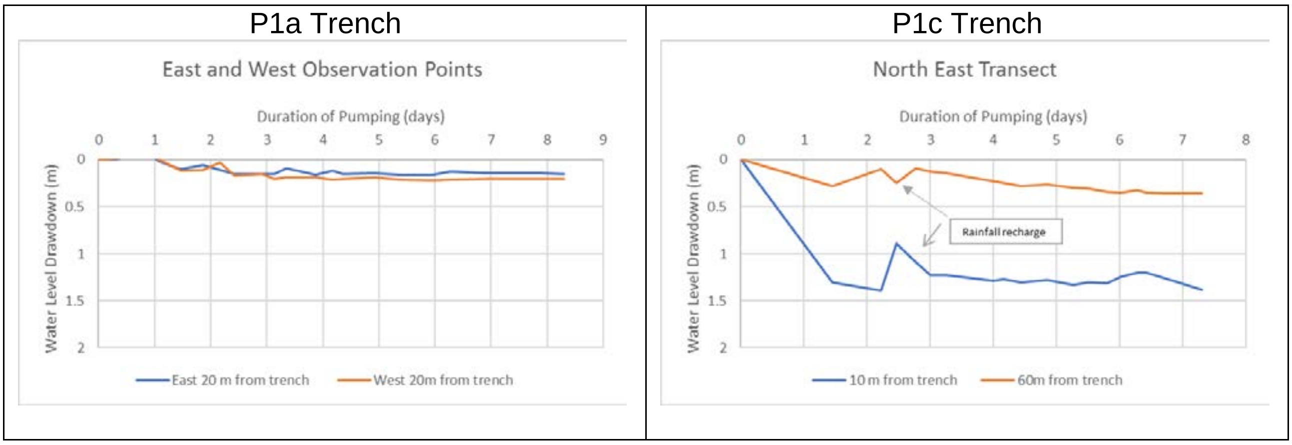


Figure 6: Brine flow rate over time

As expected, the aquifer material surrounding the P1c trench displayed more permeability than the material surrounding the P1a trench and this can be seen in the drawdown measured in the observation wells as shown below in Figure 7.



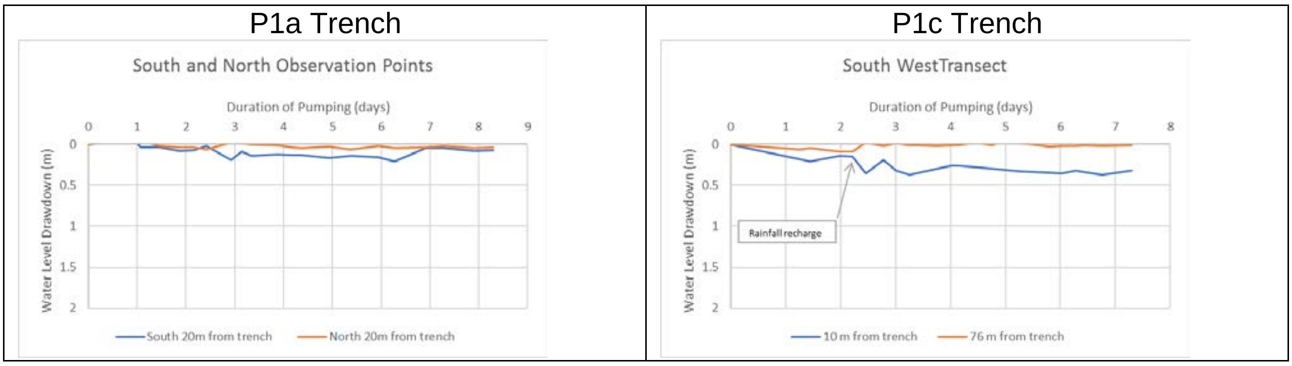


Figure 7: Water Level drawdown in observation wells

P1a Detail Analysis

The brine level in the trench was drawn down by 1.4m to stabilise at approximately 1.7m below ground surface. Pumping was then continued at a lower rate to maintain a constant brine level in the trench and balance brine inflow to the trench with pumping. By the end of the 8.3 day trial the flow rate from the trench had reduced to 38m^3/day (0.6L/s) as the surrounding material close to the 25 meter long trench was dewatered.

P1c Detail Analysis

The brine level in the trench was drawn down by 2m to stabilise at approximately 2.5m below ground surface, pumping was then continued to maintain a stable water table in the trench, while brine inflow from the surrounding sediment balanced pumping from the trench. By the end of the trial the pumping rate required to maintain a stable brine level had decreased to approximately 130m^3/day (1.6L/s) as the surrounding material close to the trench was dewatered.

Two rain events occurred during the P1c pumping trial, the first on 3 December 2016 (day 2 of the trial) and the second on 5 December 2016 (day 4 of the trial). The magnitude of each rain event was approximately 20mm, and the effect of rainfall recharge is observed in rising brine levels measured at monitoring bores around the trench.

These observations indicate the importance of recharge on the long-term water balance of the shallow lake bed aquifer.

Observation bores to the northeast of the trench exhibited significantly greater water table drawdown than the observation bores to the southwest indicating that the sediment is more permeable toward the northeast of the trench. Two permeability zones were applied in the model, a high permeability zone to the northeast of the trench and a lower permeability zone to the southwest.

Trench Data Modelling

A MODFLOW numerical flow model was constructed for each trench site using Visual Modflow software system (McDonald and Harbaugh (1988)[1], SWS, 2011[2]) based on the geological and hydrogeological data for each site.

The models were calibrated to the pumping flow rate and water table drawdown measured during each test. These calibrated models provide estimates of the hydraulic properties of the Lake Bed Sediments which will be used to inform the Pre-Feasibility Study for the project.

The models assume consistent hydraulic properties of the Lake Bed Sediment within the zone of influence of pumping. To date insufficient data is available to characterise any extended spatial variability in the geology.

[1] McDonald and Harbaugh (1988), *A modular three-dimensional finite-difference groundwater flow model*. USGS. Techniques of Water Resources Investigations book 6, chapter A1

[2], SWS, 2010, *Visual Modflow users Guide*, Schlumberger Water Services

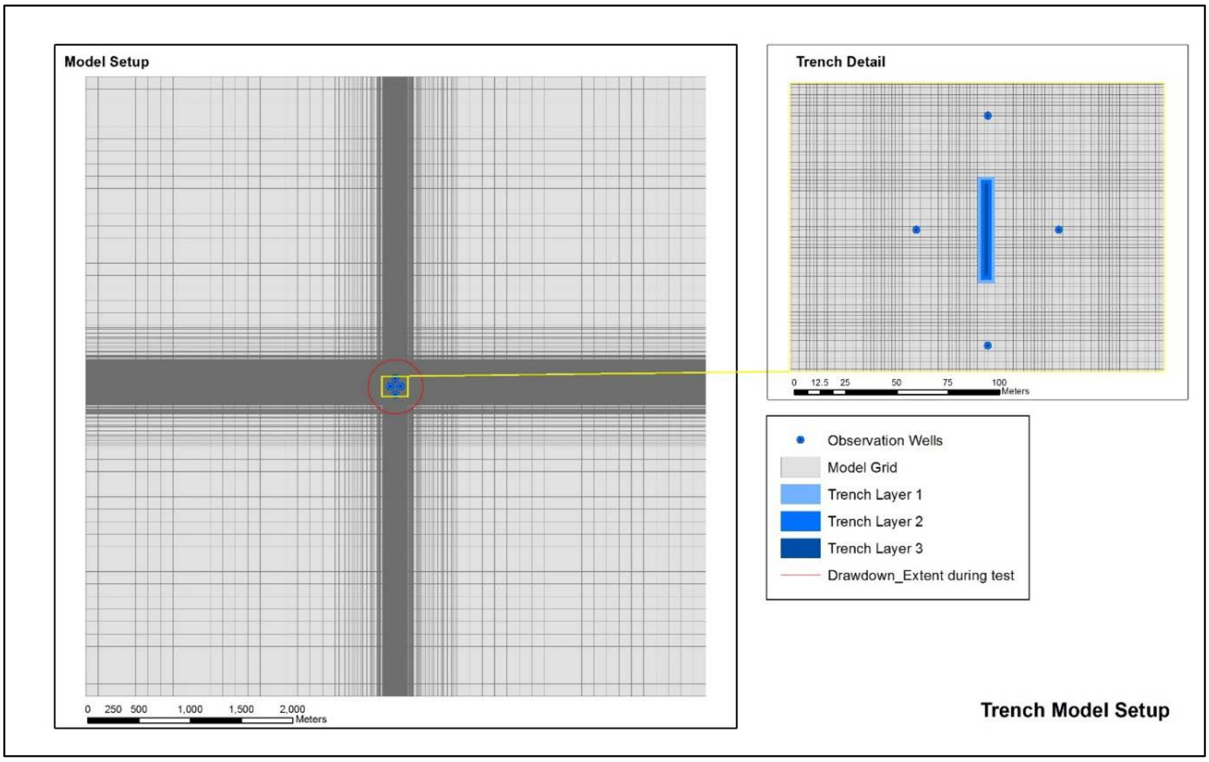


Figure 8: Trench P1a Model Setup

Modelling results

	P1a	P1c
Trench Depth	4.5 m	4.5 m
Trench Length	25 m	50 m
Total Volume Pumped	557 m^3	1,240 m^3
Duration of Pumping	8.3 days	7.3 days
Average Flow Rate	67 m^3/day	170 m^3/day
Calibrated Model Aquifer Properties • Permeability • Drainable Porosity	3 m/day 10%	0.3 – 40 m/day 7%

Table 1: Trench Pumping Trial Overview

The results shown above indicate that the drainable porosity of the aquifers is very similar while the permeability vary much more due to the different geological settings of the trenches.

Longer term brine yield

The calibrated models developed for each trench were run for an extended duration of 1 year to assess the expected longer term brine yield from a test trench.
For each trench the calibrated model was run for a range of rainfall recharge scenarios:

a) no recharge,
b) 10% of annual rainfall (22mm)
c) 15% of annual rainfall (34 mm).

The total volume pumped for each recharge scenario is presented in Figure 9 and Figure 11. Pumping rate over time is shown as Figure 10 and Figure 12.

Trench P1a yielded a total of 8,000 to 9,000 m^3 (equivalent to 0.23 – 0.28L/s) over the 1 year simulation for the different recharge scenarios while P1c yielded 36,000 to 40,000m^3 (equivalent to 1.1 – 1.3L/s) over the 1 year simulation with the same recharge scenarios. The difference in lengths

(P1a = 25m, P1c = 50m) did not account for large difference in pumped volume and it is attributed to the fact that trench 1C is excavated into highly permeable material.

P1a Long-term Yield

The long term yield of brine into trench P1a stabilised at ~20m^3/day (0.25L/s) for the 25 meter trench as shown in Figure 9.

P1c Long-term Yield

The long term yield of brine into trench P1c stabilised at ~105m^3/day (1.2L/s) for the 50 meter trench as shown in Figure 11.

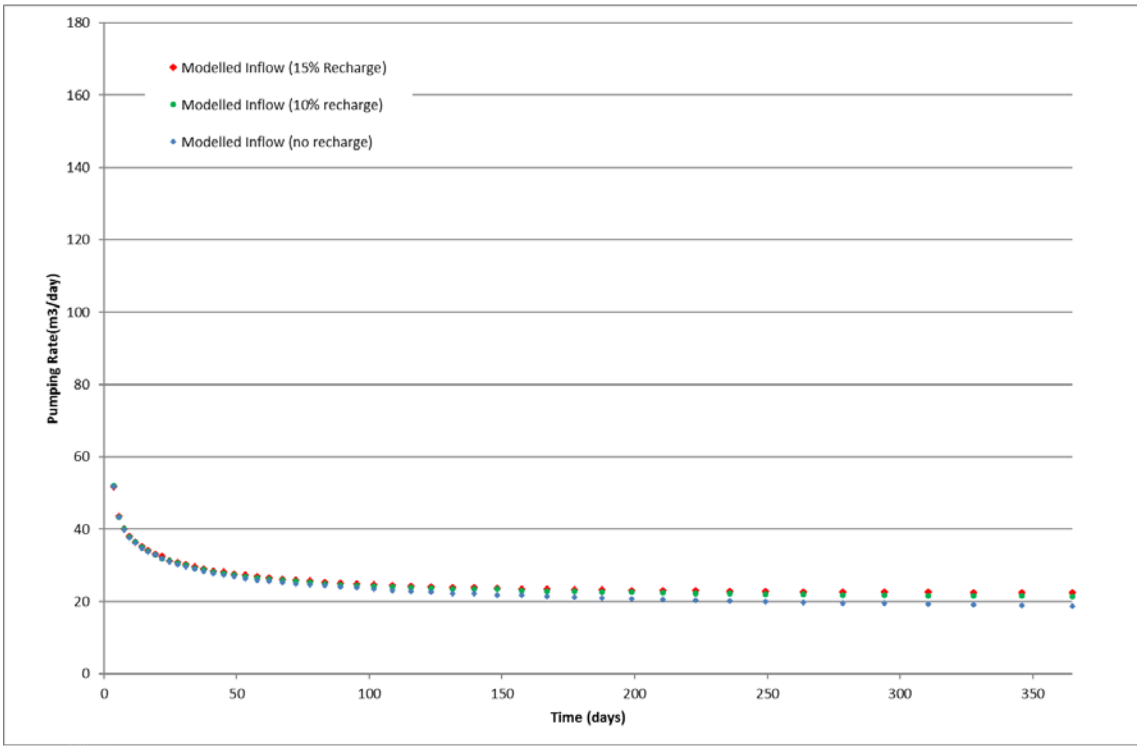


Figure 9: Trench P1a – Modelled Brine flow rate over 1 year simulation

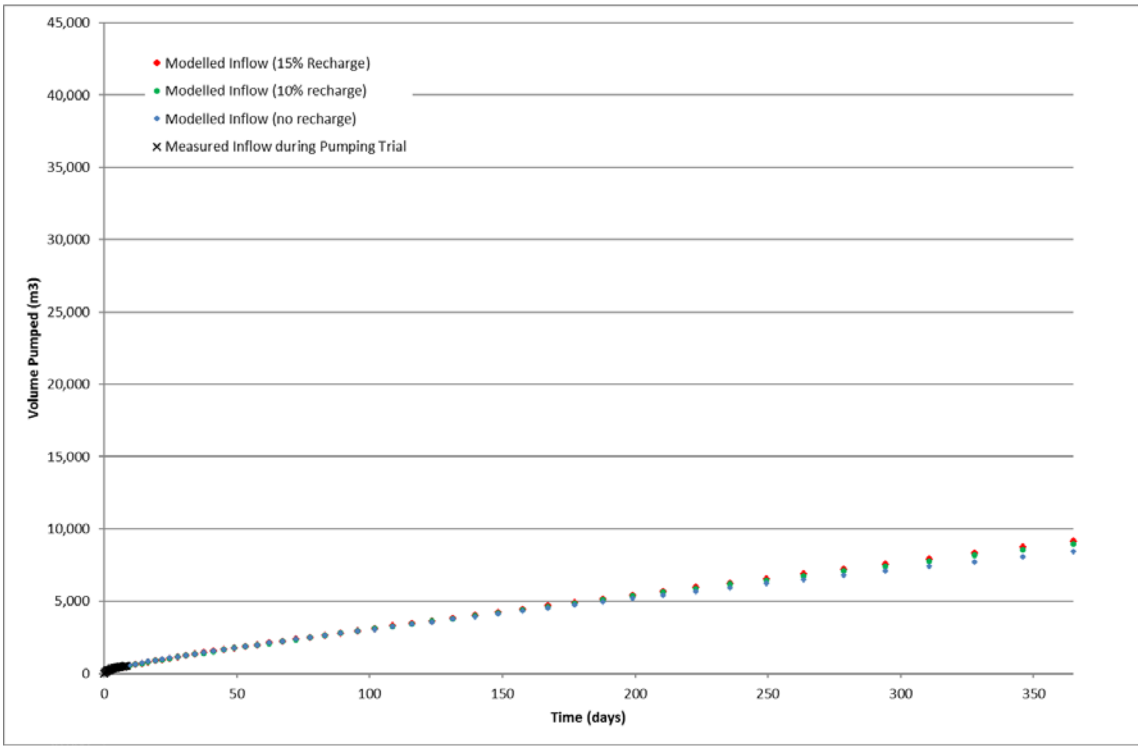


Figure 10: Trench P1a – Total Pumped Volume over 1 year simulation

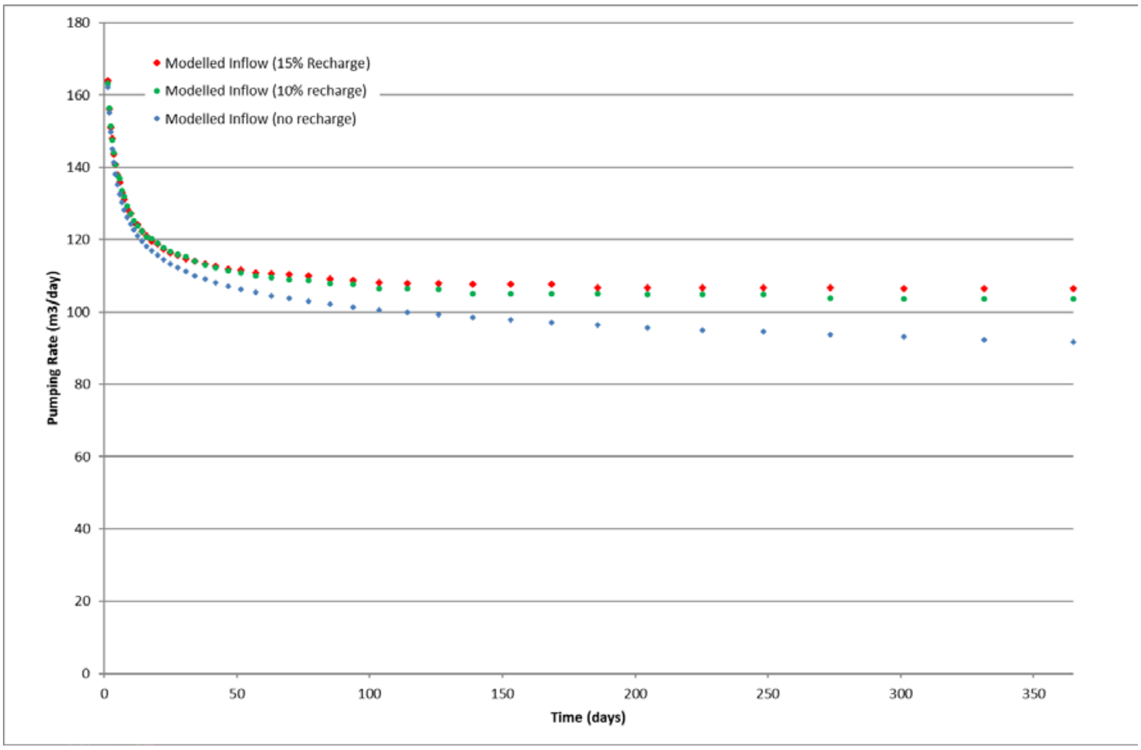


Figure 11: Trench P1c – Modelled Brine flow rate over 1 year simulation

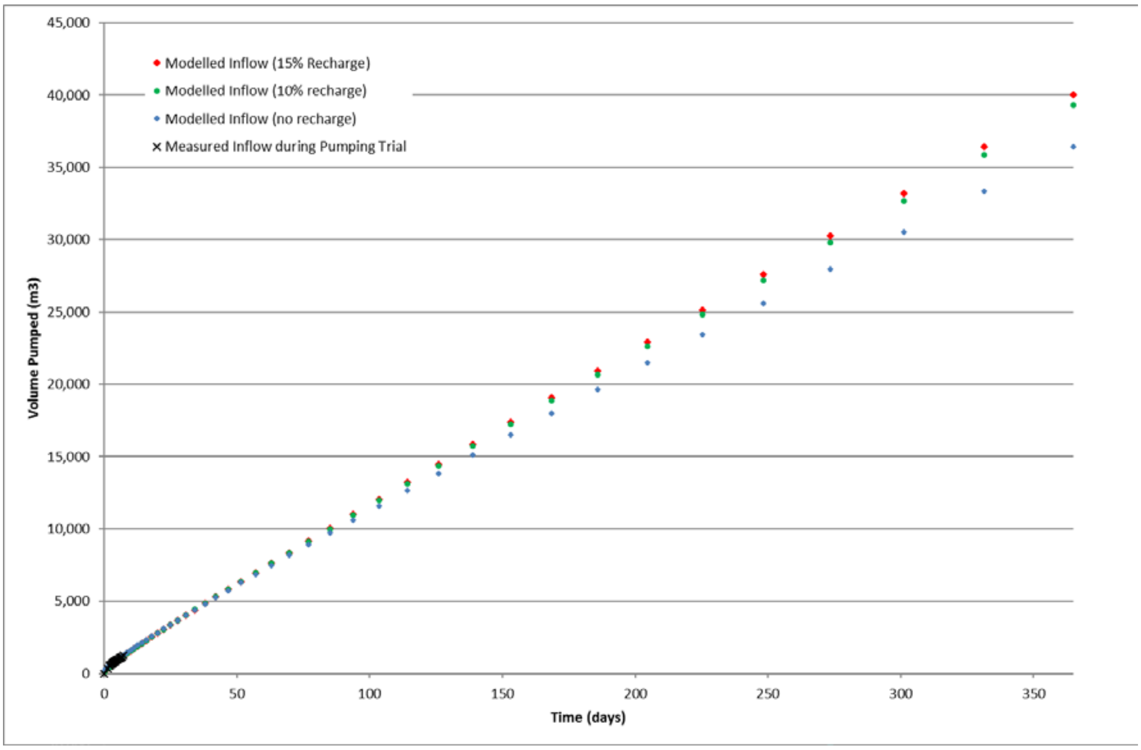


Figure 12: Trench P1c – Total Pumped Volume over 1 year simulation

Thirty brine samples were taken from test pits after the excavation process and the average potassium concentration was 3.522kg/m^3.

Aircore Drilling Program

The off-lake aircore drilling program continued to test potential paleochannel aquifer targets identified by geophysical surveys in accessible areas in the southern end of Lake Wells. Refer to Figure 13 for drill locations.

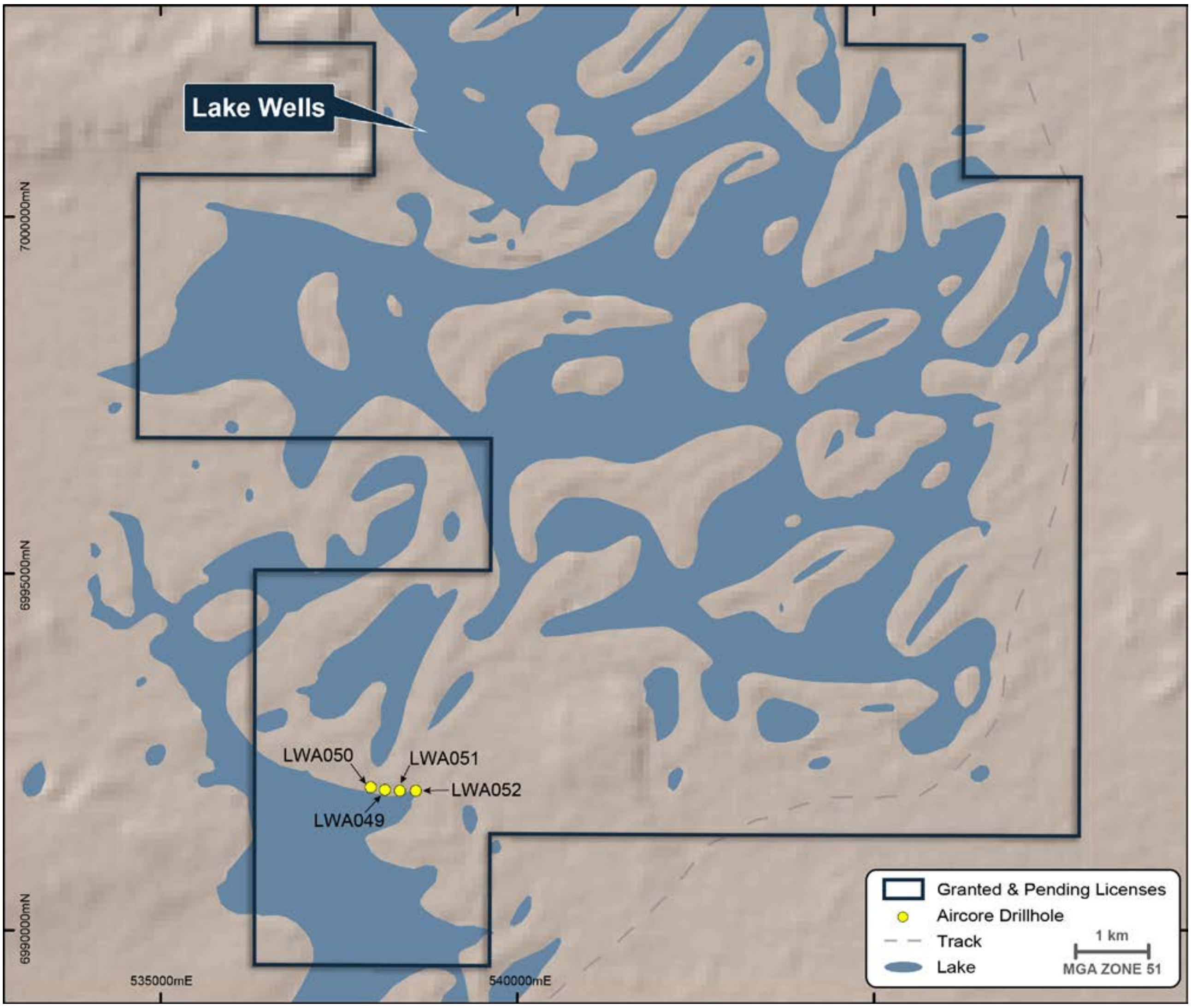


Figure 13: Aircore Drill Locations at Lake Wells

The results from the drilling provided further understanding of the hydrogeological characteristics of the paleochannel aquifer and yielded the expected stratigraphic sequence consistent with paleovalley fill material.

Four drillholes totalling 441m were drilled on a transect in the southern area of the Lake, intended to define the deepest part of the basement (the "thalweg") in the Southern extent of Lake. All the drillholes intersected the granite basement and this information was used to validate the refined gravimetric geophysical data. The spacing of the drillholes is 200 meters apart from east to west and the conceptual interpretation is shown in Figure 14 below.

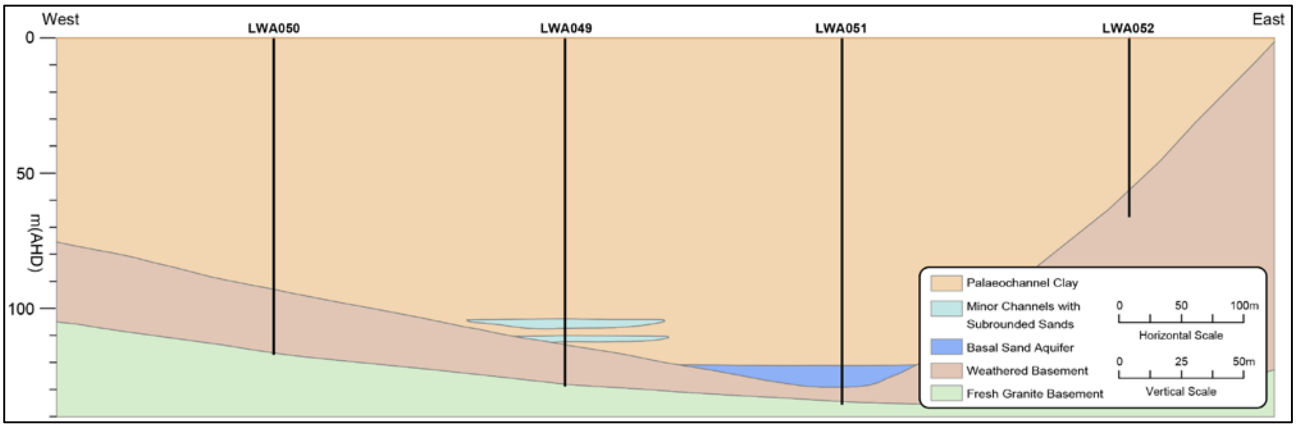


Figure 14: Transect at Lake Wells

Coarse sands were encountered Drillhole LWA051 from 119m down to 128m and it will be the target for a production bore in the current quarter.

This will complete the off-lake drilling program at Lake Wells for the time being, with future drilling to be undertaken on-lake, aimed at the best paleochannel targets defined in the refined geophysical model.

The average potassium concentration of brine samples taken from the aircore drillholes are shown in the table below. The samples were all taken from the Basal Paleochannel Sediment unit in each bore during the drilling and airlifting process. The sampled values range from a minimum of 2.420kg/m^3 to a maximum of 3.390kg/m^3.

Average							
HOLE ID	**K (kg/m^3)**	**Cl (kg/m^3)**	**Na (kg/m^3)**	**Ca (kg/m^3)**	**Mg (kg/m^3)**	**SO_4 (kg/m^3)**	**TDS (g/kg)**
LWA049	3.029	126.306	75.175	0.659	6.583	16.900	262
LWA050	3.332	136.983	81.350	0.625	6.937	18.200	285
LWA051	2.833	119.663	71.150	0.510	6.300	15.875	247

Table 2: Average Brine Chemistry of Samples taken from the Basal Paleochannel Sediment

Test pumping

A mud-rotary production bore LWTB011 was constructed on the LWA039 transect (in the northern part of the Lake) and a test pumping system from Resource Water Group was mobilised to Lake Wells (see Figure 15).

The bore was screened from 100m to 124m over an intersection of sand, coarse sands and some fine gravels. The bore yielded 11.5L/s from airlifting while the bore was developed.

The pump was installed at 95m for the duration of the test pumping and a calibration test was completed for the bore, including pumping the following rates:

- 7 L/s for 5 minutes with drawdown of 34.85m
- 10.5 L/s for 5 minutes with drawdown of 46.68m
- 13L/s for 5 minutes with drawdown of 62.70m
- 15L/s for 10 minutes with drawdown of 80.51m

A step rate test with four steps was undertaken ranging from 7L/s to 13L/s. The duration of each step was 100 minutes and the last step at 13L/s was stopped short at 15 minutes due to the water level at 93.40m in the bore approaching the pump inlet at 95m.

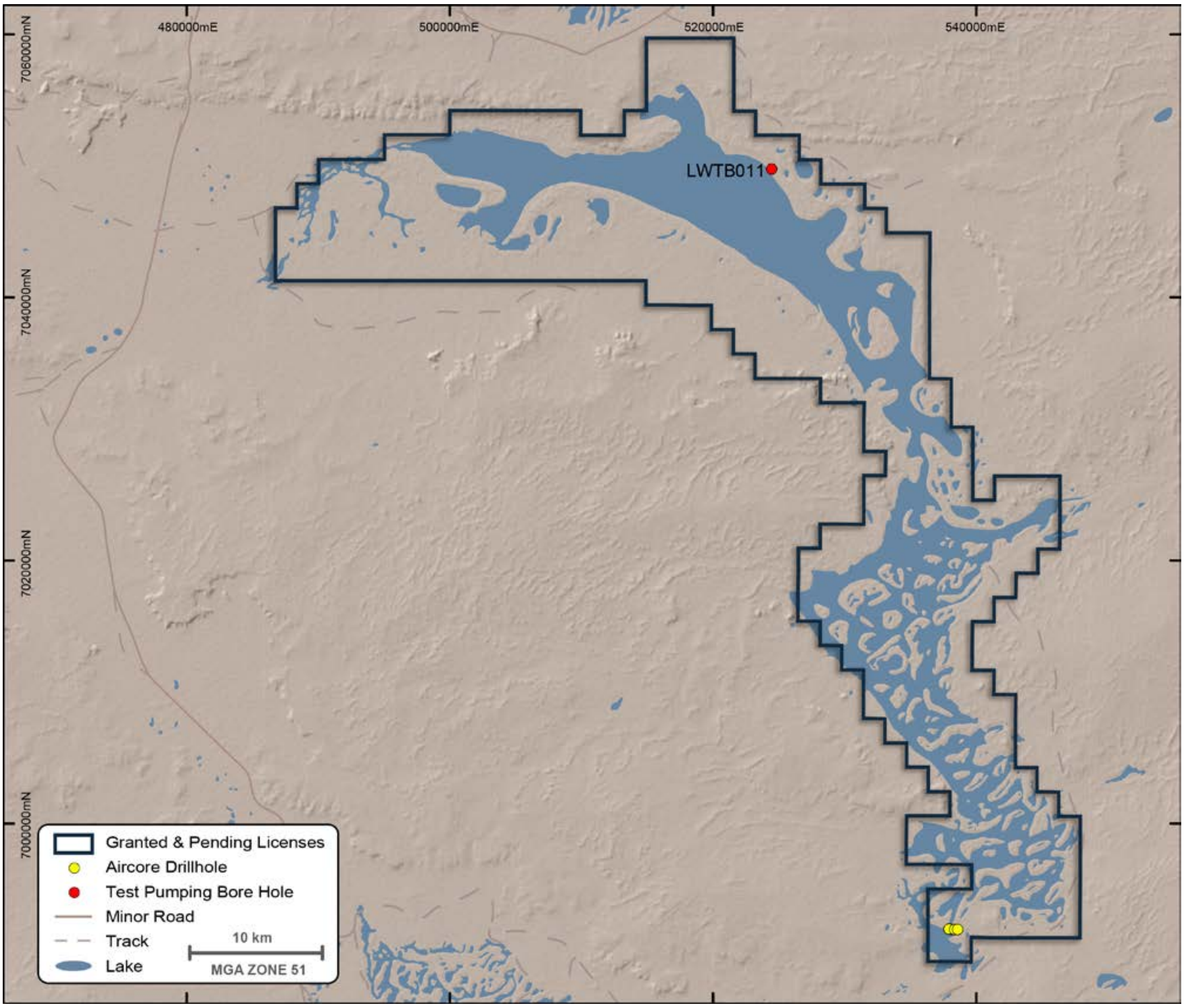


Figure 15: Location of Test Pumping at Lake Wells

A constant rate test at 8L/s was undertaken for four days with the water level in the bore reaching 69.68m and boundary conditions consistent with a paleochannel setting were encountered during the test. This was in line with the geophysical modelling of the gravimetric survey data.

The constant rate test results were modelled and the results indicated that the measured aquifer transmissivity for the screened interval is 10.1m^2/day with a bulk hydraulic conductivity of 0.42m/day.

This bore pumping test provides additional valuable data on the potential productivity of the paleochannel basal aquifer in the Northern part of the Lake. The limited availability of off-lake paleochannel targets mean future bore pumping tests are likely to be undertaken on bores installed in the on-lake paleochannel targets.

Two brine samples were taken from production drillhole LWTB11 during the drilling and development process with average potassium concentration of 3.725kg/m^3.

LAKE WELLS PROCESS TESTWORK

The proposed process for production of SOP at Lake Wells is based on brine extracted from the Lake being concentrated in a series of solar ponds to induce the sequential precipitation of salts, firstly eliminating waste halite and eventually producing potassium-containing salts (Harvest Salts) in the harvest ponds. These harvest salts are then processed by a combination of attrition, flotation, conversion and crystallisation into SOP and other end products.

During the quarter, three separate brine evaporation trials under both simulated and actual site conditions were completed or are continuing and substantial volumes of brine from Lake Wells have been concentrated into harvest salts (Potassium and Sulphate mixed salts).

Institutional process development company, Hazen Research Inc. (**Hazen**), in Colorado, USA, and Bureau Veritas (**BV**) in Perth conducted laboratory trials under simulated conditions to produce significant quantities of harvest salts and refine the Lake Wells brine evaporation model. An extensive Site Evaporation Trial (**SET**) was also established at Lake Wells to process large volumes of brine under site conditions.

Initial marketing samples of Sulphate of Potash (**SOP**) were also produced by Hazen by processing of harvest salts from Lake Wells brine.

Bench Scale Trial – Hazen Research

Hazen Research, Inc. is a world class industrial research and development firm located in Golden, Colorado that has developed hundreds of hydrometallurgical, pyrometallurgical, and mineral beneficiation processes for most commercial metals and industrial minerals, and many inorganic and organic chemicals, including potash and other crop nutrients.

Salt Lake engaged Hazen to complete an evaporation, flotation and crystallisation trial on a representative sample of Lake Wells brine. The Hazen evaporation test was monitored using a USBM theoretical model; the actual evaporation pattern followed the modelled theoretical pattern very closely.

Hazen first evaporated an initial 240kg charge of brine under simulated site conditions producing 14kg of harvest salts for further testing.

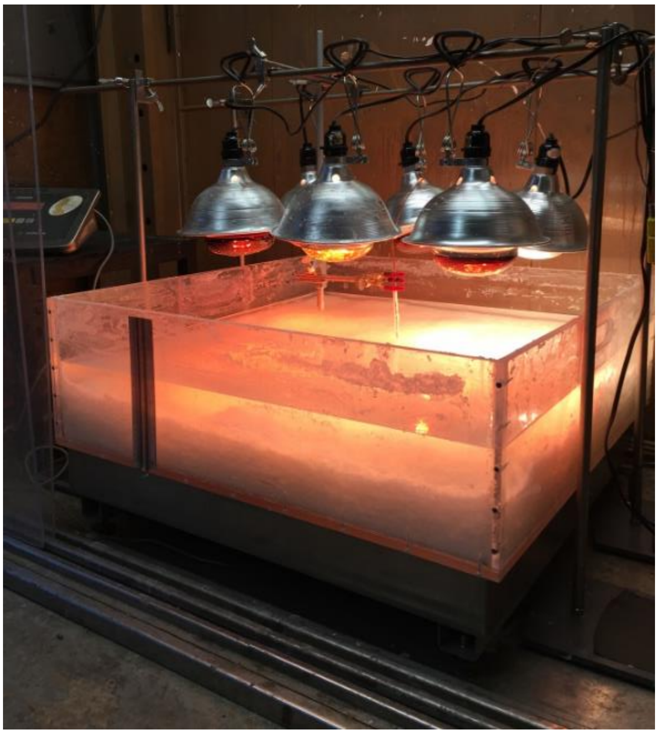


Figure 16: Brine Evaporation at Hazen – Prior to Halite Harvest

Sighter rougher reverse flotation tests were then conducted on the harvest salts (see Figure 17). Excellent initial halite separations were achieved in reverse flotation with approximately 90% of the halite removed from the harvest salts. Further rougher tests followed by rougher-cleaner and rougher-scavenger tests are planned to refine the process design in the coming months.

Figure 17: Rougher Flotation Test on Lake Wells Derived Mixed Sulphate Salts

Flotation tails (harvest salt concentrate) were then converted to schoenite under controlled temperature and dilution conditions and filtered to recover the schoenite concentrate. XRD and ICP analysis of the converted schoenite showed excellent conversion to approximately 99% schoenite.

The schoenite was added to a saturated K_2SO_4 brine at 55ºC. At these conditions, SOP was crystallized from solution by selective dissolution and the Company successfully produced its first solid SOP marketing samples.

Figure 18: Lake Wells SOP Produced by Hazen

Site Evaporation Trial

A large scale, continuous Site Evaporation Trial (SET) has been established at Lake Wells to define process design criteria for the halite evaporation ponds and subsequent harvest salt ponds.

The objectives of the SET are to:

- Refine the solar evaporation pathway, under actual site conditions, for Lake Wells brine. The analysis of this pathway will refine the salting points of the various salts along the evaporation pathway allowing for the completion of a detailed mass balance for the pond system;
- Refine the quality and quantity of brine and salts produced at the various points along the evaporation path;
- Define the distribution in various salts of potassium, magnesium and sulphate through the evaporation system;
- Provide design information for brine in-flow requirements, pond area, required number of ponds and flow requirements between ponds for a commercial facility; and
- Determine opportunities for recycle of bittern or salt that may improve potassium, magnesium or sulphate recovery to the harvest salts.
- Provide bulk salt samples for further process testwork and production of bulk SOP samples for potential offtake partners and customers.

The outputs of the ongoing SET test work will also provide key inputs into the basis of costings for the halite and harvest evaporation ponds for the Lake Wells SOP project and assist in the development of a more extensive test work program include:

- **Halite Evaporation Pond Design:** On-lake pond construction trial;
- **Flotation Test Work:** Collected mixed salts from the harvest ponds will provide the inputs for flotation work;
- **Conversion Test Work:** Outputs from the flotation trials above will provide inputs for conversion design trials; and
- **Crystallisation Trials:** Outputs from the flotation trials above will provide inputs for crystallisation test work.

Brine is introduced to the first Halite Pond, H1, via a small, hand dug surface trench. The brine progresses on a continuous basis through a series of six ponds as it concentrates through evaporation: two halite ponds; two transition ponds; and two harvest salt ponds.

Figure 19: SET Train 1 with Product Ponds in the Foreground

To date approximately 125 tonnes of Lake Wells brine has been processed through the SET across trains 1 and 2, establishing an initial continuous load of salts and enriched brine. The SET is expected to produce hundreds of kilograms of harvest salts per week over the summer months for further testing. The harvest salts recovered from the SET contain up to 50% Kainite ($KMg(SO_4)Cl.3(H2O)$), a potassium double salt which can be readily converted into SOP following the basic process trialled at Hazen. The SET will operate over up to 12 months across a variety of weather conditions.

An Automatic Weather Station (**AWS**) has been established at the SET site, providing comprehensive, continuous data for temperature, solar radiation, pan & theoretical evaporation, relative humidity and wind velocity and direction. The AWS data combined with actual evaporation records from the nearby SET will allow for sizing and detailed production modelling of commercial scale evaporation ponds.

Figure 20: AWS Installed at Lake Wells

Bench Scale Trials – Bureau Veritas

The Company engaged international laboratory and testing company, Bureau Veritas (BV) in Perth, to conduct a series of tests evaporating brine at simulated average Lake Wells site conditions. The aim of the BV trials is to monitor the chemical composition of the brine and salts produced through the evaporation process to establish:

- Concentration thresholds in the brine chemistry which can be used to maximise the recovery of harvest salts and minimise the quantity of dilutive salts into a process plant;
- The quantity and composition of harvest salts which will for the plant feed in commercial production; and
- The potential for any internal evaporation pond recycle streams that may improve harvest salt recovery.

The first trial in the series consisted of evaporation of 90kg of brine on a load cell to monitor evaporative loss. The temperature of the brine was controlled to a constant 23ºC using infra-red lamps and air flow across the brine surface was provided by a fan.

Figure 21 – BV Evaporation Pan Set Up.

From the initial 90kg charge 3.25kg of harvest salts (dry basis) were collected and analysed for chemical composition and crystal structure.

The results of the trial can be seen in Figure 22, below:

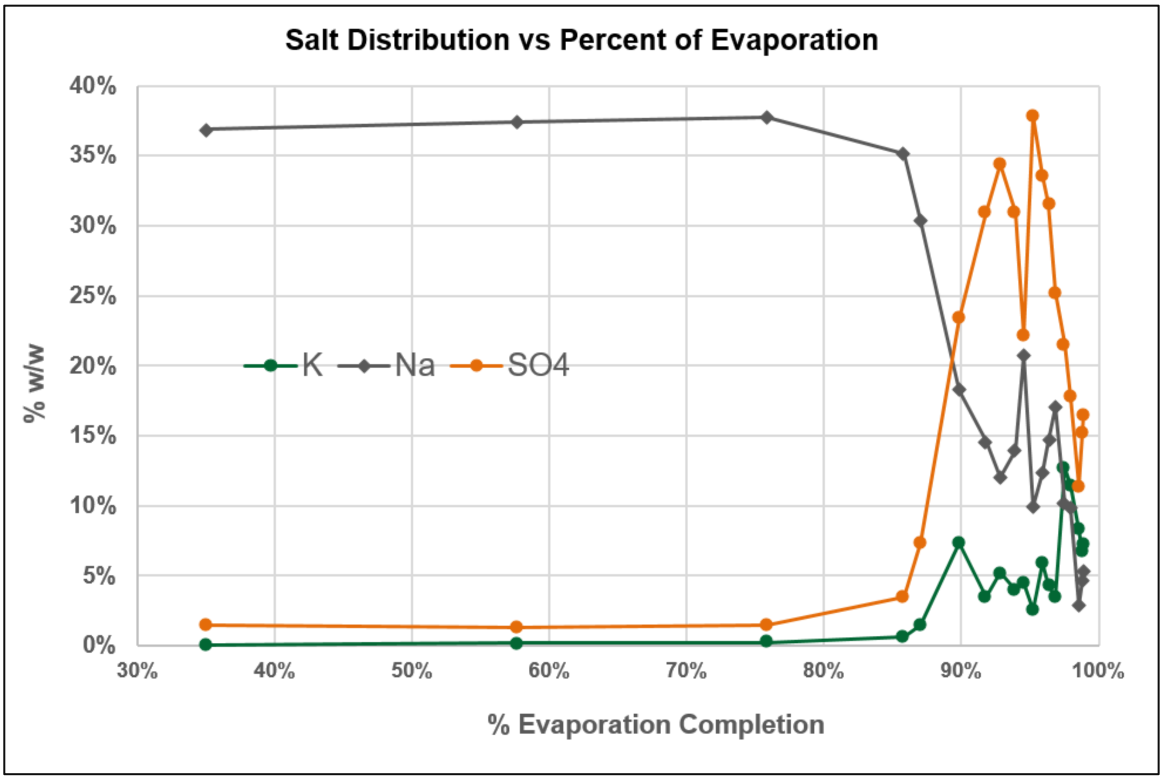


Figure 22 – Concentration of Selected Major Ions in Harvested Salt Plotted Against Evaporation Completion

The chart above shows the sharp transition from Halite dominated salts to harvest salts.

The evaporation pathway at BV appears to closely match the pathway demonstrated at Hazen Labs. BV has subsequently completed the evaporation of a further 2,500kg of brine to provide harvest salts for further flotation and crystallisation testwork to refine the SOP production model and provide additional customer samples.

LAKE IRWIN

Geophysical Survey

A geophysical survey was completed at the Lake Irwin project. Atlas Geophysics were engaged to collect a total of 15 geophysical transects across the Lake Irwin playa lake portion of the project area, orientated perpendicular to the inferred trunk paleochannel in order to map and confirm the paleochannel geometry. Transects were spaced up to 7 km apart with lengths between 4 and 25 km, and a combined length of about 200 km. Gravity data on all transects and passive seismic (Tromino) on six transects was collected at 200 m intervals across the project area (see Figure 23).

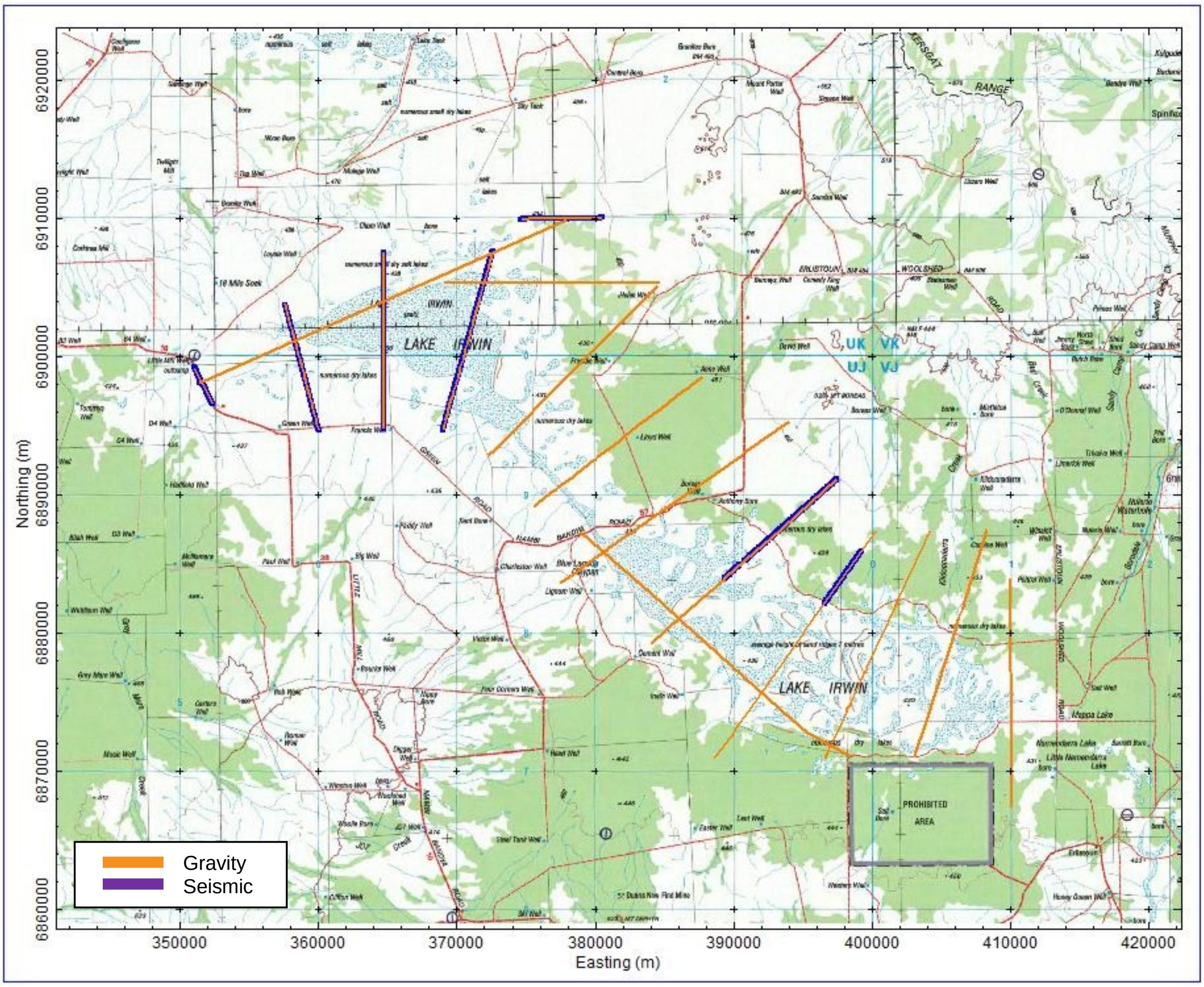


Figure 23: Locations of Gravity and Seismic Traverses on Lake Irwin

The geophysical data was processed and merged with available regional data by Core Geophysics, the final merged residual gravity data being used as the basis for interpretation. The trunk paleochannel aquifer has been confirmed to the east of the current lake surface and is up to 1000m wide, while there is thinner tributary beneath the northern lobe of the lake. The interpreted thalweg of the paleochannel is shown as the white line in Figure 24 below.

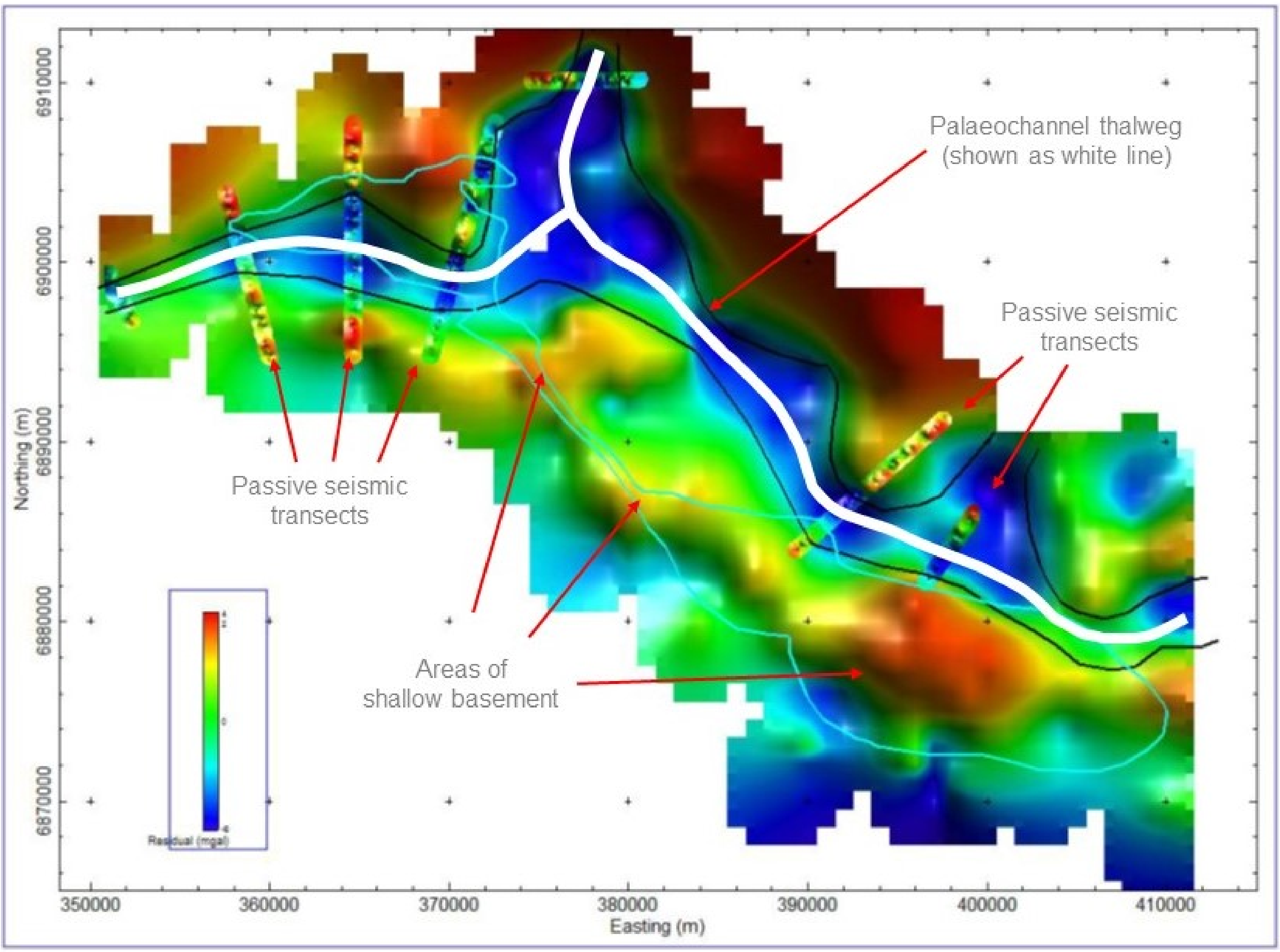


Figure 24: Lake Irwin Modelled Depth to Basement Derived from Gravity and Seismic Data

Lake Irwin Brine Evaporation Trial

After the successful process development testwork performed on Lake Wells brine, the Company engaged Bureau Veritas in Perth, to conduct a test evaporating brine at simulated average Lake Irwin site conditions. The aim of the BV trial was to monitor the chemical composition of the brine and salts produced through the evaporation process to establish:

- Types of product salts that may be produced through the natural solar evaporation path;
- Concentration thresholds in the brine chemistry which can be used to maximise the recovery of harvest salts and minimise the quantity of dilutive salts into a process plant; and
- The quantity and composition of SOP product salts for the plant feed in potential commercial production.

The preliminary test consisted of evaporation of 180L of brine (specifications in Table 3 below) at simulated Lake Irwin average weather conditions using infra-red lamps for temperature control and air flow across the brine surface provided by a fan.

	K (mg/L)	Mg (mg/L)	SO_4 (mg/L)	SOP (kg/m^3)
BV Evaporation Trial Feed Brine Chemistry *	2,700	4,300	17,700	6.013

* Note, this sample is potentially diluted by rainfall. The average K content of all previous Lake Irwin brine samples is approximately 3,310mg/L.

Table 3: Evaporation Trial Feed Brine Chemistry

The trials consisted of two charges evaporated under identical conditions:

- Charge 1 – was 84kg of brine from which 1.9kg of potassium salts were harvested at an average SOP equivalent grade of 11.3% w/w.
- Charge 2 was 83kg of brine from which 2.2kg of potassium salts were harvested at an average SOP equivalent grade of 10.6% w/w.

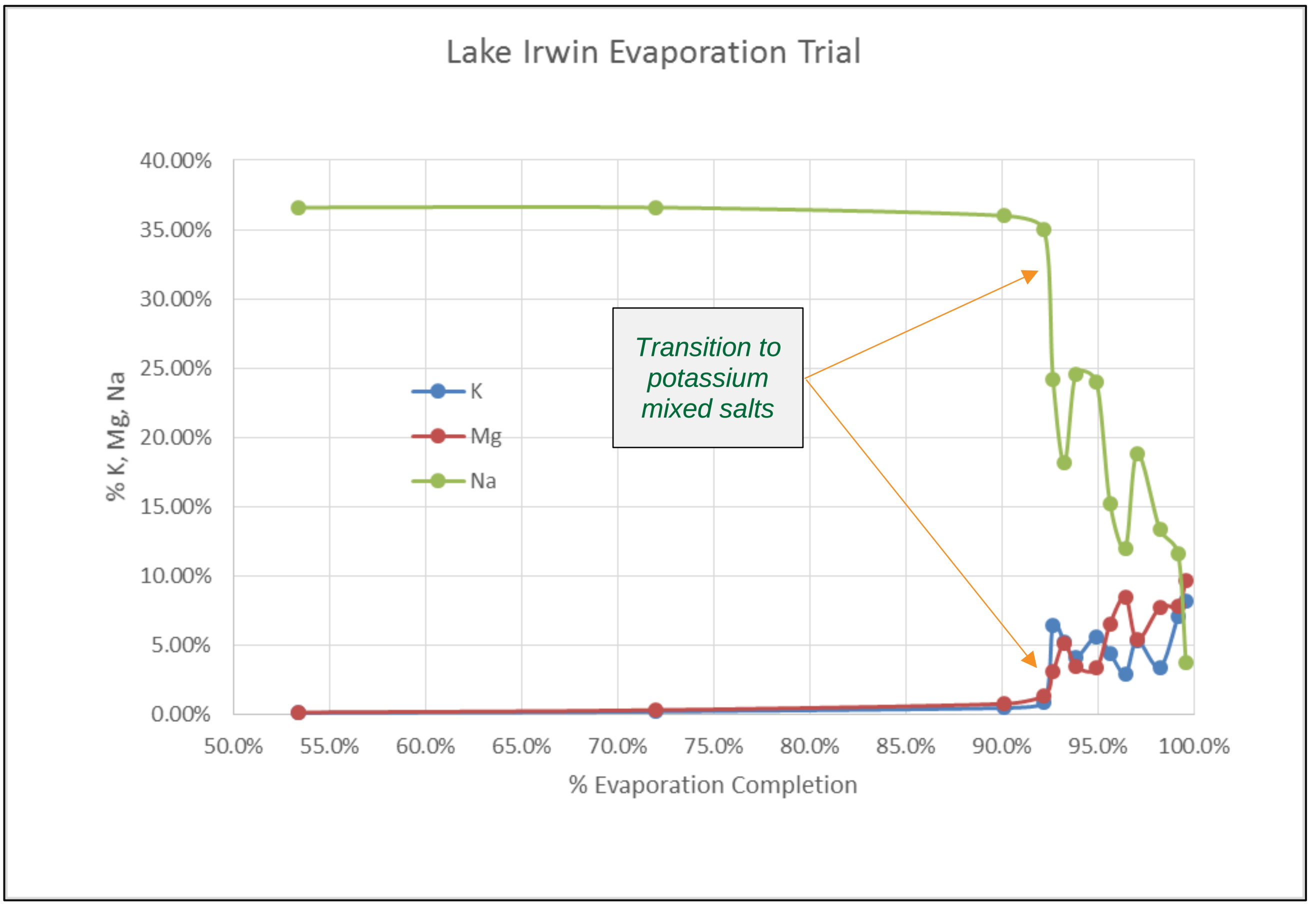


Figure 25: Concentration of Selected Major Ions in Harvested Salt Plotted Against Evaporation Completion

The chart above shows the sharp transition from clean halite salts to magnesium/potassium harvest salts, providing the opportunity for selective harvesting of these salts.

Analytical and XRD analysis from the trial indicate that harvest salts collected from the trial are suitable for conversion into SOP. Simulation of evaporation pond sizing has begun and further investigations into processing requirements for production of SOP and other by-products are planned.

LAKE BALLARD

A geophysical survey of Lake Ballard commenced during the quarter with the primary objectives of resolving the geometry of the paleovalley, and to define the position, depth and thickness of the paleochannel. Atlas Geophysics were engaged to run a total of 18 geophysical transects across the Lake Ballard playa lake portion of the project area, orientated perpendicular to the inferred trunk paleochannel in order to map and confirm the paleochannel geometry. Transect lengths are between 6 and 20km with a combined length of about 200km. Gravity data is being collected at 200m intervals on all transects as the deep paleochannel aquifer is inferred to be approximately 500m wide in the western portion of the lake.

At the end of the quarter, 13 of the planned 18 transects were completed (see Figure 26).

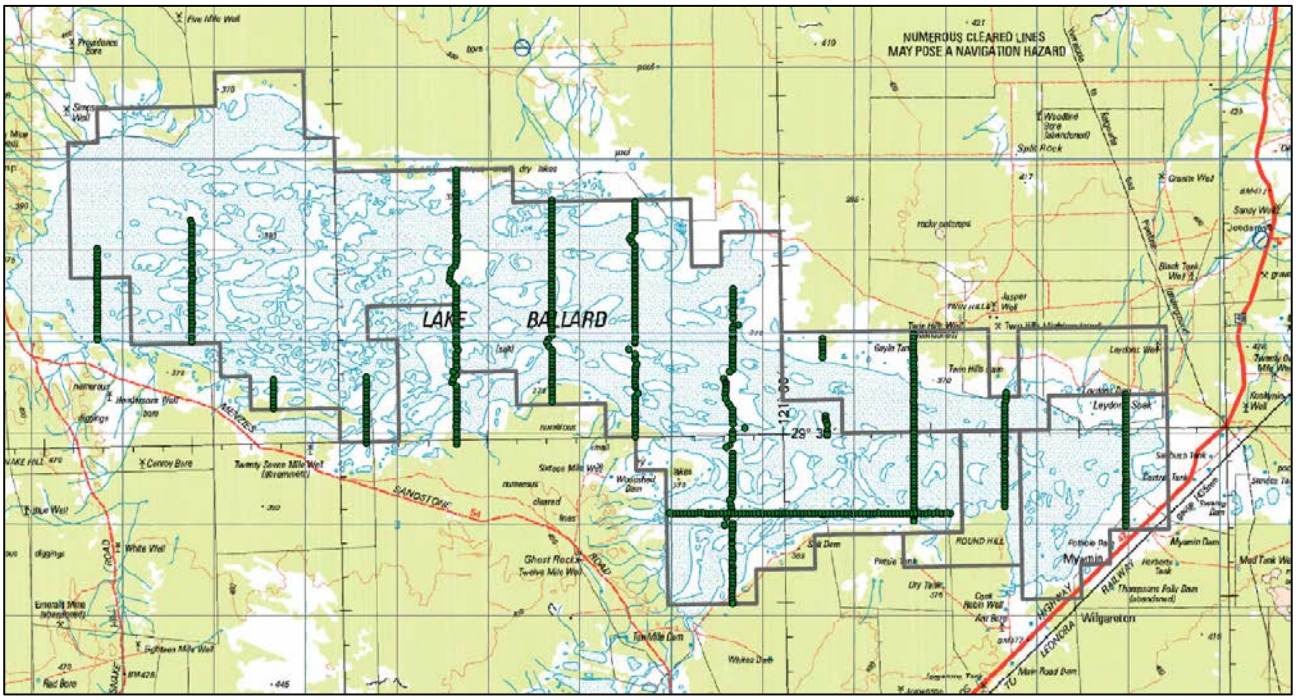


Figure 26: Completed Geophysical Transects

Competent Persons Statement

The information in this report that relates to Exploration Results, or Mineral Resources for Lake Wells is based on information compiled by Mr Ben Jeuken, who is a member Australian Institute of Mining and Metallurgy. Mr Jeuken is employed by Groundwater Science Pty Ltd, an independent consulting company. Mr Jeuken has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jeuken consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Process Testwork Results is based on, and fairly represents, information compiled by Mr Bryn Jones, BAppSc (Chem), MEng (Mining) who is a Fellow of the AusIMM, a 'Recognised Professional Organisation' (RPO) included in a list promulgated by the ASX from time to time. Mr Jones is a consultant of Inception Consulting Engineers Pty Ltd. ("Inception"). Inception is engaged as a consultant by Salt Potash Limited. Mr Jones has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table 4 - Summary of Exploration and Mining Tenements

As at 31 December 2016, the Company holds interests in the following tenements:

Australian Projects:

Project	Status	Type of Change	License Number	Area (km^2)	Term	Grant Date	Date of First Relinquish-ment	Interest (%) 1-Oct-16	Interest (%) 31-Dec-16
Western Australia									
Lake Wells									
Central	Granted	-	E38/2710	192.2	5 years	05-Sep-12	4-Sep-17	100%	100%
South	Granted	-	E38/2821	131.5	5 years	19-Nov-13	18-Nov-18	100%	100%
North	Granted	-	E38/2824	198.2	5 years	04-Nov-13	3-Nov-18	100%	100%
Outer East	Granted	-	E38/3055	298.8	5 years	16-Oct-15	16-Oct-20	100%	100%
Single Block	Granted	-	E38/3056	3.0	5 years	16-Oct-15	16-Oct-20	100%	100%
Outer West	Granted	-	E38/3057	301.9	5 years	16-Oct-15	16-Oct-20	100%	100%
North West	Granted	Granted	E38/3124	39.0	5 years	30-Nov-16	29-Nov-21	100%	100%
West	Application	Application Lodged	L38/262	113.0	-	-	-	-	100%
East	Application	Application Lodged	L38/263	28.6	-	-	-	-	100%
South West	Application	Application Lodged	L38/264	32.6	-	-	-	-	100%
Lake Ballard									
West	Granted	-	E29/912	607.0	5 years	10-Apr-15	10-Apr-20	100%	100%
East	Granted	-	E29/913	73.2	5 years	10-Apr-15	10-Apr-20	100%	100%
North	Granted	-	E29/948	94.5	5 years	22-Sep-15	21-Sep-20	100%	100%
South	Granted	-	E29/958	30.0	5 years	20-Jan-16	19-Jan-21	100%	100%
South East	Application	Application Lodged	E29/1011	68.2	-	-	-	-	100%
Lake Irwin									
West	Granted	-	E37/1233	203.0	5 years	08-Mar-16	07-Mar-21	100%	100%
Central	Granted	-	E39/1892	203.0	5 years	23-Mar-16	22-Mar-21	100%	100%
East	Granted	-	E38/3087	139.2	5 years	23-Mar-16	22-Mar-21	100%	100%
North	Granted	Granted	E37/1261	107.3	5 years	14-Oct-16	13-Oct-21	100%	100%
Central East	Granted	Granted	E38/3113	203.0	5 years	14-Oct-16	13-Oct-21	100%	100%
South	Granted	Granted	E39/1955	118.9	5 years	14-Oct-16	13-Oct-21	100%	100%
North West	Application	-	E37/1260	203.0	-	-	-	100%	100%
South West	Application	-	E39/1956	110.2	-	-	-	100%	100%
Lake Minigwal									
West	Granted	-	E39/1893	246.2	5 years	01-Apr-16	31-Mar-21	100%	100%
East	Granted	-	E39/1894	158.1	5 years	01-Apr-16	31-Mar-21	100%	100%
Central	Granted	Granted	E39/1962	369.0	5 years	8-Nov-16	7-Nov-21	100%	100%
Central East	Granted	Granted	E39/1963	93.0	5 years	8-Nov-16	7-Nov-21	100%	100%
South	Granted	Granted	E39/1964	99.0	5 years	8-Nov-16	7-Nov-21	100%	100%
South West	Application	-	E39/1965	89.9	-	-	-	100%	100%
Lake Way									
Central	Granted	Granted	E53/1878	217.0	5 years	12-Oct-16	11-Oct-21	100%	100%
South	Application	-	E53/1897	77.5	-	-	-	100%	100%
Lake Marmion									
North	Application	-	E29/1000	167.4	-	-	-	100%	100%
Central	Application	-	E29/1001	204.6	-	-	-	100%	100%
South	Application	-	E29/1002	186.0	-	-	-	100%	100%
West	Application	Application Lodged	E29/1011	68.2	-	-	-	-	100%
South Australia									
Lake Macfarlane	-	Relinquished	EL5702	816	-	-	-	100%	-
Island Lagoon	-	Relinquished	EL5726	978	-	-	-	100%	-
Northern Territory									
Lake Lewis									
South	Granted	-	EL 29787	146.4	6 year	08-Jul-13	7-Jul-19	100%	100%
North	Granted	-	EL 29903	125.1	6 year	21-Feb-14	20-Feb-19	100%	100%

Other Projects:

Location	Name	Resolution Number	Percentage Interest
USA – Colorado	C-SR-10	C-SR-10	80%
USA – Colorado	C-JD-5A	C-JD-5A	80%
USA – Colorado	C-SR-11A	C-SR-11A	80%
USA – Colorado	C-SR-15A	C-SR-15A	80%
USA – Colorado	C-SR-16	C-SR-16	80%
USA – Colorado	C-WM-17	C-WM-17	80%
USA – Colorado	C-LP-22A	C-LP-22A	80%
USA – Colorado	C-LP-23	C-LP-23	80%

SALT LAKE POTASH LTD

APPENDIX 1 - LAKE WELLS DRILLHOLE AND TEST PIT LOCATION DATA

Hole_ID	Drilled Depth (m)	East	North	RL (mAHD)	Dip	Azimuth
LWA049	125	538141	6991971	448.1	-90	0
LWA050	115	537941	6992011	441.5	-90	0
LWA051	135	538350	6991958	444.9	-90	0
LWA052	65	538570	6991962	441.5	-90	0
LWTB011	125	524435	7049780	441.5	-90	0
LWTT108	4	537055	6997725	-	-	-
LWTT109	4	537303	6997641	-	-	-
LWTT110	3.5	537545	6997619	-	-	-
LWTT111	2.8	537745	6997645	-	-	-
LWTT112	3.7	537935	6997717	-	-	-
LWTT113	2.7	538149	6997746	-	-	-
LWTT114	3.5	538360	6997733	-	-	-
LWTT115	3.4	538545	6997645	-	-	-
LWTT116	3.7	538729	6997511	-	-	-
LWTT118	3.8	539075	6997254	-	-	-
LWTT119	3.8	539245	6997057	-	-	-
LWTT119	3.8	539245	6997057	-	-	-
LWTT120	4	539377	6996876	-	-	-
LWTT121	4	539495	6996671	-	-	-
LWTT122	3.8	539589	6996442	-	-	-
LWTT123	3.5	539661	6996217	-	-	-
LWTT124	3	539715	6996002	-	-	-
LWTT125	4	539762	6995779	-	-	-
LWTT126	4	539796	6995525	-	-	-
LWTT127	4	539903	6995285	-	-	-
LWTT128	3.7	540064	6995142	-	-	-
LWTT129	3.8	540306	6995187	-	-	-
LWTT130	3.8	540500	6995350	-	-	-
LWTT131	3.5	540692	6995471	-	-	-
LWTT132	3.1	540922	6995561	-	-	-
LWTT133	3.3	541140	6995600	-	-	-
LWTT134	2.5	541357	6995668	-	-	-
LWTT135	4	541590	6995088	-	-	-
LWTT136	4	541781	6995552	-	-	-
LWTT137	4	541777	6995303	-	-	-

APPENDIX 2 - BRINE CHEMISTRY ANALYSIS

HOLE ID	From (m)	To (m)	K (kg/m^3)	Cl (kg/m^3)	Na (kg/m^3)	Ca (kg/m^3)	Mg (kg/m^3)	SO_4 (kg/m^3)	TDS (g/kg)
LWA049	17	17	2.860	117.000	68.300	0.774	6.070	16.700	241
LWA049	17	17	2.840	118.050	70.700	0.762	6.060	16.300	245
LWA049	23	23	2.900	119.150	73.500	0.705	6.280	17.100	247
LWA049	23	23	2.880	119.150	68.800	0.685	6.210	16.800	246
LWA049	29	29	2.880	119.850	72.900	0.694	6.250	16.400	251
LWA049	29	29	2.880	119.300	70.800	0.696	6.230	16.700	248
LWA049	101	101	2.820	116.650	69.800	0.708	6.080	15.700	243

HOLE ID	From (m)	To (m)	K (kg/m³)	Cl (kg/m³)	Na (kg/m³)	Ca (kg/m³)	Mg (kg/m³)	SO_4 (kg/m³)	TDS (g/kg)
LWA049	101	101	2.930	122.800	73.600	0.667	6.410	16.400	253
LWA049	113	113	3.030	127.350	73.200	0.637	6.580	16.900	262
LWA049	113	113	3.060	127.350	73.500	0.648	6.680	16.700	262
LWA049	119	119	3.040	127.200	77.200	0.681	6.690	17.200	266
LWA049	119	119	3.030	127.700	74.300	0.672	6.570	16.800	263
LWA049	125	125	3.140	130.350	79.500	0.626	6.790	17.600	274
LWA049	125	125	3.180	131.050	80.300	0.632	6.860	17.900	276
LWA050	11	11	2.260	91.450	57.500	0.890	5.030	15.600	193
LWA050	11	11	2.340	94.400	57.100	0.878	5.150	16.000	197
LWA050	17	17	2.640	103.350	63.200	0.687	5.760	16.800	214
LWA050	17	17	2.600	105.300	63.700	0.650	5.700	16.800	220
LWA050	47	47	3.040	119.650	71.600	0.674	6.110	16.400	248
LWA050	47	47	3.050	118.250	73.400	0.675	6.120	17.000	249
LWA050	95	95	3.270	132.600	78.500	0.646	6.730	17.900	273
LWA050	95	95	3.250	131.900	80.300	0.666	6.760	18.200	277
LWA050	101	101	3.380	139.100	83.100	0.623	7.050	18.300	290
LWA050	101	101	3.310	138.750	81.900	0.615	6.950	18.400	289
LWA050	114	114	3.390	139.950	81.800	0.600	7.050	18.100	291
LWA050	114	114	3.390	139.600	82.500	0.601	7.080	18.300	292
LWA051	17	17	3.240	131.400	77.100	0.654	7.140	16.400	272
LWA051	17	17	3.210	131.200	76.800	0.644	7.110	16.600	271
LWA051	23	23	3.120	126.150	74.500	0.628	6.650	15.700	259
LWA051	23	23	3.070	122.450	72.600	0.616	6.500	14.800	252
LWA051	120	120	3.220	136.300	78.700	0.570	7.150	18.300	283
LWA051	120	120	3.220	136.650	81.500	0.568	7.210	18.000	286
LWA051	132	132	2.470	103.550	62.800	0.458	5.470	13.800	212
LWA051	132	132	2.420	102.150	61.600	0.444	5.370	13.400	208
LWTB011	0	119	3.730	154.150	88.100	0.446	7.860	22.500	327
LWTB011	0	119	3.720	150.650	88.700	0.464	7.870	22.400	323
LWTT108	0	4	3.380	154300	84.000	0.532	8.480	19.800	314
LWTT109	0	4	3.210	154150	84.500	0.495	9.230	19.700	320
LWTT110	0	3.2	3.510	148750	87.600	0.547	7.540	18.600	314
LWTT111	0	2.8	3.670	154150	88.100	0.546	8.090	19.000	323
LWTT112	0	3.7	3.460	152.050	87.100	0.566	8.000	18.600	317
LWTT113	0	2.7	3.510	151.000	88.600	0.576	7.840	18.500	317
LWTT114	0	3.5	3.360	151.350	86.000	0.551	8.280	19.100	316
LWTT115	0	3.4	3.250	150.500	85.200	0.516	9.530	19.900	317
LWTT116	0	3.7	3.400	160.300	87.100	0.540	8.990	19.000	330
LWTT118	0	4	3.620	148.550	86.200	0.631	6.870	16.800	308
LWTT119	0	3.8	3.270	151.600	84.800	0.558	7.910	17.800	313
LWTT120	0	4	3.730	154.700	86.500	0.576	7.830	18.500	321
LWTT121	0	4	3.780	143.100	80.700	0.663	6.380	16.300	293
LWTT122	0	3.8	3.000	141.900	80.900	0.605	7.510	17.700	294
LWTT123	0	3.5	3.250	141.350	83.400	0.620	7.270	17.600	296

HOLE ID	From (m)	To (m)	K (kg/m^3)	Cl (kg/m^3)	Na (kg/m^3)	Ca (kg/m^3)	Mg (kg/m^3)	SO_4 (kg/m^3)	TDS (g/kg)
LWTT125	0	4	3.250	142.500	81.600	0.641	7.090	16.300	294
LWTT126	0	4	3.270	142.600	80.300	0.660	6.950	15.900	291
LWTT127	0	4	3.380	139.250	76.800	0.715	5.680	14.400	278
LWTT128	0	3.7	3.280	126.650	72.400	0.685	5.830	15.300	258
LWTT129	0	3.8	4.150	129.800	82.600	0.751	5.670	14.100	276
LWTT130	0	3.8	2.500	93.350	53.500	0.792	3.820	10.700	183
LWTT131	0	3.5	3.130	113.700	67.900	0.746	4.420	11.900	229
LWTT132	0	3.1	4.400	151.700	89.100	0.685	5.530	14.400	313
LWTT133	0	3.3	4.840	153.100	89.800	0.670	5.920	14.900	317
LWTT134	0	2.5	4.310	147.850	86.200	0.783	5.280	13.900	302
LWTT135	0	4	2.960	91.450	55.600	1.060	3.400	13.400	187
LWTT136	0	4	3.950	136.100	87.200	0.565	7.700	17.300	298
LWTT137	0	4	3.360	147.500	81.900	0.463	9.380	19.700	308

APPENDIX 3 – JORC TABLE ONE

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Geological samples were obtained from buckets below the cyclone during aircore drilling. Brine samples were obtained during aircore drilling from the cyclone when airlifting at the end of each drill rod. Airlifts were completed on minimum air and sampling took place following stabilisation of flow approximately between 2 and 10mins from start of airlift.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Non-face discharge vacuum aircore drilling at 138mm diameter.All holes vertical.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Geological sample recovery when aircore drilling was through the cyclone and of excellent quality. Drill rates were slowed to ensure a clean sample was produced and that contamination was minimised. Cuttings were recovered by placing a clean bucket under the cycloneBrine samples were obtained following stabilisation of flow approximately between 2 and 10mins from start of airlift.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	All drill holes were geologically logged qualitatively by a qualified geologist, noting in particular moisture content of sediments, lithology, colour, induration, grainsize and shape, matrix and structural observations. Flow rate data from airlifting was logged to note water inflow zones.
Sub-sampling techniques and	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Brine samples were obtained during aircore drilling from the cyclone when airlifting at the end of each drill rod.

Criteria	JORC Code explanation	Commentary
sample preparation	*If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample bottles are rinsed with brine which is discarded prior to sampling. All brine samples taken in the field are split into two sub-samples: primary and duplicate. Reference samples were analysed at a separate laboratory for QA/QC. Representative chip trays and bulk lithological samples are kept for records.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Primary samples were sent to Bureau Veritas Minerals Laboratory, Perth. Brine samples were analysed using ICP-AES for K, Na, Mg, Ca, with chloride determined by Mohr titration and alkalinity determined volumetrically. Sulphate was calculated from the ICP-AES sulphur analysis. • Reference standard solutions were sent to Bureau Veritas Minerals Laboratory to check accuracy..
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Data entry is done in the field to minimise transposition errors. Brine assay results are received from the laboratory in digital format, these data sets are subject to the quality control described above. All laboratory results are entered in to the company's database and validation completed. Independent verification of significant intercepts was not considered warranted given the relatively consistent nature of the brine.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Hole co-ordinates were captured using hand held GPS. Coordinates were provided in GDA 94_MGA Zone 51. Topographic control is obtained using Geoscience Australia's 1-second digital elevation product.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Drill hole spacing is shown on the attached map and varies due to irregular access along the lake edge.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	All drill holes and pits were vertical. Geological structure is considered to be flat lying.
Sample security	*The measures taken to ensure sample security.*	All brine samples were marked and kept onsite before transport to the laboratory. All remaining sample and duplicates are stored in the Perth office in climate-controlled conditions. Chain of Custody system is maintained.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Data review is summarised in Quality of assay data, laboratory tests and Verification of sampling and assaying. No audits were undertaken.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Tenements drilled were granted exploration licences 38/2710, 38/2821, 38/2824, 38/3055, 38/3056 and 38/3057 in Western Australia. Exploration Licenses are held by Piper Preston Pty Ltd (fully owned subsidiary of ASLP).
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	No other known exploration has occurred on the Exploration Licenses.
Geology	*Deposit type, geological setting and style of mineralisation.*	Salt Lake Brine Deposit
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Details are presented in the report.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Within the salt lake extent no low grade cut-off or high grade capping has been implemented.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	The unit is flat lying and drill holes are vertical hence the intersected downhole depth is equivalent to the inferred thickness of mineralisation.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Addressed in the announcement.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All results have been included.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Gravity survey was completed by Atlas Geophysics using a Hi Target V100 GNSS receiver for accurate positioning and CG-5 Digital Automated Gravity Meter. Gravity data was gained using the contractors rapid acquisition, high accuracy UTV borne techniques. The company's own in-house reduction and QA software was used to reduce the data on a daily basis to ensure quality and integrity. All gravity meters were calibrated pre and post survey and meter drift rates were monitored daily. 3 to 5 % of the stations are repeated for quality control. Western Geophysics were engaged to manage and process the gravity survey. Processing the survey involved reducing the

Criteria	JORC Code explanation	Commentary
		gravity data and integrating to the regional data to a residual anomaly which shows there is a semi-continuous distinct residual gravity low of negative 2 to 2.5 milligals present along eastern to central areas to the entire tenement area.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Exploration aircore drilling to further define the paleochannel aquifer depth and geometry. Installation of monitoring bores. Further test production bores to be constructed and test pumping completed to determine, aquifer properties, expected production rates and infrastructure design (trench and bore size and spacing). Numerical hydrogeological modelling to be completed that incorporates the results of the test pumping. The model will be the basis of the annual brine abstraction rate and mine life.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Salt Lake Potash Limited

ABN	**Quarter ended ("current quarter")**
98 117 085 748	31 December 2016

Consolidated statement of cash flows			**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**			
1.1	Receipts from customers			
1.2	Payments for			
	(a)	exploration & evaluation	(1,492)	(2,922)
	(b)	development	-	-
	(c)	production	-	-
	(d)	staff costs	(349)	(667)
	(e)	administration and corporate costs	(131)	(328)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		52	70
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Research and development refunds		-	-
1.8	Other (provide details if material) - Business Development		(46)	(90)
1.9	**Net cash from / (used in) operating activities**		**(1,966)**	**(3,937)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire:			
	(a)	property, plant and equipment	(39)	(89)
	(b)	tenements (see item 10)	-	-
	(c)	investments	-	-
	(d)	other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(39)**	**(89)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(4)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**(4)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,477	7,500
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,966)	(3,937)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(39)	(89)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(4)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**3,470**	**3,470**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	3,470	5,477
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,470**	**5,477**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	(146)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Payments include director and consulting fees, superannuation and provision of corporate, administration services, and a fully serviced office.

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Not applicable.

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Not applicable

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	1,200
9.2	Development	-
9.3	Production	-
9.4	Staff costs	320
9.5	Administration and corporate costs	100
9.6	Other (provide details if material) - Business Development	80
9.7	**Total estimated cash outflows**	**1,700**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to Table 4		
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: .... Date: 31 January 2017
(~~Director~~/Company secretary)

Print name: Sam Cordin

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.