ASX ANNOUNCEMENT

14 March 2017

LAKE BALLARD BRINE PROJECT SHOWS EXCELLENT POTENTIAL FOR PRODUCTION OF SOP AND CO-PRODUCTS

*Salt Lake Potash Limited (**SO4** or **the Company**) is pleased to advise that recent process development testwork on the first bulk brine sample taken from Lake Ballard, indicates excellent potential to produce Sulphate of Potash (SOP) and additional co-products.*

Lake Ballard and its sister lake, Lake Marmion, share potentially the best location of any brine SOP project in Australia; located either side of the Goldfields Highway, Leonora-Esperance rail line and the Goldfields gas pipeline, within the major Goldfields mining centre of Western Australia.

The Lakes and the paleochannel beneath them host a very large brine pool. Limited sampling to date indicates that Lake Ballard has different brine chemistry to Lake Wells and the initial evaporation tests are important to validate the potential to produce viable salts from Lake Ballard brine for production of SOP.

Work on Lake Ballard is being conducted in parallel with the Lake Wells feasibility study, where exploration, evaporation and process testwork is progressing well. These Lakes form part of SO4's extensive portfolio of 9 salt lakes in the Northern Goldfields totaling over 4,750km^2 (granted and application exploration licenses) and with the potential to host a very large integrated operation producing SOP and other plant nutrients.

Highlights from evaporation testwork and other work on Lake Ballard include:

- *A bulk sample of 260L of Lake Ballard brine was evaporated under simulated site conditions. A sharp transition was observed from clean halite to epsomite and potassium harvest salts in three distinct phases providing the opportunity for selective harvesting of these salts*
- *Potassium salts harvested are principally kainite and carnalite, which are readily amenable for processing to SOP, with a similar process to Lake Wells.*
- *The time taken to evaporate the brine from a starting potassium (K) concentration of 1,940mg/L to the equivalent of Lake Wells brine (4,000 mg/L) was only 10 days under simulated Lake Ballard weather conditions.*
- *Lake Ballard's relatively higher magnesium content resulted in significant production of Magnesium Sulphate ($MgSO_4$) prior to the precipitation of potassium salts, offering the potential for the production of valuable kieserite co-product.*
- *Lake Ballard has a surface area of about 660 km^2 and based on limited historical drilling within the vicinity of the lake the depth to basement ranges from 20m to 120m.*
- *The Company has now completed a heritage survey over the project area, and a comprehensive exploration program will commence shortly.*

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Process Development Testwork

The Company engaged international laboratory and testing company, Bureau Veritas (**BV**) in Perth, to conduct the initial brine evaporation test under simulated average Lake Ballard site conditions.

The aim of the BV trials 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;
- The quantity and composition of harvest salts for the plant feed in potential commercial production; and
- The potential for any additional co-products that may be produced with minimal additional inputs.

The chemistry of Lake Ballard's brine differs from Lake Wells' brine. An objective of the testwork was to determine the impact on the evaporation process with the different chemistry and the effect this has on salting points and production of different salts.

The preliminary test consisted of evaporation of 260L of brine at simulated Lake Ballard average weather conditions using infra-red lamps for temperature control and air flow across the brine surface provided by a fan.

The bulk sample chemistry was broadly similar to the historical average of Lake Ballard brine samples:

Brine Chemistry	K (mg/L)	Mg (mg/L)	SO_4 (mg/L)	TDS (mg/L)
Bulk Sample	1,940	11,600	15,200	279,346

From the initial 308kg charge 5.6kg of harvest salts (dry basis) with a Potassium grade of 5.6% were collected and analysed for chemical composition and crystal structure. Note this harvest was not intended to be representative of operating harvest parameters.

The results of the trial can be seen in Figure 1, below:

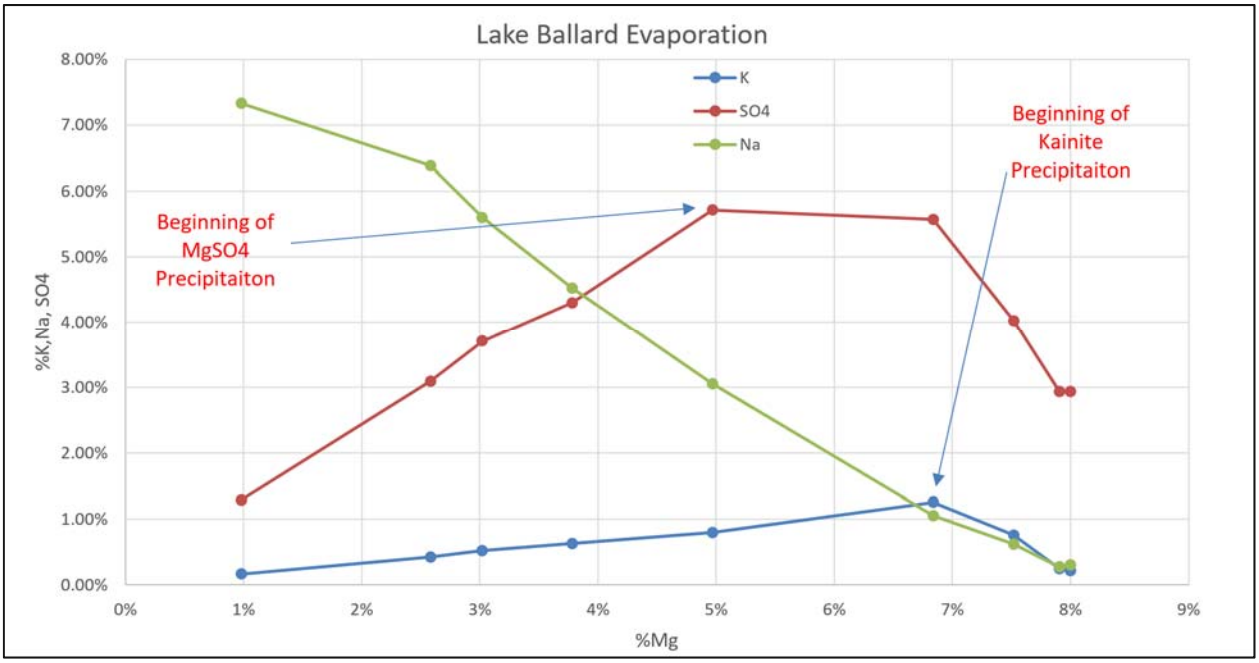


Figure 1: Major Ion Concentration in Brine as a Function of Magnesium Concentration

This chart shows the sharp transition of precipitation from the brine of halite dominated salts to a magnesium sulphate mixed salt and finally to potassium harvest salts.

Observations from the preliminary evaporation trial include:

1) The starting brine was saturated in halite in its natural state meaning the time taken to begin precipitation of salt was relatively short. The potassium concentration of the brine increased to 4,000 mg/L, similar to Lake Wells brine, in approximately 10 days (Note, summertime evaporation rates will be higher than other seasons).

2) High purity halite (>97% on a dry basis) is produced initially in substantial quantities.

3) There is a clear transition to production of magnesium salts, with up to 35% kieserite ($MgSO_4.H_2O$).

4) Potassium magnesium salts are then produced in various phases, including kainite and carnalite. These salts are readily amenable for processing into SOP, in a similar process to Lake Wells.

The magnesium sulphate salt precipitation phase differs from the evaporation pathway for Lake Wells brine. Kieserite and epsom salts ($MgSO_4.7H_2O$) are valuable fertiliser products for both the domestic and export markets. In particular kieserite has a substantial market in South-East Asia and Lake Ballard's considerable transport cost advantages support the potential for production of kieserite and other co-products, including potentially magnesium chloride ($MgCl_2$) and salt (NaCl).

Ongoing brine testwork at Lake Ballard will refine the evaporation pathway and salting points to optimise salt harvesting. As well as salt processing to produce SOP, the Company will also undertake further testwork aimed at a process for separating and refining kieserite and other potential products.

The short evaporation timeframe for potassium concentration; the potential to produce valuable co-products and Lake Ballard's size and location advantages gives considerable encouragement for the Project's capacity to support a large, long life SOP (and co-product), brine evaporation operation.

The Lake Ballard Project

The Lake Ballard Project is located in the Goldfields region of Western Australia approximately 140km north of Kalgoorlie. The Project comprises 788km^2 of granted and 66km^2 of pending exploration license applications, substantially covering the Lake Ballard playa. The Company also holds exploration licence applications covering Lake Marmion and the paleochannel joining the two lakes. As shown in Figure 2, the Project area is strategically located with respect to existing infrastructure including a standard gauge railway line, gas pipeline and sealed highway running through the project area.

The Lake Ballard project area is not presently covered by native title and does not have any registered Aboriginal heritage sites. The Company has recently completed a heritage clearance survey over the area receiving full approval to commence exploration.

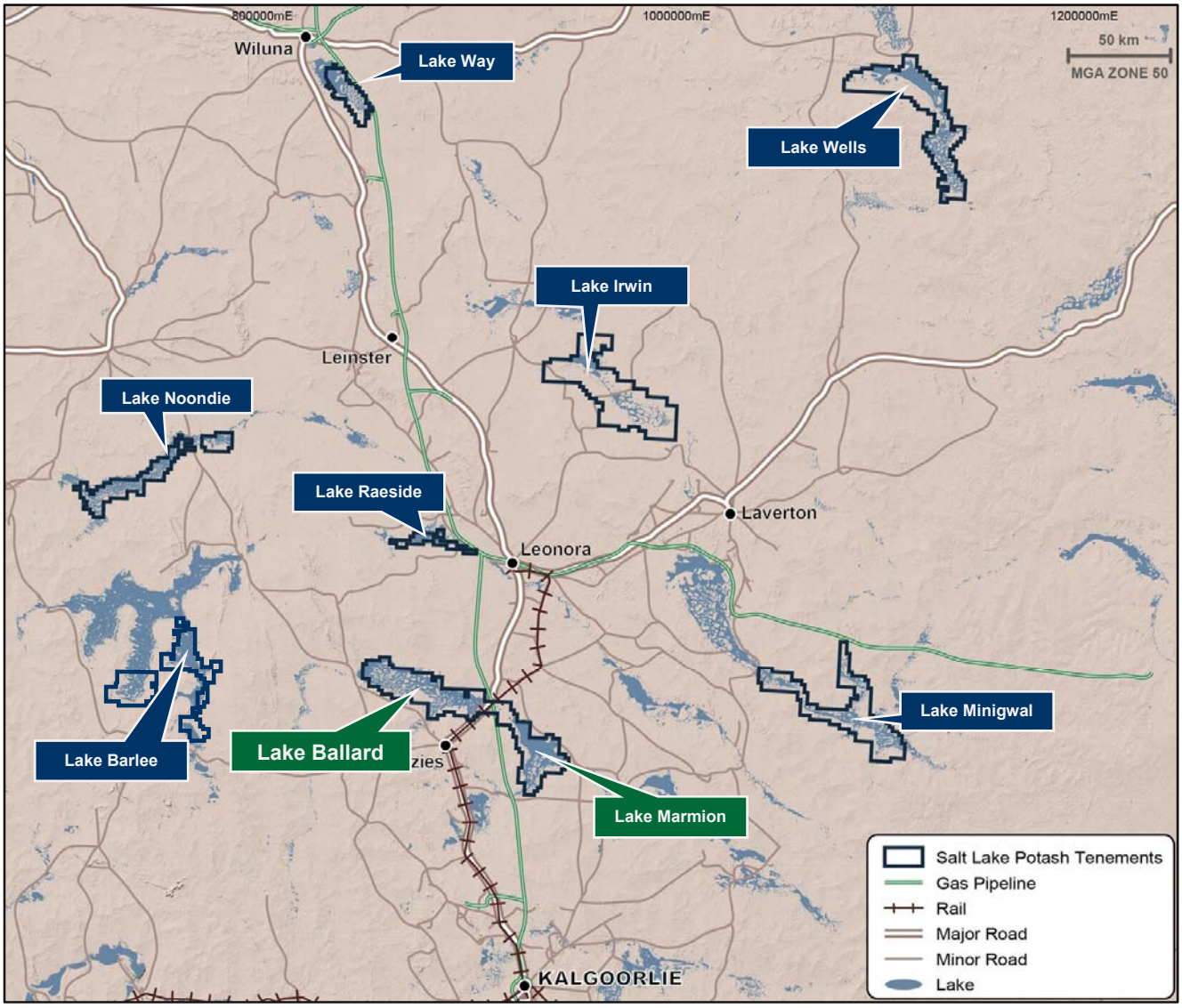


Figure 2: Goldfields Project Locations

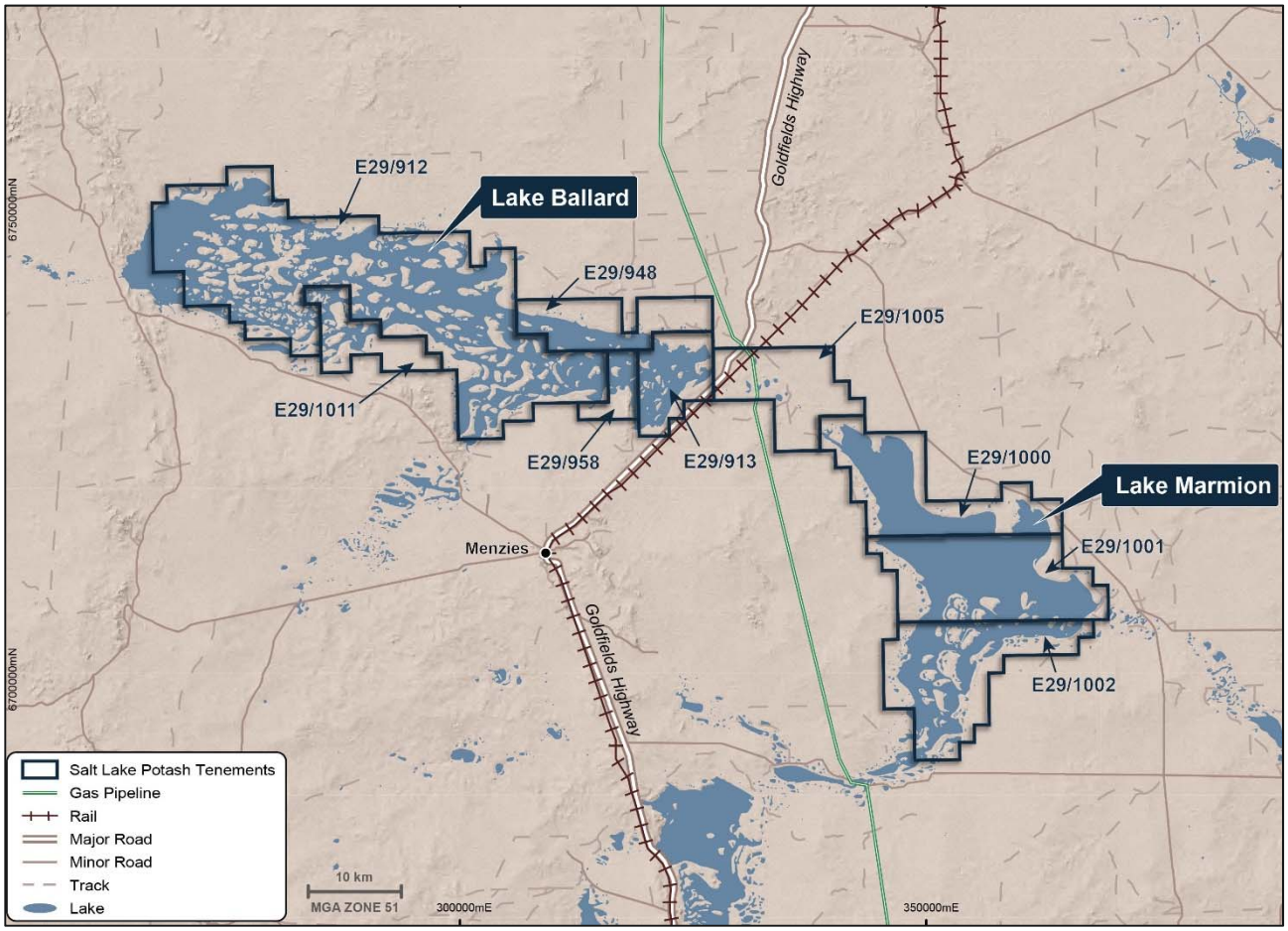


Figure 3: Lakes Ballard and Marmion

Geophysical Survey Substantiates Historical Investigations

The Lake Ballard and Lake Marmion area has been the subject of considerable historical exploration. Previous hydrogeological investigations, including geophysical surveys and drilling programs, were undertaken by the Geological Survey of Western Australia. The most useful data were three North-South transects drilled between Lake Ballard and Lake Marmion to explore the trunk palaeodrainage that originates to the west of Lake Ballard and flows to the east beneath Lake Marmion before discharging into the Eucla/Officer Basins. The 31 holes were drilled using wireline coring with samples being retained and stored at the GSWA core library in Carlisle (see Figure 5).

A description of the hydrogeology between the two lakes was provided by Langford (1997). The lower Tertiary-aged paleochannel sequence comprises an upper alluvium / colluvium (10 to 20m), dense plasticine clay (50 to 60m) and basal sands (10 to 20m thick) that are incised into the Archaean granite and greenstone basement. In places, there are silcrete and sandy intervals within the plasticine clay providing a different stratigraphy to other paleodrainages. The basal sands are commonly fine to coarse-grained sand that form a deeper aquifer being about 80m bgl in the west (estimated from ground-based geophysics) and about 110m bgl at the east of Lake Ballard (see Figure 5).

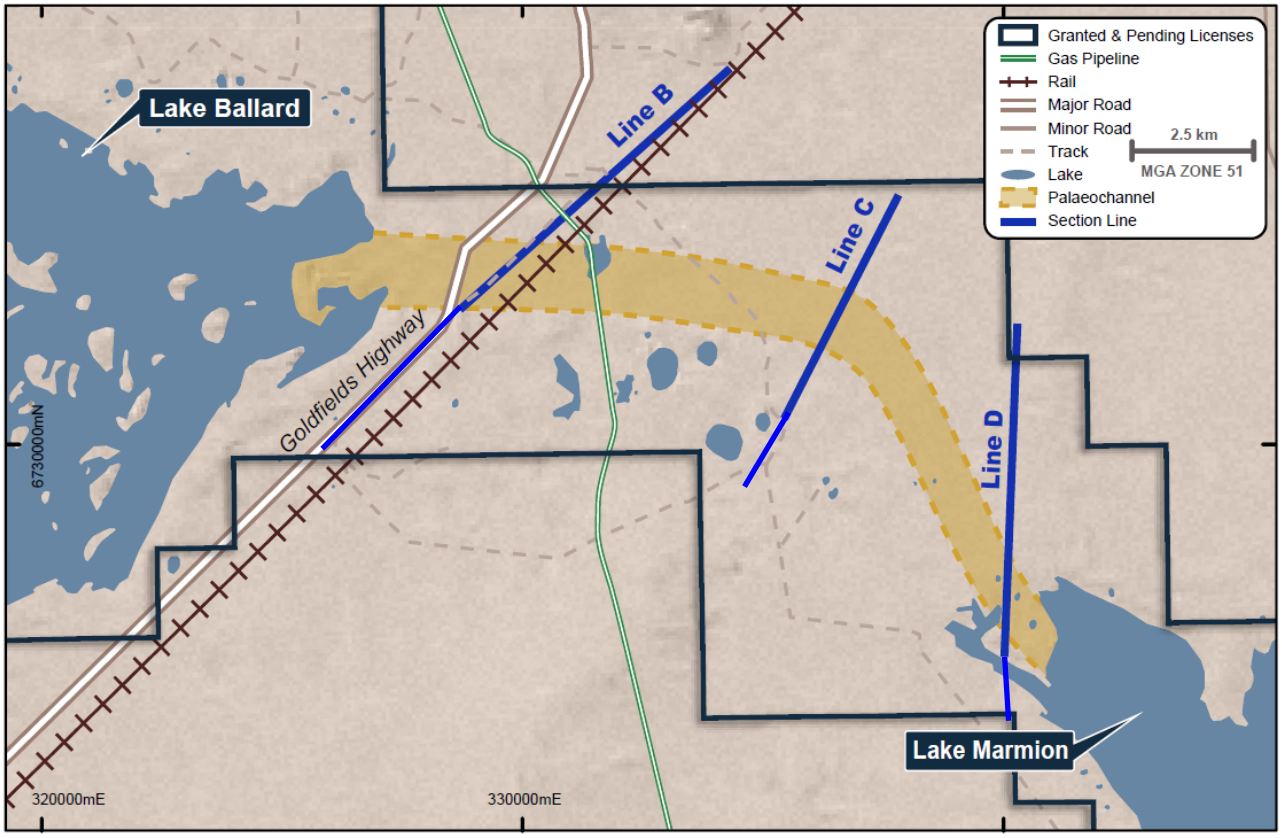
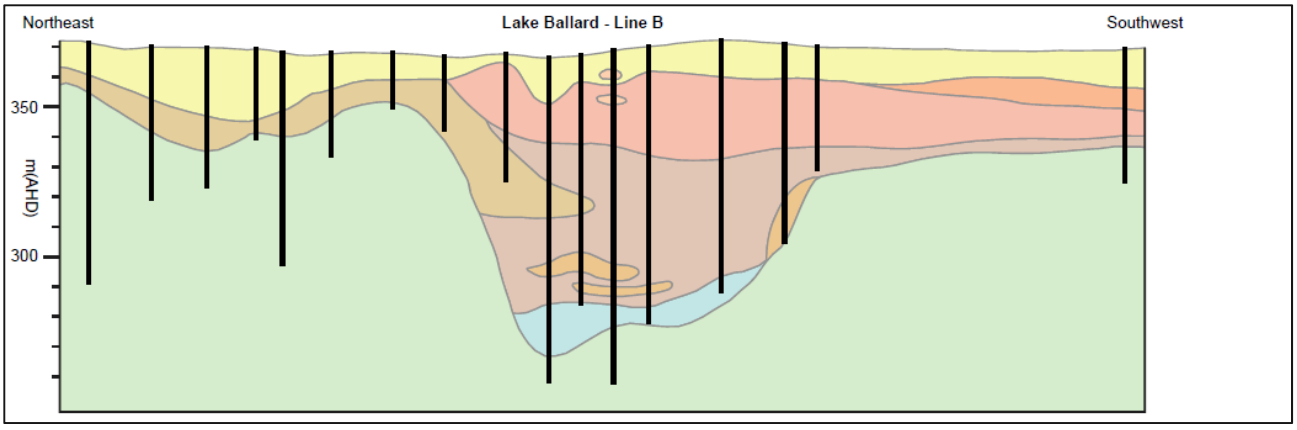
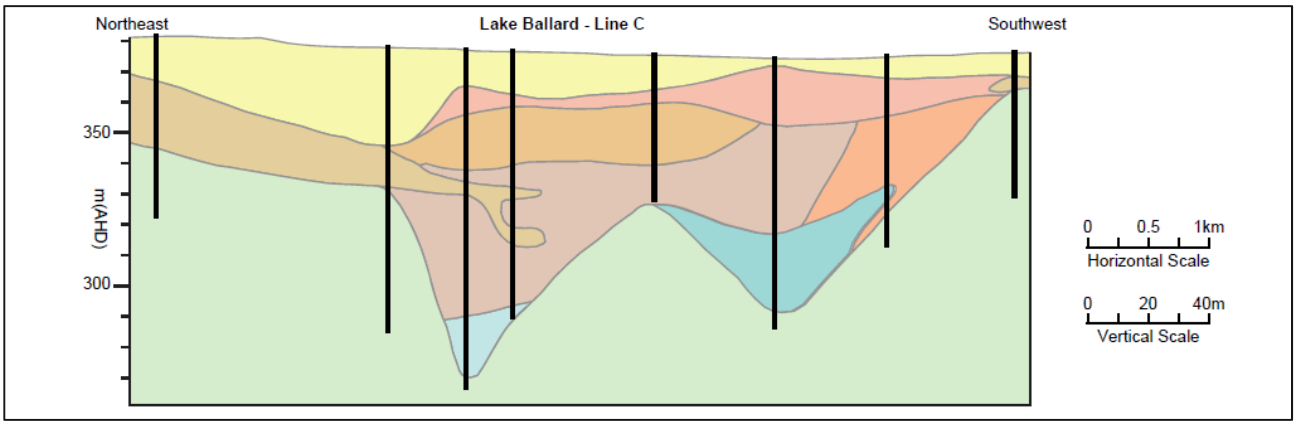


Figure 4: Location of GSWA Paleochannel Drilling Transect





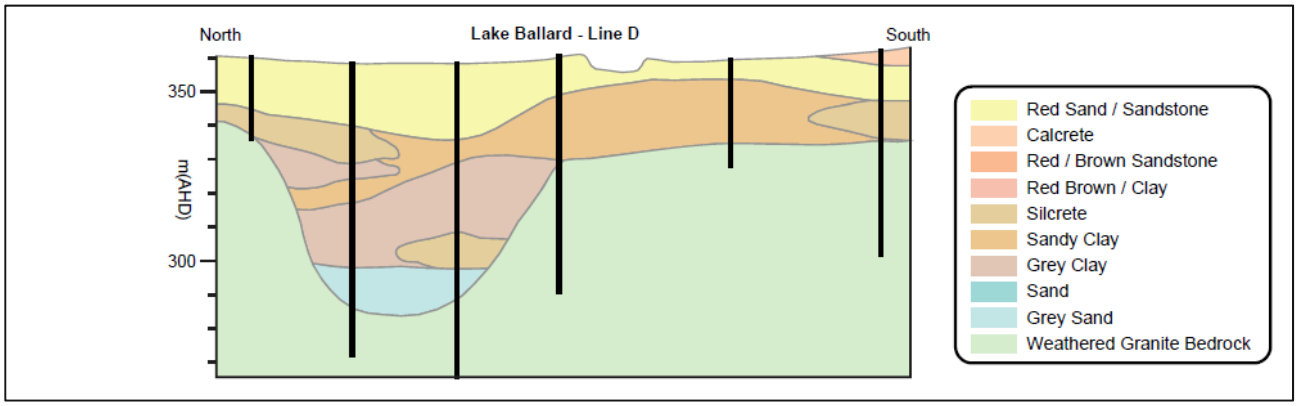


Figure 5: Paleochannel Cross-Section Interpreted from GSWA Drilling

Geophysics Survey Underway

The Company engaged Atlas Geophysics to undertake a geophysical survey at Lake Ballard with the primary objectives of resolving the geometry of the paleovalley, and to define the position, depth and thickness of the paleochannel. A total of 18 geophysical transects are targeted for completion 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 100m intervals on all transects, as the deep paleochannel aquifer is inferred to be approximately 500m wide in the western portion of the lake. The gravity survey is currently progressing, having completed 14 of the planned 18 transects (see Figure 6).

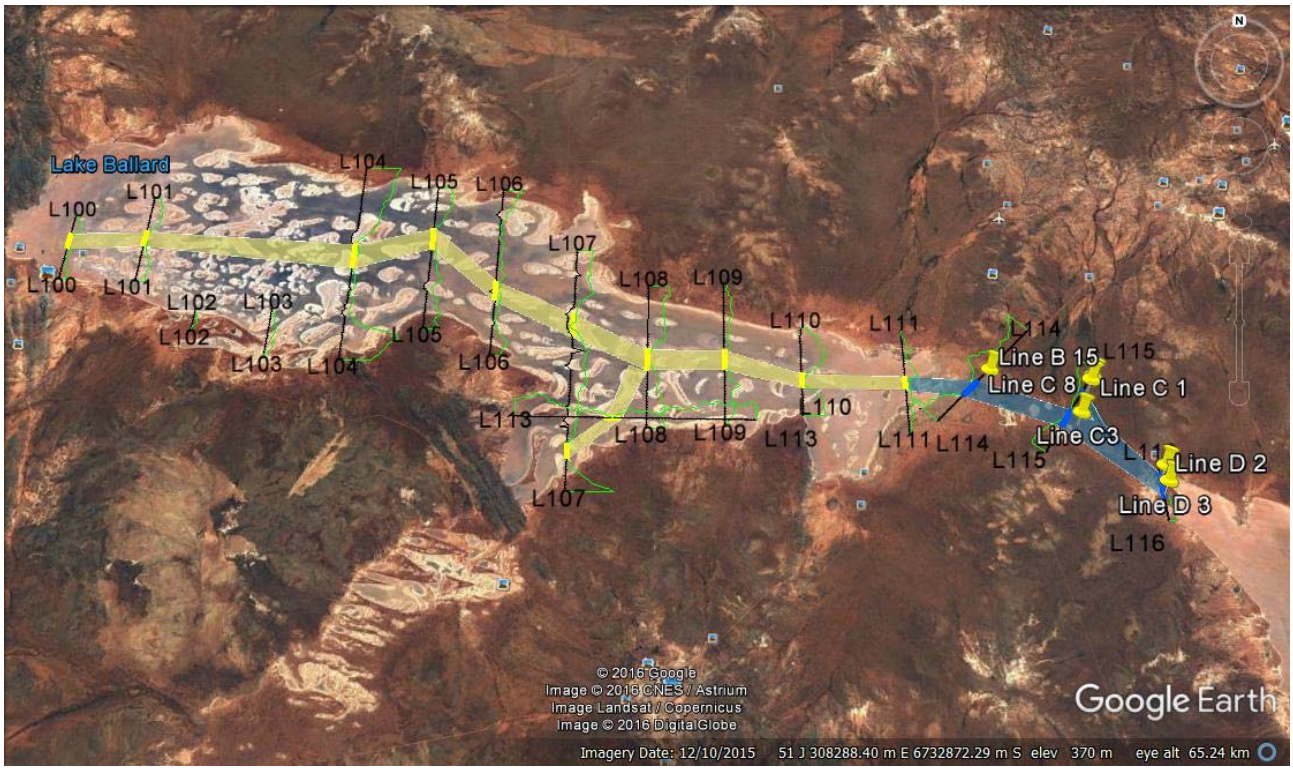


Figure 6: Completed Geophysical Transects

The geophysical survey work completed has confirmed the deep paleochannel aquifer has been encountered in the west and east of the lake, supporting the inferred paleochannel being continuous beneath the lake. The inferred paleochannel is interpreted to have a depth of between 80 and 120m below ground level. The full length of the inferred paleochannel beneath Lakes Ballard and Marmion is presented in Figure 7 below.

Figure 7: Ballard Marmion Inferred Paleochannel

Planned Exploration Work

The Company has recently completed a heritage survey of the Lake with a number of senior traditional custodians. A field team will mobilise shortly to undertake a comprehensive staged exploration program at Lake Ballard. This program will likely include:

1) Ground reconnaissance and mapping.
2) Completion of geophysical surveying and modelling.
3) Widespread surface brine sampling.
4) Investigation of surface geology and aquifer (to 4.5m) using an amphibious excavator.
5) Excavating and test pumping a number of surface trenches.
6) Shallow core drilling across the lake.
7) Drilling and test pumping of deep paleochannel sand targets.

Competent Person Statements

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.

The information in this report that relates to geophysical data and interpretation is based on information compiled by Mr Seth Johnson, who is a member of the Australian Institute of Geoscienctists and International Association of Hydrogeology. Mr Johnson is a consultant of Hydroconcept Pty Ltd. ("Hydroconcept"). Hydroconcept is engaged as a consultant by Salt Potash Limited. Mr Johnson 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 Johnson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.