

9 April 2018

SALT LAKE POTASH AND MITSUBISHI ENTER MOU FOR OFFTAKE ARRANGEMENT

Salt Lake Potash (**the Company**) is pleased to announce that the Company has today executed a Memorandum of Understanding (**MOU**) with Mitsubishi Australia Limited and Mitsubishi Corporation (**Mitsubishi**), setting out the basis for the first Offtake Agreement for the Goldfields Salt Lakes Project (**GSLP**).

The Offtake Agreement will provide Mitsubishi with sales and offtake rights for up to 50% of the Sulphate of Potash (**SOP**) production from a Demonstration Plant at the GSLP, for distribution into Asia and Oceania and potentially other markets.

Salt Lake Potash is progressing its GSLP development strategy, initially involving construction of a Demonstration Plant producing up to 50,000tpa of high quality SOP, with plans to distribute production through a small number of global distribution partnerships.

The Mitsubishi MOU is non-binding and sets out the key terms for a subsequent formal Offtake Agreement as the Demonstration Plant is developed. As well as quantities and target markets, the MOU's other terms include:

- Market pricing and commission mechanisms;
- Specifications and delivery parameters;
- Mitsubishi to provide strategic advice on marketing within the region; and
- The parties to continue discussions regarding funding requirements for the GSLP.

Mitsubishi Australia Limited is a wholly owned subsidiary of Mitsubishi Corporation. Mitsubishi is one of the world's largest trading and investment enterprises that develops and operates businesses across virtually every industry, including industrial finance, energy, metals, machinery, chemicals, and daily living essentials. Its current activities expand far beyond its traditional trading operations to include investments and business management in diverse fields including natural resources development, manufacturing of industrial goods, retail, new energy, infrastructure, finance and new technology-related businesses.

Salt Lake Potash CEO Matt Syme said *"We are very pleased to have taken this important first step in establishing offtake and distribution channels for the Goldfields Salt Lakes Project. Our model of distribution partnerships is vital for what is essentially an export Project. Mitsubishi's global pre-eminence in commodities trading and finance and longstanding involvement in Australian industry, give us great confidence that we can build a very cohesive and beneficial partnership over time. Their interest is a strong endorsement of the market outlook for SOP and also of our plans to supply these markets. We anticipate one or two more potential distribution agreements and we believe our patience in aiming for the very best channels and markets is the right approach."*

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