ASX ANNOUNCEMENT



9 November 2018

A\$13.0 MILLION PLACEMENT TO INSTITUTIONAL AND SOPHISTICATED INVESTORS TO FUND PROJECT DEVELOPMENT

Salt Lake Potash Limited (the Company or Salt Lake) is pleased to announce that it has received strong commitments from both existing and new institutional and sophisticated investors in Australia and overseas to subscribe for 31.0 million new ordinary shares of the Company, to raise gross proceeds of \$13,000,000 (Placement). There was very strong demand for the Placement, an endorsement of the recent appointment of Tony Swiericzuk as CEO and also of the Company's world class Sulphate of Potash project.

Proceeds from the Placement will be used to fund construction of the Williamson Ponds and dewatering of the Williamson Pit, as well as ongoing development of on-lake infrastructure, exploration and feasibility studies, and general working capital.

The cornerstone investor for the Placement is a significant international investment fund. Directors and senior management intend to subscribe for a total of 2.4 million shares in the Placement, including 950,000 shares by the CEO, Mr Tony Swiericzuk, and 750,000 shares by the Company's Chairman, Mr Ian Middlemas, which will be issued subject to shareholder approval.

Commenting on the Placement, SO4's CEO, Tony Swiericzuk, said "We are very pleased to have received such strong support from new and existing shareholders to fund the construction of the initial on-lake infrastructure at Lake Way. These activities are on the critical path to enabling SO4 to become the first Australian commercial producer of SOP in a global sector with outstanding potential. This strong support from investors endorses our view that the Goldfields Salt Lakes Project has enormous potential for value creation and we now look forward to rapidly delivering on this potential for all shareholders and stakeholders."

Argonaut Securities Pty Limited and Canaccord Genuity (Australia) Limited acted as Joint Lead Manager to the Placement.

The issue price of A\$0.42 represents a 13.4% discount to the last closing price of \$0.485 on ASX.

The Placement will be completed in two tranches as follows:

- (a) 29,250,000 shares will be issued on 16 November 2018 under Listing Rule 7.1 (11,745,041 shares) and Listing Rule 7.1A (17,504,959 shares). Following the issue of these shares the Company will have 7,612,398 remaining issue capacity under Listing Rule 7.1 and no remaining issue capacity under Listing Rule 7.1A.
- (b) 1,702,381 shares to be subscribed for by Directors will be issued on or about Thursday 20 December 2018 following shareholder approval. A notice of general meeting will be sent to shareholders shortly.

Enquiries: Tony Swiericzuk (Perth) Telephone: +61 (8) 9322 6322

Chief Executive Officer

Jo Battershill (London) Telephone: +44 754 036 6000

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Information required under ASX Listing Rule 3.10.5A:

- (a) Dilution to existing shareholders as a result of the issue under Listing Rule 7.1A is 9.1%, dilution to existing shareholders as a result of the issue under Listing Rule 7.1 is 6.3% and the total dilution to existing shareholders is 14.3%. Details regarding the participation of existing and new shareholders is not able to be determined yet and will be provided at completion;
- (b) The Company will issue 17,504,959 shares under Listing Rule 7.1A because the Placement was considered to be a more efficient mechanism for raising funds. The Placement did not expose the Company to additional costs, a protracted process and market volatility that may have been experienced with a pro-rata issue or other type of issue in which existing ordinary shareholders would have been eligible to participate;
- (c) No underwriting arrangements are in place for the Placement under rule 7.1A; and
- (d) A fee of up to 6% may be paid to the Brokers/Advisors in connection with the Placement under rule 7.1A.

Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Salt Lake Potash Limited's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Salt Lake Potash Limited, which could cause actual results to differ materially from such statements. Salt Lake Potash Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.