ASX ANNOUNCEMENT

29 January, 2019

FIELD TRIALS AT LAKE WAY CONFIRM SALT PRODUCTION PROCESS

Highlights:

- **Comprehensive field evaporation trials at Lake Way are successfully producing substantial volumes of potassium Harvest Salts validating the modelled salt production process.**
- **Field evaporation trials have to date produced over 2 tonnes of high grade Harvest Salts at Lake Way.**
- **Over 100,000l of brine from both high grade Lake Way playa brine and the super high-grade Williamson Pit brine have been extracted for the field trial and evaporated separately. Both brines have rapidly produced quality harvest salts amenable for conversion to Sulphate of Potash (SOP).**
- **Potassium Harvest Salts produced from the field trial will be processed at Saskatchewan Research Council (SRC), where a pilot plant will duplicate and refine the Lake Way process flow sheet, as well as producing further product samples for offtake partners.**

FIGURE 1 LAKE WAY HARVEST OF POTASSIUM SALT

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Salt Lake Potash Limited (**Salt Lake Potash** or the **Company**) is pleased to announce successful progress from the Lake Way Site Evaporation Trials (Lake Way SET)

The Company is focused on rapidly progressing the development of the Lake Way Project to become the first Sulphate of Potash (SOP) production operation in Australia. Lake Way has the highest grade SOP brine resource in Australia and the best infrastructure solution of potential Australian brine SOP producers.

A major component of the feasibility study process for the Lake Way Project is to develop a brine evaporation and salt production model based on the brine chemistry of both Lake Way playa and Williamson Pit brines under local environmental (evaporation) conditions.

Initially, this model was based on a computer simulation generated by international brine processing experts Ad Infinitum, from known brine chemistry (from assays) and comprehensive public weather datasets. In this case the model was also informed by the Company's unique database of more than 18 months of field evaporation trials at Lake Wells, reflecting similar chemistry and environmental inputs.

In the second stage of the model development the computer simulation was calibrated against and updated for the results of wind tunnel evaporation tests of Lake Way brines under laboratory conditions.

FIGURE 2 WIND TUNNEL TESTING OF LAKE WAY BRINE AT BUREAU VERITAS IN PERTH

Thirdly, the model is now being further refined by establishing a site evaporation trial, where a scaled down version of an evaporation pond system is established on site and brine is evaporated under actual field conditions. Both brine chemistry and salt production are closely monitored.

The Lake Way SET was established in May/June 2018 and initial brine feed was gradually introduced from both the Williamson Pit (SOP resource grade 25kg/m^3) and the Lake Way playa (SOP resource grade 14kg/m^3) (refer Note 1, page 7 for full mineral resource estimate).

Over 100,000 litres of Williamson Pit and the Lake Way Playa brine has been fed into the SET pond system to date.

Brine is sourced from a surface trench, for the Lake Way Playa brine, or direct from the Williamson Pit and introduced into a Halite Pond. As solar evaporation concentrates the brine, it progresses through a series of 5 ponds: two halite salt ponds, and then schoenite, kainite and carnallite salt ponds.

FIGURE 3 LAKE WAY SET

Harvested salt and brine samples are analysed at regular intervals through the evaporation process to gather data for model correlation. To date over 400 samples have been extracted and assayed at Bureau Veritas in Perth.

Figures 4 and 5 below set out the results from the Lake Way SET to date, which have an excellent correlation to the salt production model.

This provides the Company with a very strong basis to continue development of the mass balance model and process flow sheet for the Lake Way Project.

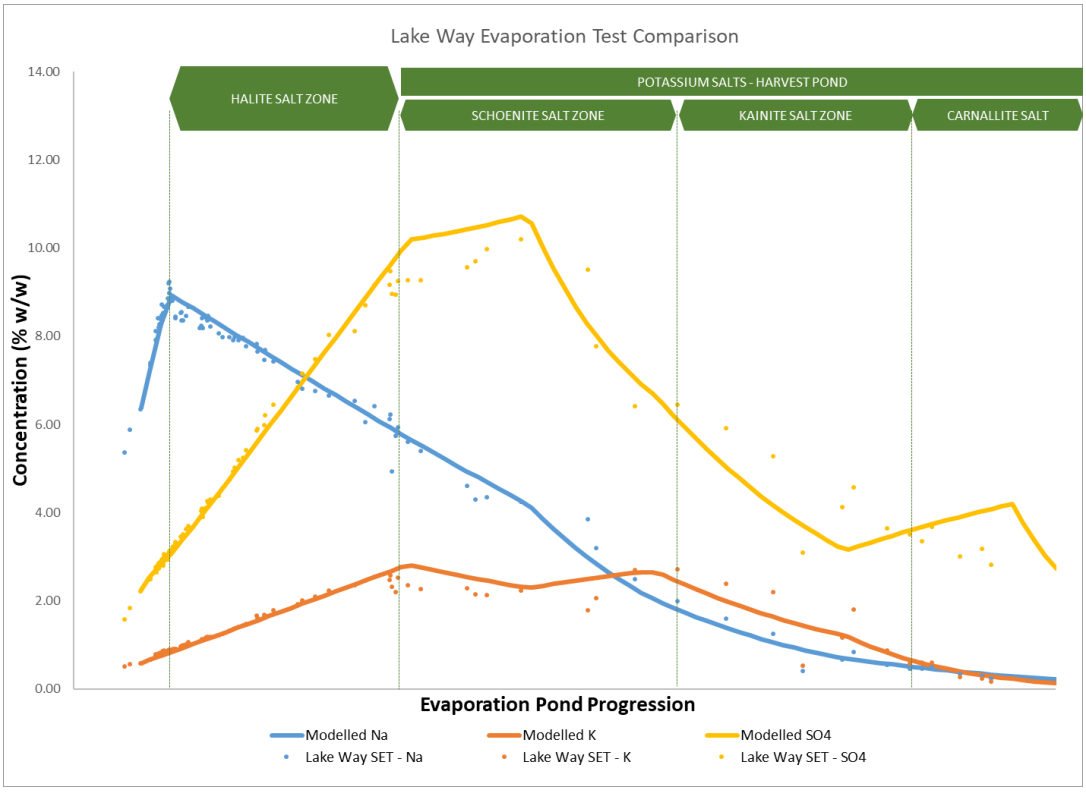

FIGURE 4 COMPARISON OF MODELLED AND FIELD EVAPORATION - LAKE WAY PLAYA BRINE

Figure 5 below shows the immediate formation of halite salts from Williamson Pit brine.

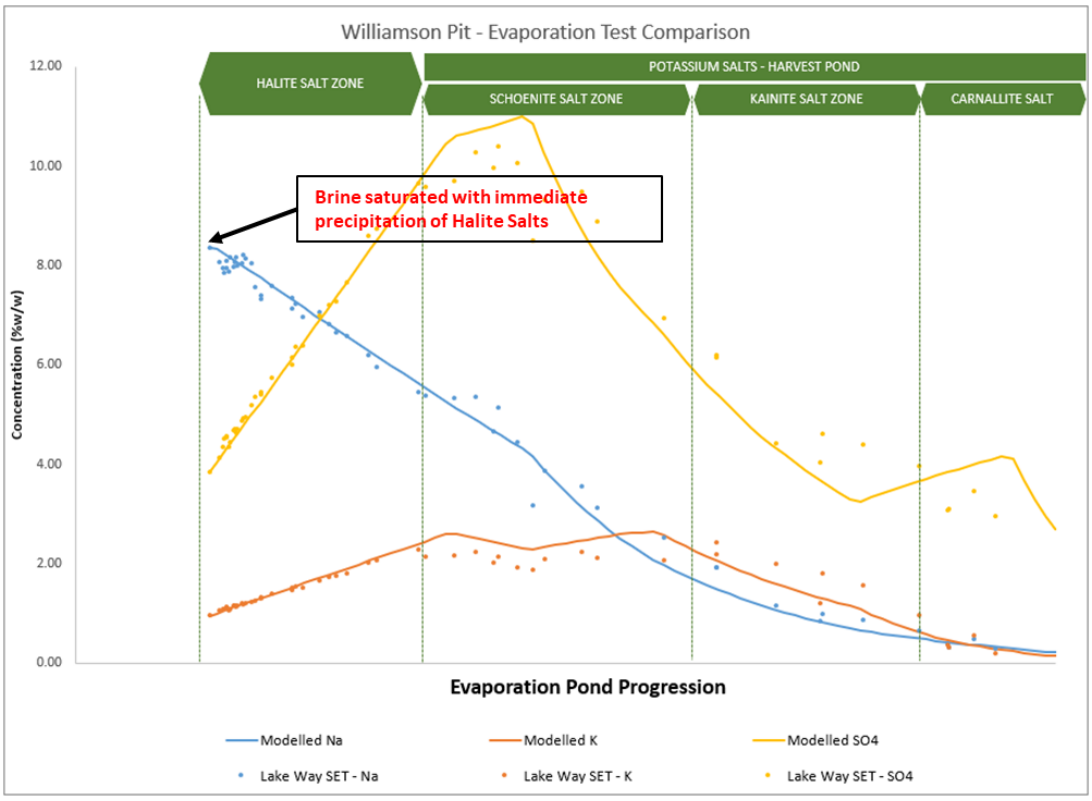

FIGURE 5 COMPARISON OF MODELLED AND FIELD EVAPORATION – WILLIAMSON PIT BRINE

In fact halite salts begin to form almost immediately upon initial evaporation. This will shorten the overall salt production timeframe for the Williamson Pit brine. It may also offer the opportunity for faster construction of harvest pond infrastructure, utilising harvested halite salts for pavement.

The Lake Way SET has already produced over 2 tonnes of Potassium Harvest Salts (1.8 tonnes Lake Way Playa and 0.4 tonnes of Williamson Pit) and a further 5 tonnes are forecast to be harvested during ongoing evaporation trails.

From the test work to date, the Williamson Pit and the Lake Way Playa brines have produced excellent high grade Harvest Potassium Salts with an exceptional K grade of up to 10% and an overall high average K grade of 6.8%. This aligns very well with the grades that were observed during the Lake Wells SET's.

This provides the Company with confidence that the Lake Way production model, process flowsheet and Harvest Salt product will produce a final high grade SOP product in line with the world leading SOP product of 53% K_2O produced at Lake Wells.

PROCESS PLANT FLOW SHEET VALIDATION

The Company has engaged the world's leading potash processing laboratory, Saskatchewan Research Council **(SRC),** to establish a pilot plant based on the process flow sheet for the Lake Way Project. The initial batch of harvest salts from Lake Way has been delivered to SRC and testwork is underway.

The pilot plant will validate and refine the Lake Way process flowsheet and also produce high-grade SOP product samples for offtake partners.

Salt Lake Potash's Chief Executive Officer, Mr Tony Swiericzuk said:

"I am very pleased with the continued development progress the project team is achieving at Lake Way.

The initial salt harvest from the Lake Way SET is a significant milestone. It validates our production model and allows us to refine the process parameters for plant design, as well as providing feed for the pilot plant.

In parallel with the progress of plant design, rapid project development continues with site access construction underway and the whole of lake resource definition well advanced."

Note 1: Lake Way Mineral Resource Estimate (Blackham tenements only)

Sediment Hosted Brine – Indicated (94%)

Playa Area	Lakebed Sediment Volume	Brine Concentration			Mineral Tonnage Calculated from Total Porosity			Mineral Tonnage Calculated from Drainable Porosity		
(km^2)	(Mm^3)	K (kg/m^3)	Mg (kg/m^3)	SO_4 (Kg/m^3)	Total Porosity	Brine Volume (Mm^3)	SOP Tonnage (kt)	Drainable Porosity	Brine Volume (Mm^3)	SOP Tonnage (kt)
55.4	290	6.9	7.6	28.3	0.43	125	**1,900**	0.11	31.9	**490**

Williamson Pit Brine – Measured (6%)

Brine Volume (Mm^3)	Potassium Conc. (kg/m^3)	Magnesium Conc. (kg/m^3)	Sulphate Conc. (kg/m^3)	SOP Tonnage (kt)
1.26	11.4	14.47	48	**32**

Work is currently underway to enable the Company to report a Mineral Resource Estimate for the lake bed brine and the paleochannel aquifer for the 'whole of lake', which will enable the Company to examine larger production options.

Competent Person Statement

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. Mr Jones is a Director of 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 Announcement that relates to Mineral Resources is extracted from the report entitled 'Scoping Study for Low Capex, High Margin Demonstration Plant at Lake Way' dated 31 July 2018. This announcement is available to view on www.saltlakepotash.com.au. The information in the original ASX Announcement that related to Mineral Resources was based on, and fairly represents, information compiled by Mr Ben Jeuken, who is a member Australian Institute of Mining and Metallurgy and a member of the International Association of Hydrogeologists. 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'. Salt Lake Potash Limited confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Salt Lake Potash Limited confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix A: JORC Table One

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole 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 presentively 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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.	Sampling involved extraction of small, representative samples of brine from solar ponds into 50ml or 250ml clean bottles. The solar ponds consist of re-purposed temporary above-ground swimming pools and HDPE aquaculture tubs. These solar ponds were filled with brine drawn from either the Williamson Pit directly or from Lake Way Playa Brine from a 4m deep test pit excavated next to the trial. Brine samples were taken from each solar evaporation pond regularly and routinely during the solar evaporation process. Brine samples were taken manually by initially rinsing out the sample bottle with brine from the source then filling the bottle. Samples were analysed for K, Mg, Ca, Na, Cl, SO4, TDS and specific gravity. The temperature and pressure in each pond were logged electronically with piezometers. Once the brine in a particular solar pond had concentrated to pre-determined point it was pumped to another solar pond downstream in the process. Salt was then extracted from the drained solar pond. Harvested salt is then crushed, either by hand or using a small jaw crusher to 100% passing 25mm, where the typical particle size is <5mm. The crushed salt was then coned and quartered multiple times until a 250g representative salt sample was obtained. Brine is a homogenous fluid below the surface, while salt samples are cone and quartered to provide a homogenous sample.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).	No drilling was undertaken during the site evaporation trial.
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.	No core was recovered from the site evaporation trial. Brine samples taken from the ponds, were sampled from beneath the surface of the ponds, thus were representative of the entire pond as the ponds are small enough to act as a homogeneous liquid bodies. Salt samples were crushed, coned and quartered to ensure sample representativeness. The crushing and homogenisation lowers the risk of preferential loss/gain of one size fraction over another.
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.	No logging was undertaken on the site evaporation trial
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken.	Not applicable, no drilling was undertaken during the site evaporation trial. Not applicable, no drilling was undertaken during the site evaporation trial.

Criteria	JORC Code explanation	Commentary
	• 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 insitu 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.	The samples were taken in sterile plastic bottles of 50ml or 250ml capacity. Brine is a homogenous fluid below the surface, while salt is cone and quartered to homogenise and sample. Brine was diluted (1:10 in de-ionised water) at the lab to ensure accurate determination by ICP. Salt was crushed to <25mm and homogenising to ensure that the 200-300g subsample taken is representative for the grain size. 50g of the wet homogenised sample is air dried at ambient temperature and sent for XRD. Following this the sample is crushed with a mortar and pestle to <120um. It is then packed into a pellet to undergo XRD analysis. 10g of the wet homogenised sample is air dried at ambient temperature. Residual moisture is determined by acetone-displacement wash followed by drying at a temperature of 60 degrees Celsius. Following this drying, the salt sample is dissolved in 100ml of de-ionised water, and is sent for ICP analysis.
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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	The brine and salt samples were sent to Bureau Veritas (BV) Laboratories in Perth, WA. ICP and XRD preparation undertaken at BV. ICP analysis to determine the chemical ion analysis, and wet chemistry titration to determine chloride content was performed by Bureau Veritas, Canning Vale, WA. Sub samples prepared at BV were sent for XRD analysis to determine the salt crystal mineralogy at Microanalysis in Perth, WA. No laboratory analysis was undertaken with geophysical tools. All BV laboratories work to documented procedures compliant with ISO 9001 Quality Management Systems. Rigorous quality control and quality assurance measures are applied throughout the entire process in their laboratories. Standard quality assurance procedures include: • Analysis of blanks within each batch. • The routine testing of suitable certified reference materials from national and international suppliers, in addition to in-house and client supplied standards. Standards will be selected based on the elements of interest, expected range of concentration, and the analytical method used. • Duplicate samples are included in each batch to ensure that reproducible results are being achieved. Duplicate samples may be solutions, pulps or coarse splits as requested. • Re-assay of anomalous results by our quality control staff using techniques considered appropriate for the level of analytes encountered. • All sample results are reported. All blanks and standards are reported on request. Microanalysis uses XRD, which is semi-quantitative, as it does not take into account preferred orientation, strain or crystallite size. The amorphous content is estimated using the background ratio rather than an internal spike. All procedures are internally validated. Microanalysis Australia has an established QA/QC system of procedures for receipt, preparation and analysis of samples. All instruments are calibrated monthly with a certified reference standard. They run a calibration check using a certified Panalytical silicon standard monthly and monitor source decay. Repeatability studies have been undertaken to verify subsampling procedures. Every tenth sample is repeated to verify repeatability and consistency of results.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel.	Not applicable, brine is a homogenous fluid below the surface. Not applicable, brine is a homogenous fluid below the surface.

Criteria	JORC Code explanation	Commentary
	• 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.	All sampling and assaying is well documented and contained on SLP's internal databases. No adjustments have been made to assay data.
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.	Location data is not relevant for this process test and so was not taken.
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.	Brine samples were taken at appropriate time intervals, either weekly or biweekly, to gain sufficient resolution on the brines' evaporation pathway. Salt samples were taken at pre-determined brine concentrations from prior modelling and so are indicative of the salts produced between the pre-determined harvest points. Sample compositing has not been applied.
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.	Not applicable as harvest salts were homogenised. Drilling orientation is Not applicable. The entire mass of salt produced by the solar pond was harvested, homogenised and sent for assay.
Sample security	• The measures taken to ensure sample security.	SLP field geologists and engineers were responsible for sampling and homogenising all brine and salt samples prior to shipping to the BV lab in Perth and the SLP lab/warehouse. The security measures for the material and type of sampling at hand was appropriate.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	Data review is summarised in the report and included an assessment of the quality of assay data and laboratory tests and verification of sampling and assaying. No audits of sampling techniques and data have been 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.	On the 9th March 2018 Salt Lake Potash Ltd and Blackham Resources Ltd signed a gold and brine minerals memorandum of understanding. Under this MOU Blackham has granted the brine rights on its Lake Way tenement free from encumbrances to SLP. The tenements referred to in the MOU are; Exploration licences E53/1288, E53/1862, E53/1905, E53/1952, Mining Licences, M53/121, M53/122, M53/123, M53/147, M53/253, M53/796, M53/797, M53/798, M53/910, and Prospecting Licences P53/1642, P53/1646, P53/1666, P53/1667, P53/1668. All tenure is granted to Blackham Resources Ltd.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	No prior process (solar evaporation) test work has been undertaken on the brine from Williamson Pit or Lake Way Playa. The Company has previously reported a brine resource over the Blackham tenements – refer ASX Announcement 31 July 2018.

Criteria	JORC Code explanation	Commentary
		There is a database of approximately 6200 boreholes across Lake Way of which some 1000 are within the Blackham tenements. The primary source for the information is the publicly available Western Australian Mineral Exploration (WAMEX) report data base. Recent sterilisation drilling has also been undertaken by Blackham Resources. The data from previous exploration work by other parties has not been used in appraising the results of the process testwork included in this announcement.
Geology	• Deposit type, geological setting and style of mineralisation.	The deposit is a salt-lake brine deposit. The lake setting is typical of a Western Australian palaeovalley environment. Ancient hydrological systems have incised palaeovalleys into Archaean basement rocks, which were then infilled by Tertiary-aged sediments typically comprising a coarse-grained fluvial basal sand overlaid by palaeovalley clay with some coarser grained interbeds. The clay is overlaid by recent Cainozoic material including lacustrine sediment, calcrete, evaporite and aeolian deposits. The brine is concentrated in solar evaporation ponds and the salt is precipitated into the evaporation ponds as fine (0.5 - 5mm) crystals that form a single, homogeneous salt bed.
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: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • downhole length and interception depth • 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.	No drilling was undertaken. Williamson pit brine was drawn from the bottom of the pit ramp. Lake brine is sourced from a pit next to the site evaporation trial with the following coordinates (26°46'25.55"S, 120°18'27.46"E)
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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.	Harvested salt from the solar evaporation ponds are homogenised, assayed weighed to provide the estimated grade. Average salt grade for each evaporation trial is determined by a weighted average, where the grade/mineralogy of each individual harvest is multiplied by the total wet mass of the harvest. The sum of these harvest grades is then divided by the total salt output from the pond.
Relationship between mineralisation widths and	• 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.	Not applicable to process testwork.

Criteria	JORC Code explanation	Commentary
intercept lengths	• If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	
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.	Maps and sections not included for process testwork. Refer prior ASX Announcement dated 31 July 2018.
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 in the body of the report.
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.	All material process data has been reported.
Further work	• The nature and scale of planned further work (e.g. 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.	Field evaporation trials are ongoing. Downstream metallurgical test work on harvested salts will be undertaken by a world leading potash research laboratory to confirm the harvest salts may be converted to potash product.