

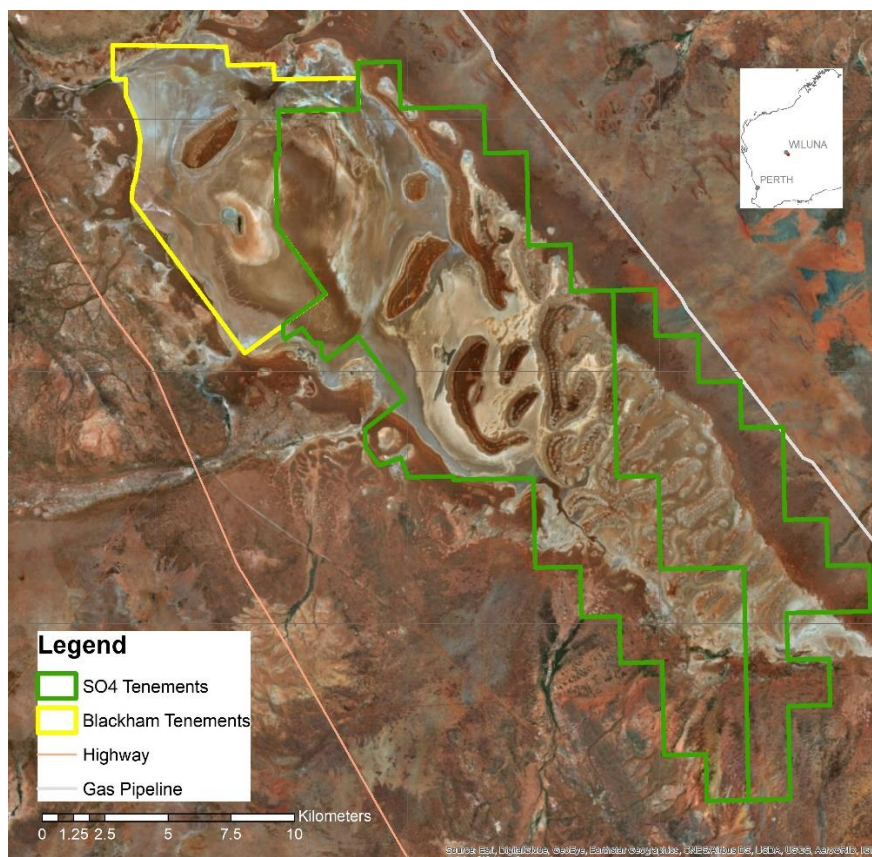
8 April 2019

## SALT LAKE POTASH AND BLACKHAM RESOURCES EXECUTE BINDING ACCESS AGREEMENT

### Highlights:

- Salt Lake Potash has executed a binding Split Commodity and Access Agreement with Blackham Resources in relation to the Lake Way Project
- Under the Agreement, Salt Lake Potash will acquire the brine rights over Blackham's tenure and Blackham will acquire gold rights over Salt Lake Potash's tenure. Each company retains a royalty on their respective mineral resources
- The Agreement with Blackham facilitates an accelerated pathway to production through the utilisation of Blackham's Mining Lease for early construction works and the de-watering and utilisation of the Williamson Pit brine
- The construction of the evaporation pond at Lake Way is progressing well with 24-hour operations at site now underway

Salt Lake Potash Limited (**Salt Lake Potash** or the **Company**) is pleased to announce that the Company has entered into a binding Split Commodity and Access Agreement (**Agreement**) with Blackham Resources Limited (**Blackham**) in relation to the development of the Lake Way Project on terms in line with the previously executed MOU announced on 12 March 2018.



**Figure 1: Lake Way Agreement**

Under the Agreement, Salt Lake Potash will acquire Blackham's brine rights and Blackham will acquire gold rights to Salt Lake Potash's Lake Way holdings, with each company retaining a royalty on their respective holdings.

## Key Terms

The Agreement is binding on Salt Lake Potash and Blackham with the key terms including:

- Salt Lake Potash to acquire the Brine Rights over the Blackham tenements;
- Blackham to acquire the Gold Rights over the Salt Lake Potash tenements;
- Salt Lake Potash to receive a 2% royalty on all gold production from the Salt Lake Potash tenements;
- Blackham to receive a 4% royalty on all Brine production (including SOP) from the Blackham tenements;
- Salt Lake Potash to make a rehabilitation liability payment of \$500,000 to Blackham by 30 June 2019. This amount is deductible from future brine royalties;
- Salt Lake Potash is required to achieve the following construction and production milestones:
  - Completion of the de-watering of the Williamson Pit by 31 July 2019;
  - Commence the construction of the SOP processing plant by 30 June 2020; and
  - Achieve first commercial production of SOP by 31 December 2021

These dates may be extended by mutual agreement.

The following Conditions Precedent must be satisfied within 2 months of the date of the Agreement (or such later date as may be agreed by the parties):

- the Minister consenting (to the extent required):
  - to Blackham granting the Brine Rights to Salt Lake Potash;
  - to Salt Lake Potash granting the Gold Rights to Blackham.
- Blackham obtaining any approvals necessary to proceed with the Agreement, including the release of various encumbrances relating to the Brine Rights.

## Lake Way Project

Salt Lake Potash is focussed on the rapid development of the Lake Way Project, being a high grade salt-lake brine Sulphate of Potash (**SOP**) operation. Lake Way's location and logistical advantages make it the ideal Lake for the Company's first SOP operation.

Lake Way is located in the Northern Goldfields Region of Western Australia, less than 15km south of Wiluna. The surface area of the Lake is over 270km<sup>2</sup>. The northern end of the Lake is largely covered by a number of Mining Leases held by Blackham, the owner of the Wiluna Gold Mine. The Agreement with Blackham allows for an expedited pathway to development at Lake Way.

## Construction Update

Salt Lake Potash commenced the construction of the first phase of the Lake Way Evaporation Ponds at the start of March 2019 (see ASX Announcement dated 6 March 2019). The first phase of evaporation ponds will enable the de-watering of the Williamson Pit.

Construction works for the Lake Way Evaporation ponds are progressing well with the Company moving into 24 hour operations and are on target for completion in Q2 2019.



Figure 2: Lake Way Evaporation Pond

The de-watering of the Williamson Pit will commence in Q2 2019 once the first phase of the evaporation ponds is complete. Onsite preparation works have commenced for de-watering activity including preparation and welding of pipeline.



**Figure 3: Preparation of pipeline for dewatering of the Williamson Pit brine**

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