

6 JUNE 2019

STRATEGIC PLACEMENT OF A\$20.25M TO FUND LAKE WAY CONSTRUCTION

Salt Lake Potash Limited (**Salt Lake Potash** or the **Company**) is pleased to announce that it has received binding commitments to place 37.5 million shares at A\$0.54 each to raise a total of A\$20.25 million before costs (**Placement**).

The Placement was led by a consortium of cornerstone investors, including the founders of LionOre Mining International (**LionOre**) as well as the key investors in Mantra Resources at its inception, who will collectively subscribe for 26.4 million shares to raise A\$14.25 million. LionOre was bought by Norilsk Nickel for US\$6.3 billion in 2007, whilst Mantra Resources was sold to Rosatom in 2010 for A\$1.02 billion.

Salt Lake Potash is delighted to have attracted a consortium of highly experienced and successful natural resources investors at a pivotal time in the rapid development of its Lake Way Project. The Company expects to benefit from advice and collaboration with the consortium, including substantial management, global finance and project development expertise, as well as access to their commodities marketing networks.

The Company is also pleased that its largest shareholder, Lombard Odier, has agreed to subscribe for 11.1 million shares to raise A\$6.0 million, further confirming its continued support for Salt Lake Potash and the Lake Way Project.

Subject to Shareholder approval, subscribers will also receive one for four attaching options exercisable at A\$0.85 on or before 30 June 2023 (**Options**).

The Placement will fund ongoing construction of the Lake Way Project, including the development of on-lake infrastructure, the payment of deposits on certain process plant long-lead items, completion of feasibility studies, and general working capital.

Enquiries:**Tony Swiericzuk (Perth)**

Telephone: +61 (8) 6559 5800

Jo Battershill (London)

Telephone: +44 7540 366000

The 37,500,000 shares are expected to be issued on or around 14 June 2019 under Listing Rule 7.1 (16,846,231 shares) and Listing Rule 7.1A (20,653,769 shares). Following the issue of these shares the Company will have 11,201,537 remaining issue capacity under Listing Rule 7.1 and no remaining issue capacity under Listing Rule 7.1A.

The Options will be issued following Shareholder approval at a meeting planned to be held in late July 2019.

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 7.5% and the total dilution to existing shareholders is 15.3%. 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 20,653,769 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 5% may be paid to the Brokers/Advisors in connection with the Placement under rule 7.1A.

About Salt Lake Potash

Salt Lake Potash is the owner of nine large salt lakes in the Northern Goldfields Region of Western Australia. This outstanding portfolio of assets has a number of important, favourable characteristics:

- Over 3,300km² of playa surface, with in-situ clays suitable for low cost on-lake pond construction;
- Very large paleochannel hosted brine aquifers, with chemistry amenable to evaporation of salts for SOP production, extractable from both low-cost trenches and deeper bores;
- Excellent evaporation conditions;
- Excellent access to transport, energy and other infrastructure in the Goldfields mining district;
- Clear opportunity to reduce transport costs by developing lakes closer to infrastructure and by capturing economies of scale; and
- Potential for multi-lake production offers optionality and significant scale potential, operational flexibility, cost advantages and risk mitigation from localised weather events.

Salt Lake Potash's immediate focus is on the rapid development of the Lake Way Project. Lake Way's location and logistical advantages make it the ideal location for the Company's first SOP operation. Construction has commenced on Australia's first commercial scale on-lake evaporation ponds.

The Company's long-term plan is to develop an integrated SOP operation, producing from a number (or all) of the lakes. Salt Lake Potash will progressively explore each of the lakes with a view to estimating resources for each Lake, and determining the development potential. Exploration of the lakes will be prioritised based on likely transport costs, scale, permitting pathway and brine chemistry.

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.