

## DECEMBER 2019 QUARTERLY REPORT

Salt Lake Potash Limited (SO4 or the Company) is pleased to present its Quarterly Report for the period ending 31 December 2019. The Company is focussed on rapidly progressing development of its Lake Way SOP Project in Wiluna, Western Australia.

### HIGHLIGHTS

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#### Stage 2 On-Lake Construction progressing on schedule

- Construction of evaporation ponds and trench infrastructure commenced in November 2019 with over 400ha of brine evaporation pond area nearing completion and 35km of brine abstraction trenches planned to complete
- 225ha of brine evaporation ponds commissioned and in operation at 31 December 2019, and producing harvest salts for plant commissioning in Q4 2020
- +12,000m of brine transfer piping installed with transfer pumping capacity of 600L/s to operate the brine evaporation ponds

#### Process Plant and Non-Process Infrastructure (NPI)

- Progressed detailed engineering design for process plant and NPI enabling key contracts to be awarded
- Process plant and NPI site clearance activities commence in January 2020
- Procured key long lead process plant equipment and NPI packages, including:
  - *Accommodation Village Awarded*
  - *Power Plant Awarded*
  - *Reverse Osmosis Water Treatment Plant Awarded*
  - *Wastewater Treatment Plant Awarded*
  - *SOP and Schoenite Chrystallisers Awarded*
  - *Communication System Awarded*
  - *Concrete Package Awarded*

#### Binding Offtake term sheets provide access to major global markets

- SO4 has secured 220,000t per annum of offtake to industry leading partners representing 90% of total planned production for five and ten year terms from commencement of shipping in Q1 2021, with take or pay arrangements on product resale
- Final purchase agreements based on the executed term sheets are well advanced with each of the offtake counterparties
- Binding agreements support SO4's strategy of diversifying distribution across key global premium SOP seaborne markets

#### Native Title Land Access Agreement executed for Lake Way Project

- SO4 and Tarlka Matuwa Piarku (Aboriginal Corporation) RNTBC (TMPAC) executed the Native Title Land Access Agreement (LAA) that covers the whole of the Lake Way Project
- Execution of the LAA is a key milestone enabling the rapid development of the Project

## Australian Institutional Placement and Debt Facility Extension

- SO4 secured further funding for the Project via a placement and debt facility extension for total A\$45.5 million
- The Placement further strengthens SO4's share register with strong demand from new and existing institutional investors
- Taurus continued their strong support of the Project by agreeing to extend the Stage 1 Facility by US\$15 million (A\$22 million) to a revised total of US\$45 million ahead of finalising the main Project Development Facility
- The combined additional funding ensures the Company is well placed to continue with the rapid development of the Lake Way Project, including the Stage 2 On-lake construction which is nearing completion and commencement of Process Plant and NPI construction in early 2020
- A\$57.6 million in combined available funding at 31 December 2019 ahead of anticipated finalisation of full Project funding in the coming months

## Completion of BFS for the commercial scale development of the 245,000t per annum Lake Way SOP Project demonstrating outstanding economic returns

- Exceptional economics with estimated project post-tax (real) NPV<sub>8</sub> of **A\$479 million** (pre-tax NPV<sub>8</sub> of A\$696 million) and post-tax IRR of **28%** (pre-tax IRR 38%)
- Steady state Project EBITDA of **A\$111 million** annually and average annual after tax free cash flow of **A\$78 million** (A\$83 million during first 5 years)
- Strong cash flow and low capital costs result in early payback period of **3.5 years**
- First quartile operating costs for global SOP producers with a C1 cash cost estimate of **A\$302/t** (US\$205/t)
- Low development capital requirements of approximately **A\$254 million** (US\$173 million), including contingency of A\$21 million, which is supported by the close proximity to infrastructure

## Anticipated milestones in the coming months

- Finalisation of full Project funding
- Completion of Stage 2 on lake civil construction
- Commencement of Process Plant and NPI site works
- Execution of final purchase agreements based on the binding Offtake term sheets
- Completion of the permanent on-site accommodation
- Procurement of final long lead packages for the Process Plant and NPI in line with the advanced Project Schedule

### ENQUIRIES

**Tony Swiericzuk (Perth)** | Telephone: +61 (8) 6559 5800

*This announcement has been authorised for release by the Board of Directors.*

## LAKE WAY PROJECT OVERVIEW

Lake Way is located in the Northern Goldfields Region of Western Australia, less than 15km south of Wiluna. The Lake Way Project tenements comprise approximately 386km<sup>2</sup>.

SO4 currently holds nine Mining Leases and seven Exploration Licences which cover the whole of the Lake Way surface and key strategic areas off-lake, including the extensive paleochannel and proposed process plant and village area. The Company has secured various Miscellaneous Licenses within the surrounding Lake Way area to support key infrastructure including process water bore fields, gas pipelines and access roads.

The recently completed transaction with Blackham Resources Ltd (Blackham), the owner of the adjacent Matilda-Wiluna Gold Operation, has secured access to process water rights in the Southern Borefield, in addition to key tenement acquisitions.

The October 2019 Bankable Feasibility Study for the commercial scale development of a 245,000t per annum Sulphate of Potash (SOP) operation at Lake Way demonstrates that the Project will generate outstanding returns with low operating costs and capital intensity.

SO4 has significantly advanced development of the Project, including completion of the Stage 1 125ha of evaporation ponds which are now filled with high grade brine (25kg/m<sup>3</sup> SOP) from the Williamson Pit and commencement of Stage 2 on-lake construction. This has provided the Company with additional insight into the critical evaporation processes and provided opportunities to further improve design and construction of the remaining evaporation pond network.

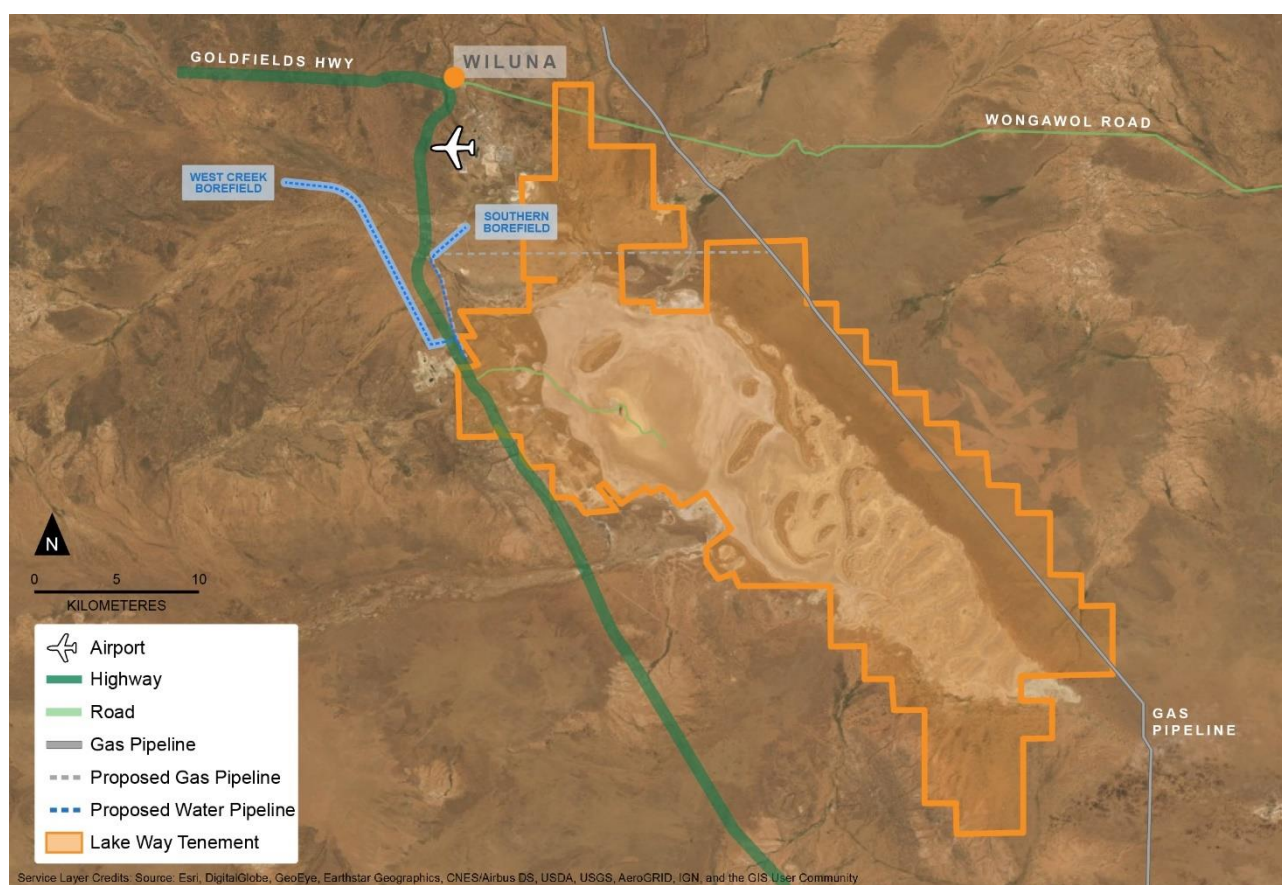


Figure 1: Key Project Infrastructure and Tenements

## BANKABLE FEASIBILITY STUDY

In October 2019, the Company reported the results of its Bankable Feasibility Study (BFS) for the commercial scale development of its 245,000t per annum Sulphate of Potash (SOP) project at Lake Way (Project).

Table 1: Key Project Metrics

Element	Unit	Value
<b>Physical</b>		
Life of mine	years	20
Annual SOP production	tpa	245,000
<b>Production plan</b>		
Ore reserve		
Brine volume	GL	474
Brine grade (LOM average)	kg/m <sup>3</sup> K	5.0
Contained potassium	Mt	2.4
Production method <sup>1</sup>		
Trenches	km	132
Bores	No.	18
Evaporation ponds		
Halite ponds	ha	686
Harvest ponds	ha	96
Recovery of potassium from brine	%	91%
<b>Process plant</b>		
Operating time	hours/yr	7,600
Harvest salt to plant	Mtpa	2.27
KCl addition	tpa	42,360
Recovery of potassium from harvest salt	%	84%
<b>Operating and capital costs</b>		
Operating costs		
Mine gate cash operating cost	A\$/t	240
Transport and handling cost	A\$/t	62
C1 cash cost	A\$/t	302
Capital costs		
Direct cost	A\$m	157
Indirect cost	A\$m	76
Contingency	A\$m	21
Total capital cost	A\$m	254
<b>Financial performance</b>		
Price (FOB)	US\$/t	550
Exchange rate	A\$/US\$	0.68
Discount rate	%	8%
NPV <sub>8</sub> (post-tax)	A\$m	479
IRR (post-tax)	%	28%
NPV <sup>8</sup> (pre-tax)	A\$m	696
IRR (pre-tax)	%	38%
EBITDA <sup>2</sup>	A\$m	111
Post tax annual cash flow <sup>2</sup>	A\$m	78
Payback	years	3.5

Note 1: Refers to initial trench and bore development included in the capital cost estimate. Note 2: Refers to average annual Project cash flows during steady-state production.

## STAGE 2 CONSTRUCTION UPDATE

SO4 is using a staged approach to pond construction that aligns with the process plant ramp-up schedule and steady-state production requirements, enabling some initial capital expenditure to be deferred for a period of up to 12 months.

The first stage of solar evaporation ponds (125ha) were completed in June 2019 and are now filled with high grade brine (25kg/m<sup>3</sup> SOP) from the Williamson Pit. These ponds have now been in operation for over 6 months, and have provided the Company with additional insight into the critical evaporation processes and provided opportunities to further improve design and construction of the remaining evaporation pond network.

Stage 2 of on-lake construction commenced during Q4 2019. Approximately 275ha of evaporation pond area (Figure 2) and accompanying brine extraction trenches will be constructed as part of Stage 2 on-lake construction.

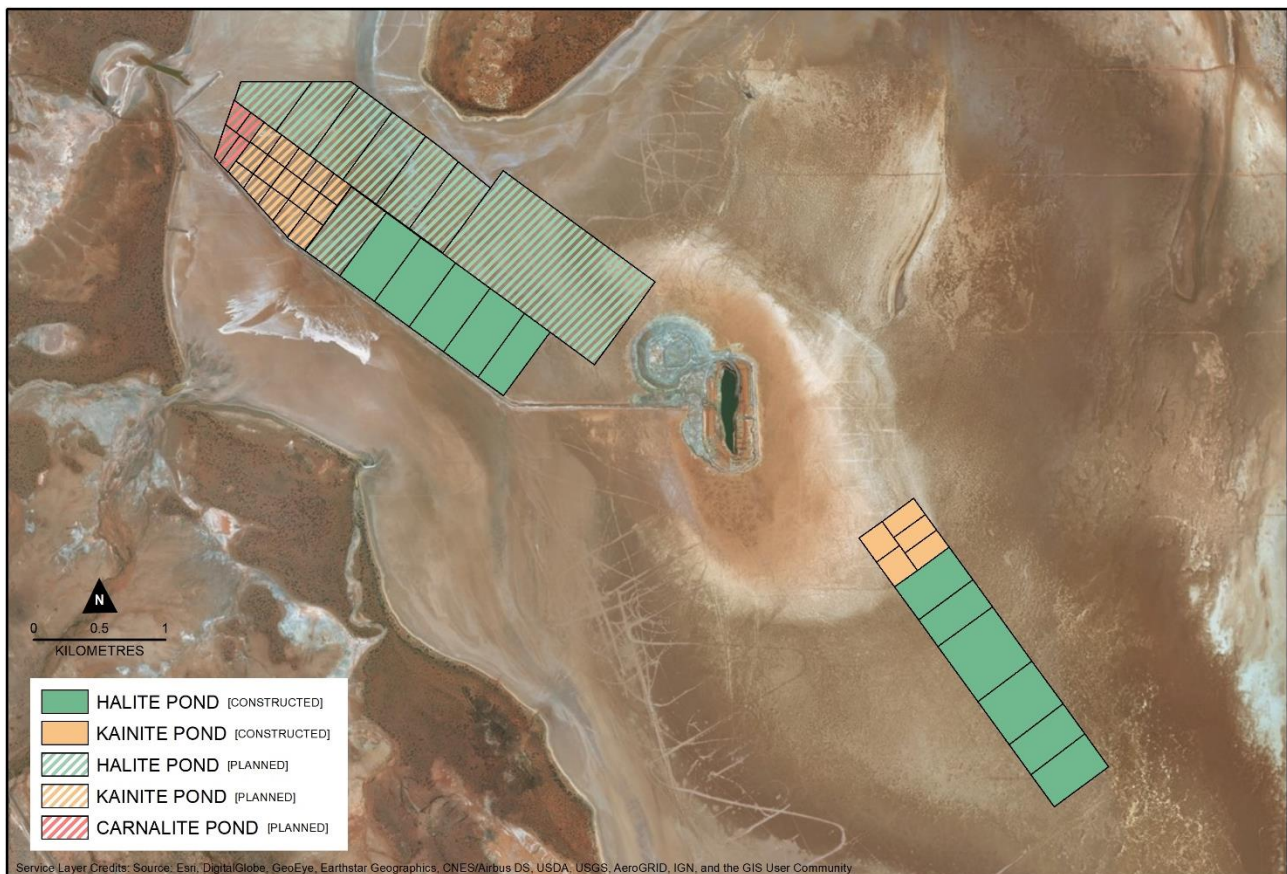


Figure 2: Stage 1 and Stage 2 Evaporation Pond Plan as at 31 December 2019

The Stage 2 evaporation ponds are being constructed using a combination of PVC sheet piles and traditional bulk earthworks. Material to form access around the perimeter of the ponds and the internal pond walls have been constructed using pre-strip material sourced from Blackham's Williamson Pit pre-strip mining operation. Keller, one of the largest specialist geotechnical contractors in Australia, is installing specially designed PVC sheet piles to create the perimeter/external wall of the ponds (see Figure 3). The construction methodology adopted has resulted in a compression of the project schedule compared to traditional earthwork berms.

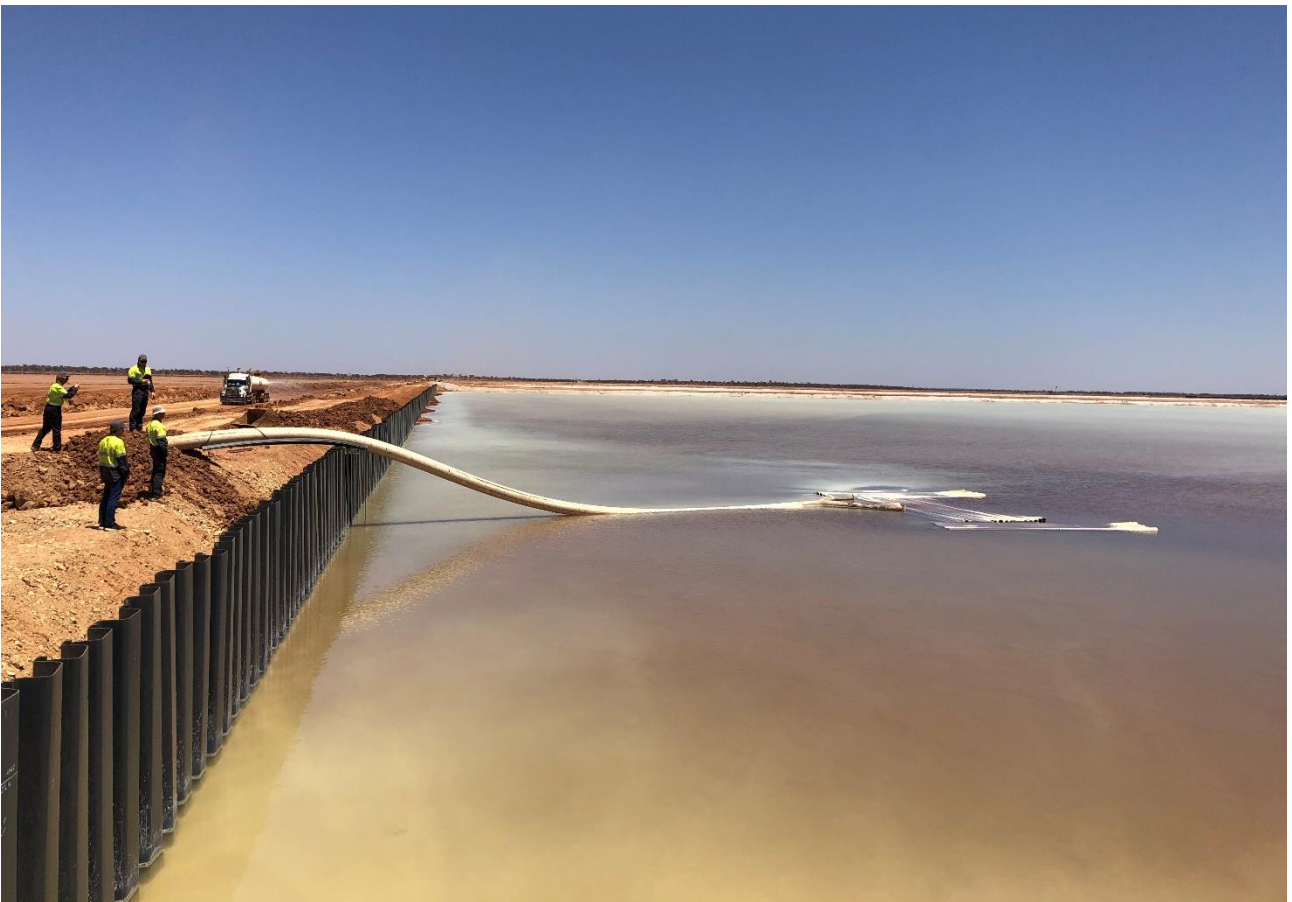


Figure 3: PVC Sheet Pile installation

As at 31 December 2019, in line with the Project schedule, the civil construction team completed over 100ha of Stage 2 evaporation ponds. These ponds have been pre-soaked and filled with brine from the expanding trench network. The ponds completed during the quarter take the total under operation to 225ha. A further 175ha of evaporation ponds will be completed and transferred to operations over the next few weeks, taking the total evaporation ponds in operation to over 400ha.



**Figure 4: Aerial Photo of initial commissioning of Stage 2 Evaporation Ponds**



**Figure 5: Commissioning of Stage 2 Evaporation Ponds**



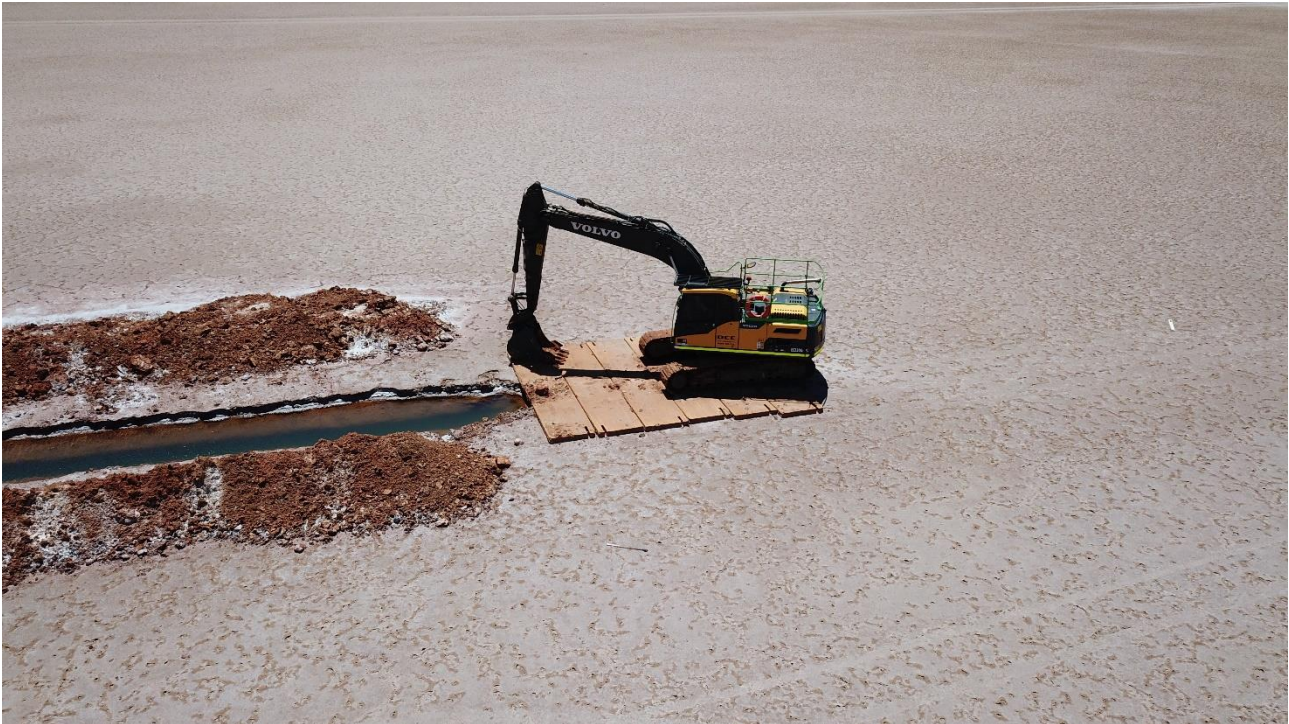
**Figure 6: Commissioning of Stage 2 Evaporation Ponds**

Construction of the brine extraction trench network on the lake playa continued on schedule during the quarter, with trenches constructed at an average depth of more than 4m.



**Figure 7: Stage 2 Brine Extraction Trenches**





**Figure 8: Trench Construction using bog mats to enable use of conventional equipment on lake**

To operate the brine abstraction trench network and evaporation pond system, a specialised pipe network and pumping system has been designed and constructed to suit the unique site environment. In excess of 12,000m of brine transfer piping has been installed with pump capacity of 600l/s.



**Figure 9: Brine Extraction Trench and Sump**



Figure 10: Pumping from the Brine Extraction Trenches

In early January 2020, the Lake Way site received approximately 62mm of rain over a seven (7) day period.

The rain event was timely such that it positively assisted to pre-soak the newly constructed Stage 2 on-lake evaporation ponds prior to filling with potassium rich brine from trenches. In addition, the rain also filled the trench network and recharged the surface playa aquifer in the areas on lake where water flow moved.

The very high evaporation rates experienced during summer ensure that the rain received has had minimal ongoing impact on the construction schedule.

## LAKE WAY OPERATIONS

SO4's operations team have been managing the 125ha Stage 1 evaporation ponds (Figure 11) since June 2019.

During Q4 2019, the completed Stage 2 evaporation ponds were commissioned and handed over to operations. Approximately 2.1GL of Lake Way brine had been transferred into evaporation ponds by the end of December 2019, including 1.2GL from the Williamson Pit.

Average chemistry of lake playa brine pumped from Brine Extraction Trenches was 6.8 Kg/m<sup>3</sup> of Potassium (K) (15.2 Kg/m<sup>3</sup> SOP) in line with expectations. Brine chemistry is performing as expected within evaporation ponds and the system commenced precipitating Potassium salts during the quarter as planned.

Handover of the brine extraction trench network to the operations team and ramp up of brine production capacity is ongoing.



Figure 11: Completed Stage 1 solar evaporation ponds



Figure 12: Commercial Stage 1 evaporation ponds in operation

## PROCESS PLANT

The Company has engaged GR Engineering Services Limited (GRES) to design, procure and manage construction of the process plant under an early services arrangement whilst a major contract is finalised between the parties. Wood Group PLC has been engaged as the process engineer.

The site clearance for the Process Plant commenced in January 2020 and construction is expected to commence during Q1 2020.

Other key engineering activities undertaken during the quarter include:

- Veolia continued detailed design of the crystalliser package and fabrication commenced in January 2020;
- Continued the detailed process design, including mechanical and piping layout design, as well as finalising equipment selection and tender assessments for vendor supply packages;
- Progressed pumping calculations and definition of design parameters for the steel tanks;
- Electrical design work progressed for switchroom layouts, load lists and cable schedules.

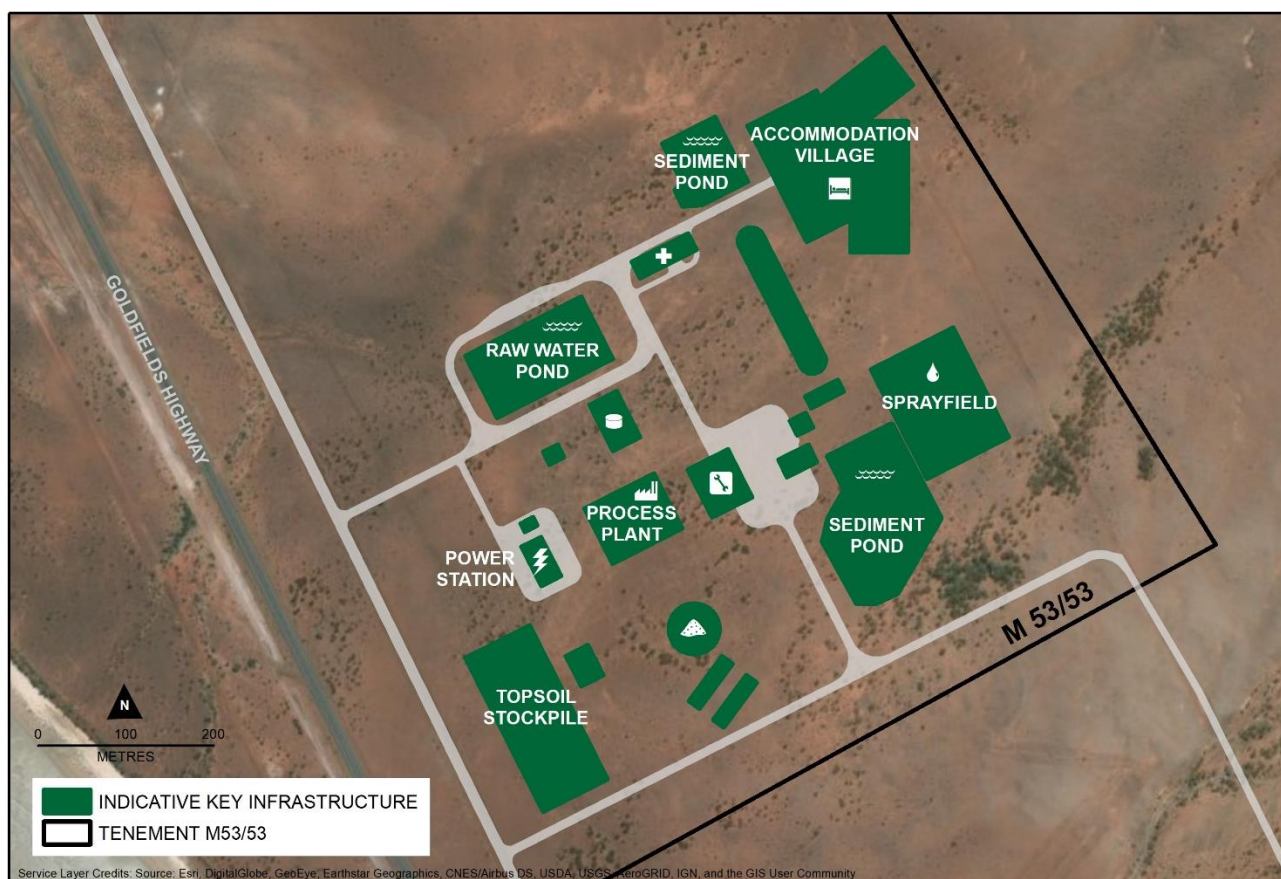


Figure 13: Process Plant Layout

## **NON-PROCESS INFRASTRUCTURE (NPI)**

SO4 awarded a number of key contracts for the installation and supply of key NPI and services during Q4 2019.

Construction and installation of an Accommodation Village was awarded to the Complete Group (Complete). The permanent camp will be acquired under a build, own, transfer (BOT) contract. The scope of works includes the design, engineering, supply and installation of buildings, detailed site works, services and commissioning for the construction of the village.

Complete progressed the detailed design and procurement for the accommodation village during the quarter. Installation of the village is expected to commence on site during Q1 2020.



Figure 14: Manufacture of the Village Accommodation Modules Progressing

Power West has been engaged for the supply of power to the Project under a 10-year Power Purchase Agreement (PPA). The PPA provides gas generated power with containerised alternate fuel source co-generation to allow for early commissioning.

Other packages awarded during Q4 2019 included:

- Reverse Osmosis Water Treatment Plant contract awarded for the design, supply and installation of the Brackish Water Reverse Osmosis Treatment Plant including tanks, pipes and pumps.
- Wastewater Treatment Plant contract awarded for the design, supply and installation of the Moving Bed Bioreactor Plus Sewerage Treatment Plant including the treated effluent discharge system.
- Communication System, including Telstra contract to supply sitewide communications, and backhaul to Wiluna, and the fixed communications tower contract.

Discussions regarding the Gas Transport Agreement progressed during the quarter, with an early services agreement awarded to progress design of the Goldfields Gas Pipeline tie in, the lateral pipeline together with associated infrastructure and commencement of necessary approval activities. Agreements for the supply of natural gas were also progressed.

The design for the main intersection roadworks at the Goldfields Highway progressed with Mainroads WA approval allowing finalisation of construction planning.

## ACQUISITION OF STRATEGIC TENEMENT PACKAGE

In July 2019, SO4 and Blackham entered into a Sales Agreement whereby SO4 will acquire a package of tenements and other key assets for the Lake Way Project. The conditions precedent to the Sales Agreement were satisfied and the transaction has completed in early October 2019. The acquisition is another important step in providing the Company with certainty over tenure, timing and capital expenditure required to bring the Lake Way Project into production.

During the Q4 2019, SO4 exercised its option under the Sales Agreement to acquire Blackham's southern water borefield infrastructure outright, securing long term water supply. The Company is required to make a A\$3m payment to Blackham by 30 June 2020.

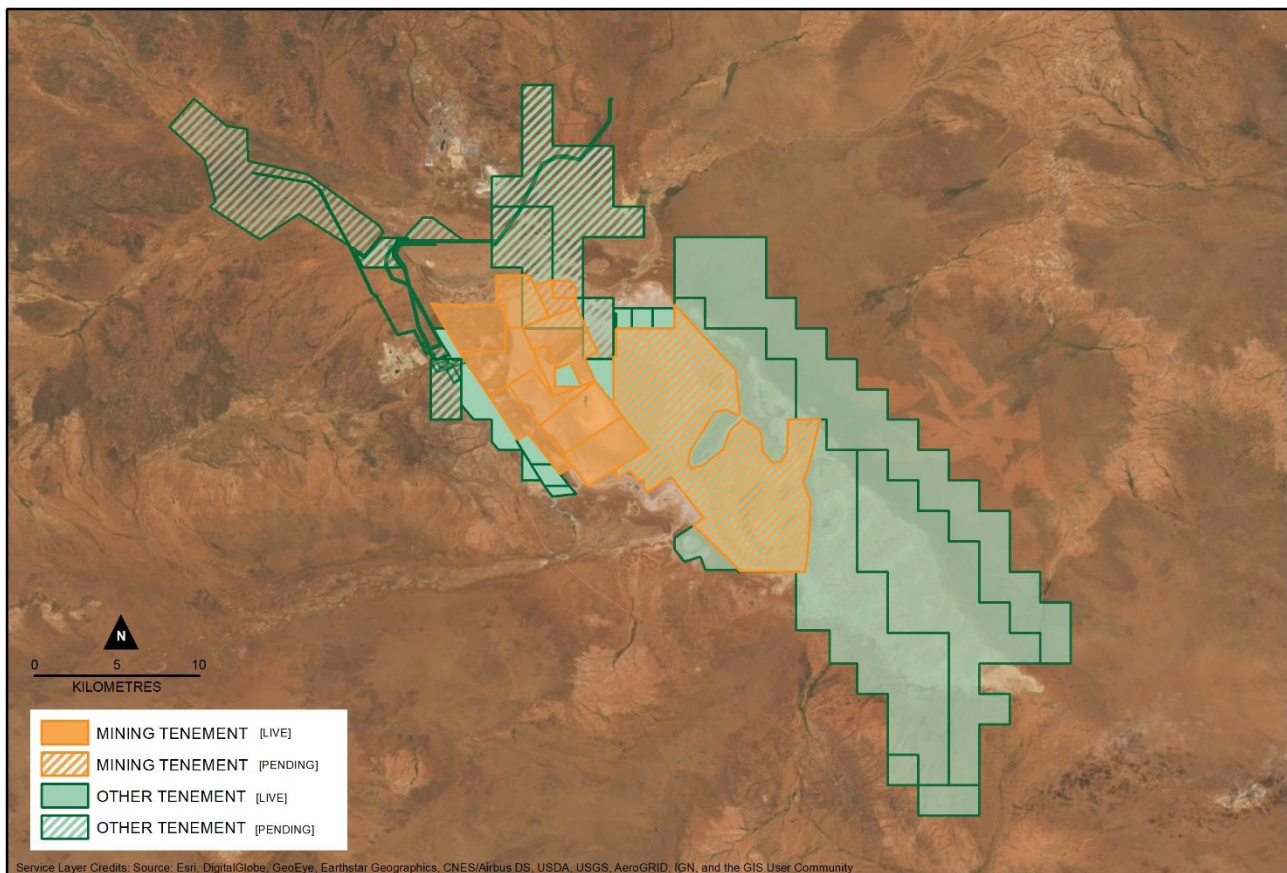


Figure 15: Project tenements

## APPROVALS

Lake Way is located in an area with a long history of minerals exploration and associated environmental assessment. SO4 has taken advantage of existing environmental knowledge to support the permitting of its early works programme and focus additional investigations required for permitting of full-scale operations.

Environmental work to date has not identified any social or environmental factors that could constitute fatal flaws or insurmountable obstacles to gaining necessary statutory approvals. The final outstanding approvals for the Lake Way Project are currently being progressed.

The pond and trench construction activities for Stage 2 Project development works commenced in Q4 2019 after receipt of the Project Management Plan approval from Department of Mines, Industry Regulation and Safety (DMIRS). These are the construction activities which were determined by the Environmental Protection Agency (EPA) to not require formal assessment under Part IV of the Environmental Protection Act 1986<sup>1</sup> and have an approved Mining Proposal from the Department of Mines, Industry Regulation and Safety (DMIRS) and a Works Approval from the Department of Water and Environmental Regulation (DWER). These approvals include a disturbance area to construct ponds and trenches totalling up to 757ha as shown in Figure 16.



Figure 16: Approved disturbance area for Project development works

<sup>1</sup> EPA non-assessment decision was received June 2019 and relates to the Lake Way SOP Demonstration Plant submission



Further approvals are required for the full scope of the Project with allowance for these approvals included in the Project schedule. The EPA has determined that the full project scope requires formal assessment with no public review. This assessment process is progressing well with a draft scoping document accepted and the commencement of the additional studies required.

Greenhouse gas emissions studies completed to date show Scope 1 CO<sub>2</sub> emissions are significantly less than the proposed EPA threshold emission level of 100,000t CO<sub>2</sub> equivalent, which would require formal assessment.

The recent rainfall received in January 2020 has created opportunities for SO4 to undertake additional studies to be undertaken in Q1 2020. The studies to be conducted include: Aquatic Lake Invertebrate survey, Short Range Endemic survey, targeted Tecticornia survey, Noise study, targeted Flora and Fauna surveys and Flood study.

In respect of the Processing Plant construction, the Company received a Mining Permit approval from Department of Mines, Industry Regulation and Safety (DMIRS) and Native Vegetation Clearing Permit has been approved. These approvals have allowed the bulk earthworks for the plant site to commence.

The Company has continued to obtain Ministerial consent to use the land under section 18 of the Aboriginal Heritage Act 1972, for additional development as needed to meet ongoing project requirements.

SO4 has obtained the necessary water licences to extract process water and for brine extraction from the lake. Final brine extraction licences are being sought. Project approvals for the construction of the initial paleo bores to obtain brine from the paleo channel are imminent.

## **NATIVE TITLE AND HERITAGE**

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In November 2019, the Company executed the Native Title Land Access Agreement (LAA) with Tarlka Matuwa Piarku (Aboriginal Corporation) RNTBC (TMPAC) for the whole of the Lake Way Project.

The landmark LAA will provide for the continuing development of the Lake Way Project and significant benefits to TMPAC and the broader community. TMPAC have entered into the LAA with SO4 on behalf of the Wiluna People who are the recognised Native Title Holders of the land covering the Lake Way Project area.

The LAA provides tenure and native title approval security to SO4 for the duration of the Project and covers the whole of the Lake Way Project area. In line with customary industry standards, TMPAC and the broader Wiluna Community will receive significant economic, social and environmental benefits, including:

- Royalty payments;
- Community support programs;
- Employment & training;
- Aboriginal business development and contracting opportunities;
- Heritage protection and land management opportunities.



Figure 17: Signing of LAA

The LAA includes an agreed procedure for the grant of any necessary statutory Aboriginal heritage consents for project operations as well as exclusion zones to protect areas of particular cultural sensitivity, all of which sit outside the footprint of proposed operations.

The execution of the LAA is a major milestone for the Lake Way Project and ensures remaining Mining Leases and associated tenure will be granted to support the rapid development of the Lake Way Project.

SO4 has been actively engaging with TMPAC and the broader Wiluna community for over 18 months as part of its commitment to establish early consultation and engagement into the design and implementation of the Lake Way Project.

## **OFFTAKE**

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During the Q4 2019, the Company signed binding term sheets for the sale of 220,000t per annum of premium SOP from the Lake Way Project, including:

- **HELM AG** – 50,000t per annum for 10 years in South East Asia and the Middle East
- **Unifert** - 60,000t per annum for 5 years in the Middle East and Africa
- **Indagro** - 50,000t per annum for 5 years in North America and Europe
- **Fertisur** - 60,000t per annum for 5 years in South America

Supported by the extensive test work and samples produced to date from Lake Way harvested salts, SO4 is planning to deliver a high quality, premium grade SOP to the market. Initially the Project will produce two products, (i) a high potassium content standard powder SOP (SSOP) and (ii) fertigation grade water soluble SOP (WSSOP). SO4 intends to increase the product offering to include a granular grade after production has commenced.

SO4's marketing strategy for the sale and distribution of its premium grade SOP is to work with selected industry leading partners targeting high growth markets and focussing on geographical areas with the highest concentration of crops which benefit from SOP fertilisers.

SO4 has been working with each of the offtake counterparties to execute final purchase agreements, based upon the binding terms sheets.

Discussions are also advanced with an additional Tier-1 fertiliser company for the sale of further premium SOP from the Lake Way Project and the Company continues to engage with a number of other potential customers.

## **PROJECT FUNDING**

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In December 2019, SO4 secured further funding for the Project via an institutional placement and debt facility extension for a total of A\$45.5 million in additional available funding.

The combined additional funding ensures the Company is well placed to continue with the rapid development of the Lake Way Project, including the Stage 2 on-lake construction which is substantially advanced and commencement of process plant construction in Q1 2020.

### **Institutional Placement**

The Company agreed to place approximately 33.6 million shares to a number of new Australian institutional investors and existing institutional shareholders at A\$0.70 each to raise A\$23.5 million before costs.

The Placement has contributed to the continued rapid development of the Lake Way Project, including construction of Stage 2 on-lake infrastructure and commencement of site works for the process plant in early 2020, along with ongoing exploration of other lakes and general working capital.

## **Stage 1 Facility Extension**

In August 2019, SO4 announced that it had mandated Taurus Funds Management (**Taurus** or the **Lenders**), to provide up to US\$150m project financing for the Lake Way Project.

The Stage 1 Facility (**Facility**) provided initial access to funding for early construction works for the Lake Way Project and enabled completion of the BFS prior to drawdown of the main Project Development Facility (**PDF**). The Facility is also funding civil works including the second stage of trenches and key evaporation ponds currently under construction, which will provide the initial harvest salts to enable the feed for plant commissioning. Given the lead-time required to generate harvest salts, the Facility is a crucial part of accelerating Lake Way's development towards commercial SOP production.

To fund the ongoing construction of key infrastructure prior to drawdown of the PDF, the parties agreed to a US\$15m extension to the Facility. Terms and conditions of the extension to the Facility are consistent with the original terms. The extended Facility will be refinanced upon drawdown of the PDF.

Following completion of the BFS, SO4 has been working with Taurus to complete documentation and satisfy the conditions precedent to the PDF. In addition to the PDF, the Company is assessing a range of alternative and complementary funding options to ensure that it is fully funded in the coming months to complete construction in line with the Project schedule.

## LAKE MARMION EXPLORATION PROGRAM

The Company continued to progress its assessment of the other lakes in its portfolio in order to prioritise future potential development. During Q4 2019 exploration activities commenced at Lake Marmion with a view to reporting a maiden mineral resource estimate.

Work at Lake Marmion consisted of the following:

- Drilling, completion and development of 37 100mm diameter auger holes as piezometers between 3m and 7m depth;
- Installation of 17 piezometers with pressure transducers to monitor long term water level variations;
- Carrying out of Slug Tests for hydraulic conductivity estimation on 19 piezometers;
- Installation of 20 piezometers at the test trench location to monitor the change in water level due to the trench test pumping;
- Digging of 2 trenches and 5 test pits with an amphibious excavator for test pumping;
- 36 insitu core samples from the piezometers, 20 of which have been sent to a laboratory for porosity, hydraulic conductivity and specific yield determination;
- 21 grab samples for soil analysis;
- 8 Column samples of which 6 were sent to a laboratory to assess the impact of dilution in response to recharge events;
- 62 brine samples for grade analysis, including duplicates, collected from piezometers, pits and hand dug pits.

Results from this program are pending and will be reported when available.

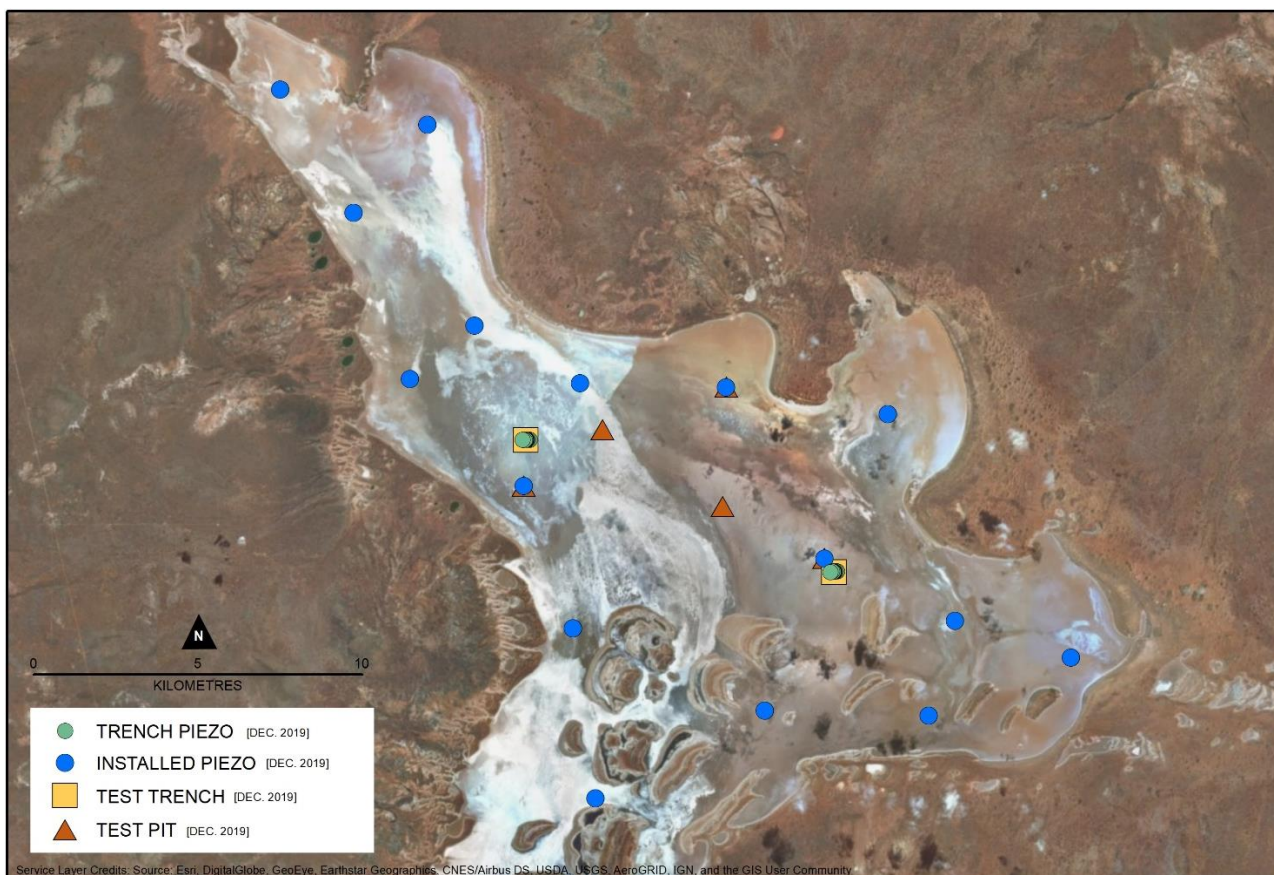


Figure 18: Lake Marmion 2019 Exploration Program



Figure 19: Installation of a monitoring piezometer after insitu geological and brine sampling at Lake Marmion

## APPENDIX A – COMPETENT PERSON STATEMENT AND DISCLAIMER

### Competent Persons Statement

*The information in this announcement that relates to Production Targets and Ore Reserves for Lake Way is extracted from the announcement entitled 'Outstanding Bankable Feasibility Results for Lake Way' dated 11 October 2019. This announcement is available to view on [www.so4.com.au](http://www.so4.com.au). The information in the original ASX Announcement that related to Production Targets and Ore Reserves was based on, and fairly represents, information compiled by Mr Ben Jeuken, who is a member of the Australasian Institute of Mining and Metallurgy and a member of the International Association of Hydrogeologists, and Mr Robert Kinnell, who is a member of the Australasian Institute of Mining and Metallurgy and a Fellow of the Geological Society of London. Mr Jeuken is employed by Groundwater Science Pty Ltd, an independent consulting company. Mr Kinnell is a full time employee of Salt Lake Potash Limited. Mr Jeuken and Mr Kinnell have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are 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. 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.*

*The information in this announcement that relates to Exploration Results and Mineral Resources for Lake Way is extracted from the announcement entitled 'Outstanding Bankable Feasibility Results for Lake Way' dated 11 October 2019. This announcement is available to view on [www.so4.com.au](http://www.so4.com.au). The information in the original ASX Announcement that related to Exploration Results and Mineral Resources was based on, and fairly represents, information compiled by Mr Ben Jeuken, who is a member of the Australasian 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. 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.*

*The information in this announcement that relates to Processing and the Process Plant is extracted from the announcement entitled 'Outstanding Bankable Feasibility Results for Lake Way' dated 11 October 2019. This announcement is available to view on [www.so4.com.au](http://www.so4.com.au). The information in the original ASX Announcement that related to Processing and the Process Plant was based on, and fairly represents, information provided by Mr Kevin Martina, Professional Engineer, who is a Member of the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS), a 'Recognised Professional Organisation' (RPO) included in a list promulgated by the ASX from time to time. Mr Martina is employed by Wood Canada Limited, Saskatoon. Wood is engaged as a consultant by Salt Lake Potash Limited. Mr Martina 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. 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.*

### Production Target

*The Lake Way 245ktpa Production Target stated in this presentation is based on the Company's Bankable Feasibility Study as released to the ASX on 11 October 2019. The information in relation to the Production Target that the Company is required to include in a public report in accordance with ASX Listing Rule 5.16 and 5.17 was included in the Company's ASX Announcement released on 11 October 2019. The Company confirms that the material assumptions underpinning the Production Target referenced in the 11 October 2019 release continue to apply and have not materially changed.*

### 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.*

## APPENDIX 2 - SUMMARY OF EXPLORATION AND MINING TENEMENTS AS AT 31 DECEMBER 2019

Project	Status	Type of Change	License Number	Interest (%)	Interest (%)
				30-Sep-19	31-Dec-19
<b>Western Australia</b>					
<b>Lake Way<sup>2</sup></b>					
Central	Granted	-	E53/1878	100%	100%
East	Granted	-	E53/2057	100%	100%
South	Granted	-	E53/1897	100%	100%
South	Granted	-	E53/2059	100%	100%
South	Granted	-	E53/2060	100%	100%
West	Application	-	L53/208	100%	100%
Central	Application	-	M53/1102	100%	100%
Central	Application	Application	M53/1103	-	100%
Central	Application	Application	M53/1104	-	100%
Central	Application	Application	M53/1105	-	100%
Central	Application	Application	M53/1106	-	100%
Central	Application	Application	M53/1107	-	100%
Central	Granted	Acquisition	E53/1862	-	100%
West	Granted	Acquisition	E53/1863	-	100%
North	Application	Acquisition	E53/1905	-	100%
North	Application	Acquisition	E53/1952	-	100%
West	Application	Acquisition	E53/1966	-	100%
North	Application	Acquisition	E53/2049	-	100%
North	Granted	Acquisition	P53/1642	-	100%
West	Granted	Acquisition	P53/1643	-	100%
West	Granted	Acquisition	P53/1644	-	100%
West	Granted	Acquisition	P53/1645	-	100%
Central	Granted	Acquisition	P53/1666	-	100%
Central	Granted	Acquisition	P53/1667	-	100%
Central	Granted	Acquisition	P53/1668	-	100%
North	Granted	Acquisition	M53/121	-	100%
West	Granted	Acquisition	M53/122	-	100%
West	Granted	Acquisition	M53/123	-	100%
West	Granted	Acquisition	M53/147	-	100%
Central	Granted	Acquisition	M53/253	-	100%
Central	Granted	Acquisition	M53/796	-	100%
Central	Granted	Acquisition	M53/797	-	100%
Central	Granted	Acquisition	M53/798	-	100%
Central	Granted	Acquisition	M53/910	-	100%
West	Granted	Acquisition	L53/51	-	100%
West	Application	Acquisition	L53/207	-	100%
West	Application	-	L53/211	100%	100%
North	Application	-	L53/212	100%	100%
West	Application	Application	L53/214	-	100%
West	Application	Application	L53/215	-	100%
North	Application	Application	L53/216	-	100%
West	Application	Application	L53/217	-	100%
West	Application	Application	L53/218	-	100%
West	Application	Application	L53/210	-	100%
<b>Lake Wells</b>					
Central	Granted	-	E38/2710	100%	100%
South	Granted	-	E38/2821	100%	100%
North	Granted	-	E38/2824	100%	100%

<sup>2</sup> Acquisition of Lake Way tenements from Blackham Resources completed in October 2019.



Project	Status	Type of Change	License Number	Interest (%)	Interest (%)
				30-Sep-19	31-Dec-19
Outer East	Granted	-	E38/3055	100%	100%
Single Block	Granted	-	E38/3056	100%	100%
Outer West	Granted	-	E38/3057	100%	100%
North West	Granted	-	E38/3124	100%	100%
West	Granted	-	L38/262	100%	100%
East	Granted	-	L38/263	100%	100%
South West	Granted	-	L38/264	100%	100%
South	Granted	-	L38/287	100%	100%
South Western	Granted	-	E38/3247	100%	100%
South	Granted	-	M38/1278	100%	100%
Central	Application	-	E38/3380	100%	100%
<b>Lake Ballard</b>					
West	Granted	-	E29/912	100%	100%
East	Granted	-	E29/913	100%	100%
North	Granted	-	E29/948	100%	100%
South	Granted	-	E29/958	100%	100%
South East	Granted	-	E29/1011	100%	100%
South East	Granted	-	E29/1020	100%	100%
South East	Granted	-	E29/1021	100%	100%
South East	Granted	-	E29/1022	100%	100%
South	Granted	-	E29/1067	100%	100%
South	Granted	-	E29/1068	100%	100%
East	Application	-	E29/1069	100%	100%
North	Granted	-	E29/1070	100%	100%
<b>Lake Irwin</b>					
West	Granted	-	E37/1233	100%	100%
Central	Granted	-	E39/1892	100%	100%
East	Granted	-	E38/3087	100%	100%
North	Granted	-	E37/1261	100%	100%
Central East	Granted	-	E38/3113	100%	100%
South	Granted	-	E39/1955	100%	100%
North West	Granted	-	E37/1260	100%	100%
South West	Granted	-	E39/1956	100%	100%
<b>Lake Minigwal</b>					
West	Granted	-	E39/1893	100%	100%
East	Granted	-	E39/1894	100%	100%
Central	Granted	-	E39/1962	100%	100%
Central East	Granted	-	E39/1963	100%	100%
South	Granted	-	E39/1964	100%	100%
South West	Granted	-	E39/1965	100%	100%
<b>Lake Marmion</b>					
North	Granted	-	E29/1000	100%	100%
Central	Granted	-	E29/1001	100%	100%
South	Granted	-	E29/1002	100%	100%
West	Granted	-	E29/1005	100%	100%
West	Application	-	E29/1069	100%	100%
<b>Lake Noondie</b>					
North	Granted	-	E57/1062	100%	100%
Central	Granted	-	E57/1063	100%	100%
South	Granted	-	E57/1064	100%	100%
West	Granted	-	E57/1065	100%	100%
East	Granted	-	E36/932	100%	100%
Central	Application	Application	E36/984	-	100%
Central	Application	Application	E36/984	-	100%
<b>Lake Barlee</b>					
North	Granted	-	E30/495	100%	100%
Central	Granted	-	E30/496	100%	100%
South	Granted	-	E77/2441	100%	100%

Project	Status	Type of Change	License Number	Interest (%)	Interest (%)
				30-Sep-19	31-Dec-19
<b>Lake Raeside</b>					
North	Granted	-	E37/1305	100%	100%
<b>Lake Austin</b>					
North	Application	-	E21/205	100%	100%
West	Application	-	E21/206	100%	100%
East	Granted	-	E58/529	100%	100%
South	Granted	-	E58/530	100%	100%
South West	Granted	-	E58/531	100%	100%
<b>Lake Moore</b>					
Central	Granted	-	E59/2344	100%	100%
<b>Northern Territory</b>					
<b>Lake Lewis</b>					
South	Granted	-	EL 29787	100%	100%
North	Granted	-	EL 29903	100%	100%

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Salt Lake Potash Limited

### ABN

98 117 085 748

### Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(18,348)	(27,388)
(b) development <sup>(1)</sup>	(5,472)	(7,668)
(c) production	-	-
(d) staff costs	(3,069)	(5,287)
(e) administration and corporate costs	(991)	(1,628)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	31	78
1.5 Interest and other costs of finance paid	(2)	(5)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
- Business Development	(1,023)	(1,481)
- Security Deposits	(126)	(126)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(29,000)</b>	<b>(43,505)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(329)	(487)
(b) tenements (see item 10)	(7,000)	(10,000)
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	35	35
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(7,294)</b>	<b>(10,452)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	23,008	30,416
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(762)	(859)
3.5 Proceeds from borrowings	29,226	44,043
3.6 Repayment of borrowings	(1)	(40)
3.7 Transaction costs related to loans and borrowings	(671)	(2,411)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>50,800</b>	<b>71,149</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	21,989	19,304
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(29,000)	(43,505)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(7,294)	(10,452)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	50,800	71,149
4.5 Effect of movement in exchange rates on cash held	(289)	(290)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>36,206</b>	<b>36,206</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	36,206	21,862
5.2 Call deposits	-	127
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>36,206</b>	<b>21,989</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

(136)

-

Payments include salaries, director and consulting fees and superannuation.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

Not applicable.

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	64,230	42,820
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The Company has mandated Taurus Funds Management (as manager of the Taurus Mining Finance Fund L.P., Taurus Mining Finance Annex Fund L.P. and Taurus Mining Finance Fund No. 2 L.P.) to provide up to US\$150m project financing for the Lake Way Project.

The Stage 1 Facility was extended from US\$30 million to US\$45 million as announced to the market on 6 December 2020 and continues to be drawn down. The facility is secured and interest is payable at 9.75% pa.

The Project Development Facility (PDF) for up to US\$150m (A\$214m) will be used to refinancing the Stage 1 Facility and for project development and working capital associated with the development of the Lake Way Project. Draw down of the PDF is subject to a number of Conditions Precedent, The PDF will be secured and interest will be payable at 9.00% pa.

As the loan is denominated in USD, the facility amount and amount drawn down has been converted at an FX rate of \$0.7006 USD/AUD, being the FX crossrate at 31 December 2019.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	400
9.2 Development	36,000
9.3 Production	-
9.4 Staff costs	3,200
9.5 Administration and corporate costs	800
9.6 Other (provide details if material)	
- Property Plant & Equipment	1,400
- Business Development	500
- Finance expenses	1,500
- Loan funds draw down	(21,410)
<b>9.7 Total estimated cash outflows</b>	<b>22,390</b>

## Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to Appendix 2		
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....

Date: 31 January 2020

(Director/Company secretary)

Print name: Clint McGhie

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.