

## BINDING OFFTAKE WITH MITSUI & CO.

Salt Lake Potash Limited (SO4 or the Company) is pleased to announce it has signed a binding term-sheet with Mitsui & Co. for the sale of premium water soluble Sulphate of Potash (SOP) from its Lake Way Project in Wiluna, Western Australia. Mitsui is a major global manufacturer and distributor of fertilisers and will deliver the product into key Asian markets. The Company has now secured offtake for 224kt per annum of the 245kt per annum Lake Way production, with the remaining tonnes expected to be sold into local and spot markets.

### HIGHLIGHTS

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- The agreement with Mitsui & Co. is for the sale of SOP into Bangladesh, Cambodia, Japan, Malaysia, Philippines, South Korea, Sri Lanka and Taiwan over a period of five years.
- SO4 will initially provide 4kt per annum of SOP to Mitsui. Mitsui and SO4 are developing a further agreement for additional tonnes of water soluble SOP to be sold into emerging markets.
- The water soluble market provides premiums of up to 20% above standard SOP pricing.<sup>1</sup> The production of water soluble SOP by SO4 is a key competitive advantage in the seaborne SOP market.
- The agreement represents a further endorsement from a major global fertiliser distributor for both the Lake Way Project and its premium SOP products.
- The Company now has a global portfolio of five offtake partners covering sales across six continents.

#### ENQUIRIES

**Tony Swiericzuk | Richard Knights**

Telephone: +61 (8) 6559 5800

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

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<sup>1</sup> CRU, SOP Market Study, May 2019

## OFFTAKE TERM SHEET

Mitsui & Co., Ltd. is one of the largest trading and investment companies in the world with over 42,000 employees (consolidated). Its Nutrition & Agriculture Business Unit is involved in the manufacture and sales of agrochemicals and fertilisers, as well as providing global logistics services for fertiliser resources and raw materials, alongside Animal and Human nutrition business lines.

The Binding Term Sheet signed between Salt Lake Potash and Mitsui is for 4,000 tonnes of SOP per annum for five years from the date on which the Project becomes operational.

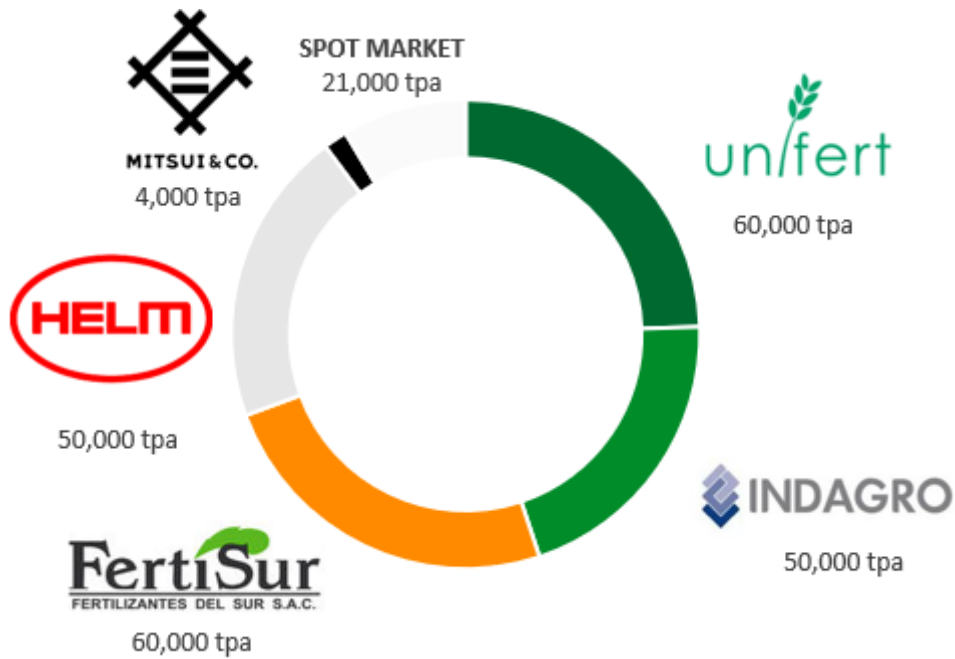
**Table 1: Mitsui Term Sheet – Key Terms**

| Terms                |   |
|----------------------|---|
| Counterparty         | Mitsui & Co. (Asia Pacific) PTE. LTD.   |
| Conditions Precedent | Effective upon Lake Way Project becoming operational.   |
| Product              | <p>Lake Way SOP representative of the typical values in the following specifications:</p> <ul style="list-style-type: none"> <li>- Fertiligation Grade – Water soluble SOP <ul style="list-style-type: none"> <li>o K 44%</li> <li>o K<sub>2</sub>O 53%</li> <li>o Cl &lt;0.1%</li> <li>o Insolubles &lt;0.09%</li> <li>o Solubility 11.9g/100gH<sub>2</sub>O</li> <li>o Dissolution &gt;95% in 1 minute</li> </ul> </li> </ul> |
| Term                 | 5 years from the date on which the Lake Way Project becomes operational   |
| Territory            | Bangladesh, Cambodia, Japan, Malaysia, Philippines, South Korea, Sri Lanka, Taiwan  |
| Quantity             | 4,000 tonnes per annum  |
| Price                | Quarterly pricing mechanism with defined fall back price  |

## LAKE WAY OFFTAKE PORTFOLIO

Salt Lake Potash has now secured offtake for 224kt of its 245kt capacity from its Lake Way Project, with the remaining 21kt expected to be sold as additional volume to the offtake partners and into the local and spot markets.

Chart 1: Lake Way offtake distribution



## 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.*

### 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.*