

CONVERTIBLE NOTE PLACEMENT

Salt Lake Potash Limited (SO4 or the Company) is pleased to advise that it has received commitments to raise A\$15m through the placement of unsecured zero-coupon Convertible Notes to corporate and institutional investors.

HIGHLIGHTS

- The Convertible Notes have been structured as deferred equity with zero coupon and mandatory conversion into equity at the lower of 45c/share or a 5% discount to any future equity raising of at least A\$10m.
- The funds will allow SO4 to continue the rapid development of Lake Way as construction activities ramp-up through July. Plant practical completion and first SOP sales remain on schedule for the March 2021 quarter.
- The Company is in the final stages of completing the debt financing that is required to deliver project financial close at Lake Way. A final agreement is expected to be executed within weeks.
- The Convertible Note funds have been placed to a combination of new and existing institutional investors and a new corporate investor, Equatorial Resources Limited (ASX: EQX).

TONY SWIERICZUK, Chief Executive Officer

"We are pleased to complete this financing with the support of existing and new shareholders. These funds will enable the Company to continue the rapid development of the Lake Way Project on schedule, as site construction activity accelerates through July. Significant progress has been made on the debt financing in recent weeks and we expect to be in a position to deliver full project financial close in the weeks ahead."

ENQUIRIES

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

CONVERTIBLE NOTE PLACEMENT

The Company has received commitments to raise A\$15 million through the placement of unsecured and unlisted zero coupon Convertible Notes, subject to mandatory conversion in the event of any future equity raising of at least A\$10m.

If no equity raising for greater than A\$10m prior to the Maturity Date of 30th June 2021, then the Convertible Notes will mandatorily convert at 90% of the average of the five lowest daily VWAPs during the 20 days prior to the Maturity Date. Holders will also have the right to convert at any time after 30th September 2020, but prior to the maturity date of 30th June 2021 or mandatory conversion at a 5% discount to 5-day VWAP by providing notice to the Company. A floor price of 30c per share applies to all conversions.

The placement funds will enable SO4 to continue to deliver the Lake Way Project to schedule, with first production expected in the March 2021 quarter. The funds will be used primarily on Lake Way Project development including Process Plant procurement, construction and ongoing operation of Stage 1 & 2 Evaporation Ponds.

Commitments for the Convertible Notes have come from Institutional Investors (holding & non-holding) and a new Corporate investor Equatorial Resources Limited which has subscribed for A\$10 million. Conversion of the notes to be issued to Equatorial is subject to SO4 shareholder approval at a meeting expected to be held in August 2020. Additional information will be provided in a notice of meeting to be issued shortly.

The placement of the remaining Convertible Notes to raise A\$5 million is under the Company's Listing Rule 7.1 placement capacity. The Convertible Notes are otherwise issued on terms considered customary.

The Convertible Notes are considered to be the most efficient mechanism for raising funds to continue the rapid development of the project in the lead up to financial close. 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 form of capital raising.

Argonaut acted as Financial Advisor on the placing.

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.