

23 March 2016

PLACEMENT TO RAISE \$5.2 MILLION

Salt Lake Potash Limited (**the Company** or **SO4**) is pleased to announce that it has successfully completed the domestic tranche of a placement of 16,250,000 ordinary shares of the Company at an issue price of \$0.32 per share to institutional and sophisticated investors in Australia, to raise gross proceeds of \$5,200,000 (**Placement**).

Baillieu Holst Limited (**Baillieu**) and Argonaut Securities Pty Ltd (**Argonaut**) acted as Joint Lead Manager to the Placement. The issue price of \$0.32 represents a 12.0% discount to the 20-day VWAP.

The Company expects to complete the placement on or about 31 March 2016 and expects to issue the Placement shares under Listing Rules 7.1 and 7.1A.

The Company has also received strong interest in equity funding from overseas based strategic and sophisticated agricultural investors and has requested a one day voluntary suspension of the Company's securities to finalise discussions with the interested parties.

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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 0.5%, dilution to existing shareholders as a result of the issue under Listing Rule 7.1 is 12.8% and the total dilution to existing shareholders is 13.3%. 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 644,611 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 6% may be paid to Ballieu and Argonaut in connection with the Placement under rule 7.1A.

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.