

24 March 2016

PLACEMENT INCREASED TO RAISE UP TO \$8.4 MILLION

Salt Lake Potash Limited (**the Company** or **SO4**) is pleased to announce that further to the \$5.2 million placement to Australian investors as announced 23 March 2016, it has received commitments from strategic and institutional overseas investors to subscribe for up to a further 9,925,000 ordinary shares of the Company at the same terms as the placement to Australian investors, increasing the fundraising by the Company to up to A\$8,376,000 (**Placement**).

Proceeds from the Placement will be used to accelerate the Company's planned development initiatives at its flagship Lake Wells Sulphate of Potash (SOP) Project:

- Further drilling to improve the geological and hydrological model at Lake Wells, including pump testing of 3 aquifer units and measuring the hydraulic properties (flow rates and transmissivity) of the aquifers hosting the brine. A drill rig has recently mobilised to Lake Wells.
- Field evaporation trials on bulk brine samples supplied from the current drilling campaign to define the evaporation patterns, estimate the salting points of mixed salts and predict the conditions for production of SOP. Laboratory evaporation trials are currently underway to assist in designing the parameters of the field evaporation trials.
- A Scoping Study on the Lake Wells Project incorporating the recently upgraded Mineral Resource.
- Ongoing heritage, environmental, marketing and other studies to form part of the Lake Wells Scoping Study.
- Reconnaissance sampling and permitting at Lake Irwin (Exploration License: E37/1233 now granted), which is situated 180kms to the south-west of Lake Wells, as well as other projects owned by Salt Lake Potash.
- Normal working capital including staffing and corporate costs.

The issue price of A\$0.32 represents a 12.0% discount to the 20-day ASX VWAP.

It is expected that the Placement will be completed progressively over the next week as proceeds are received and the Company expects to issue the Placement shares under Listing Rules 7.1 and 7.1A.

Commenting on the Placement, SO4's Director, Matt Syme, said "This is an excellent outcome for the Company and the strong support received both domestically and from overseas underlines the quality of the Lake Wells Project and the exciting potential of salt lake SOP production in Australia. Once completed, the funds raised will allow SO4 to continue its aggressive exploration program, testwork activities and to complete important technical and commercial studies".

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Revised 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 8.0%, dilution to existing shareholders as a result of the issue under Listing Rule 7.1 is 11.8% and the total dilution to existing shareholders is 19.8%. 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 10,569,611 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 the Brokers/Advisors 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.