31 October 2016

# SEPTEMBER 2016 QUARTERLY REPORT

*The Board of Salt Lake Potash Limited (**the Company** or **Salt Lake**) is pleased to present its quarterly report for the period ending 30 September 2016.*

***Highlights:***

- ***Completion of a positive Scoping Study:*** *which confirmed the potential of the Lake Wells Project to produce low cost SOP by solar evaporation of lake brines for domestic and international fertiliser markets. The Scoping Study (accuracy ±30%) prepared by global engineering firm, Amec Foster Wheeler, and other international experts, demonstrates excellent project fundamentals based on well-established solar evaporation and salt processing techniques. Based on the positive results of the Scoping Study, the Company will now proceed to a Pre-Feasibility Study (PFS).*

  *Lake Wells has the potential to be one of only five large scale salt lake SOP producers around the world and the Project's **estimated cash production costs of A$185 per tonne** (Stage 2) would be amongst the lowest in the world. The Scoping Study is based on a two stage development plan for Lake Wells:*

  - *Stage 1 is based on shallow trenching and bore production with 100% of brine feed drawn from the near surface Measured Resource.*
  - *Stage 2 also includes pumping additional brine from the deeper Inferred Resource, to increase production to 400,000 tpa of SOP.*

  *All-in **capital costs total A$268 million for the 400,000 tpa** production scenario, amongst the lowest capital intensity for any proposed potash project worldwide.*

- ***Aircore drilling at Lake Wells:*** *the Company continued the aircore program targeting the Lake Wells paleochannel, successfully defining the Basal Paleochannel Sediments through the entire length of the Lake, which will comprise the main productive aquifer in the deeper part of Lake Wells brine resource.*

- ***Process development testwork:*** *Three separate brine evaporation trials under both simulated and actual site conditions were under way. Institutional process development company, Hazen Research Inc. (Hazen), in Colorado, USA, and Bureau Veritas (BV) in Perth conducted laboratory trials under simulated conditions and an extensive Site Evaporation Trial (SET) was established at Lake Wells to process large volumes of brine under site conditions.*

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## SCOPING STUDY

A Scoping Study (accuracy ±30%) was completed by global engineering firm, Amec Foster Wheeler, and other international experts, demonstrating excellent project fundamentals based on well-established solar evaporation and salt processing techniques. Based on the positive results of the Scoping Study, the Company has commenced a Pre-Feasibility Study (PFS). (See Announcement dated 29 August 2016 for full details of the Scoping Study).

Lake Wells has the potential to be one of only five large scale salt lake SOP producers around the world and the Project's estimated cash production costs of A$185 per tonne (Stage 2) would be amongst the lowest in the world.

The Project will produce SOP from hypersaline brine extracted from Lake Wells via trenches and a combination of shallow and deep production bores. The extracted brine will be transported to a series of solar evaporation ponds built on the Lake where selective evapo-concentration will precipitate potassium double salts in the final evaporation stage. These potassium-rich salts will be mechanically harvested and processed into SOP in a crystallisation plant. The final product will then be transported for sale to the domestic and international markets.

The Scoping Study is based on a two stage development plan for Lake Wells:

- Stage 1 is based on shallow trenching and bore production with 100% of brine feed drawn from the near surface Measured Resource.
- Stage 2 also includes pumping additional brine from the deeper Inferred Resource, to increase production to 400,000 tpa of SOP.

Key Scoping Study results for Stage 1 and Stage 2:

| | Stage 1 | Stage 2 |
|---|---|---|
| Annual Production (tpa) – steady state | 200,000 | 400,000 |
| Capital Cost * | A$191m | A$39m |
| Operating Costs ** | A$241/t | A$185/t |

* Capital Costs based on an accuracy of -10%/+30% before contingencies and growth allowance but including EPCM.
** Operating Costs based on an accuracy of ±30% including transportation & handling (FOB Esperance) but before royalties and depreciation.

The Scoping Study utilises the Project's Mineral Resource Estimate of 80-85 Mt of SOP in 9,691 GL of brine at an average of 8.7 kg/m$^3$ of $K_2SO_4$. The Mineral Resource Estimate includes Measured and Indicated Resources of 26 Mt of SOP in the shallowest 20m of the Lake.

The Study has established the indicative costs of a two stage production operation, initially producing 200,000 tonnes per annum (tpa) and then 400,000 tpa of dried organic SOP. Stage 1 produces 200,000 tpa but includes most of the capital works required for a 400,000 tpa operation. Stage 2 will commence after initial capex is repaid by cashflow generated from the shallow Measured and Indicated Resource.

| **Key Assumptions and Inputs** | | |
|---|---|---|
| Maximum Study Accuracy Variation | +/- 30% | +/- 30% |
| Stage | Stage 1 | Stage 2 |
| Life of Mine (LOM) | 20 years | |
| Annual Production (steady state) tonnes | 200,000 | 400,000 |
| Portion of Production Target – Measured & Indicated | 100% | 70% |
| Portion of Production Target – Inferred | 0% | 30% |
| | | |
| **Mining Method (Extraction)** | | |
| Trenches (km) | 107 | 157 |
| Shallow Bores (number) | 4 | 4 |

| Key Assumptions and Inputs | | |
|---|---|---|
| Deep Bores (number) | - | 34 |
| | | |
| **Mining Method (Extraction (volume))** | | |
| Trenches ($m^3$/h) | 3,074 | 4,521 |
| Shallow Bores ($m^3$/h) | 576 | 576 |
| Deep Bores ($m^3$/h) | - | 2,203 |
| **Total Volume** | **3,650** | **7,300** |
| | | |
| **Evaporation Ponds** | | |
| Area (ha) | 2,990 | 3,170 |
| Recovery of Potassium from feed brine | 70% | 70% |
| Recovery of Sulphate from feed brine | 18% | 18% |
| | | |
| **Plant** | | |
| Operating time (h/a) | 7,600 | 7,600 |
| | | |
| **Operating Costs * (±30%)** | | |
| Minegate (A$/t) | $165.74 | $110.00 |
| Transport (A$/t) | $75.10 | $75.10 |
| **Total (A$/t)** | **$240.84** | **$185.10** |
| | | |
| **Capital Costs (-10%/+30%)** | | |
| Direct | A$160.7 | A$32.0 |
| Indirect | A$30.5 | A$6.8 |
| Growth Allowance | A$32.5 | A$5.1 |
| **Total Capital** | **A$223.7** | **A$43.9** |

** Before Royalties and Depreciation*

The Scoping Study results highlight the benefits of Lake Wells' location in the Northern Goldfields, with excellent access to gas and transportation infrastructure. Total Capex of A$268 million for 400,000 tpa of SOP is amongst the lowest capital intensity of any proposed potash project worldwide.

Opportunities have been identified to further optimise capital and operating costs through equipment lease financing, further operational refinements and partnerships. The Company will also continue to investigate potential additional revenue streams for the project.

## EXPLORATION

### Geophysical Surveys

An extensive ground based geophysical survey was completed aimed at assessing the Lake Wells bedrock topography and generation of paleochannel aquifer drill targets. Gravity measurements were processed and merged by Western Geophysics with available regional data. The final merged residual gravity data have been used as the basis for interpretation.

The location and depth of the paleochannel has been interpreted by modelling gravity profiles across the structure.

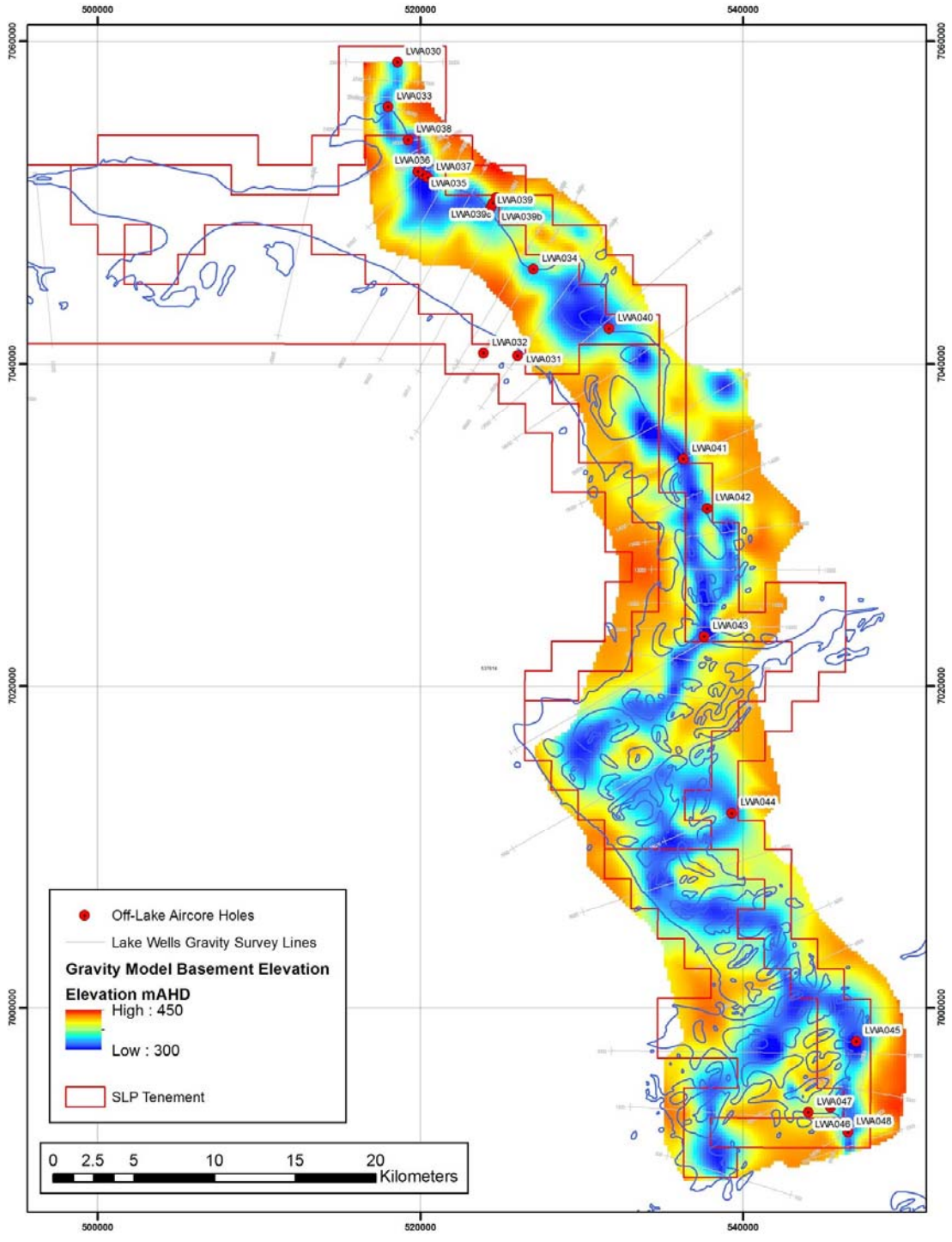


**Figure 1: Modelled Depth to basement derived from gravity data**

## Aircore Drilling Program

During the quarter, the aircore drilling program continued to test potential palaeochannel aquifer targets identified by geophysical surveys. The results provide further understanding of the characteristics of the paleochannel aquifer and generate locations for further test pumping bores to advance and refine the Lake Wells hydrogeological model. The program comprised of 22 drillholes with a total of 2,274 metres drilled, directed at areas where the modelled paleochannel intersected the edge of the Lake, allowing aircore drilling with a truck-mounted rig. Refer to Figure 2 for drill locations.

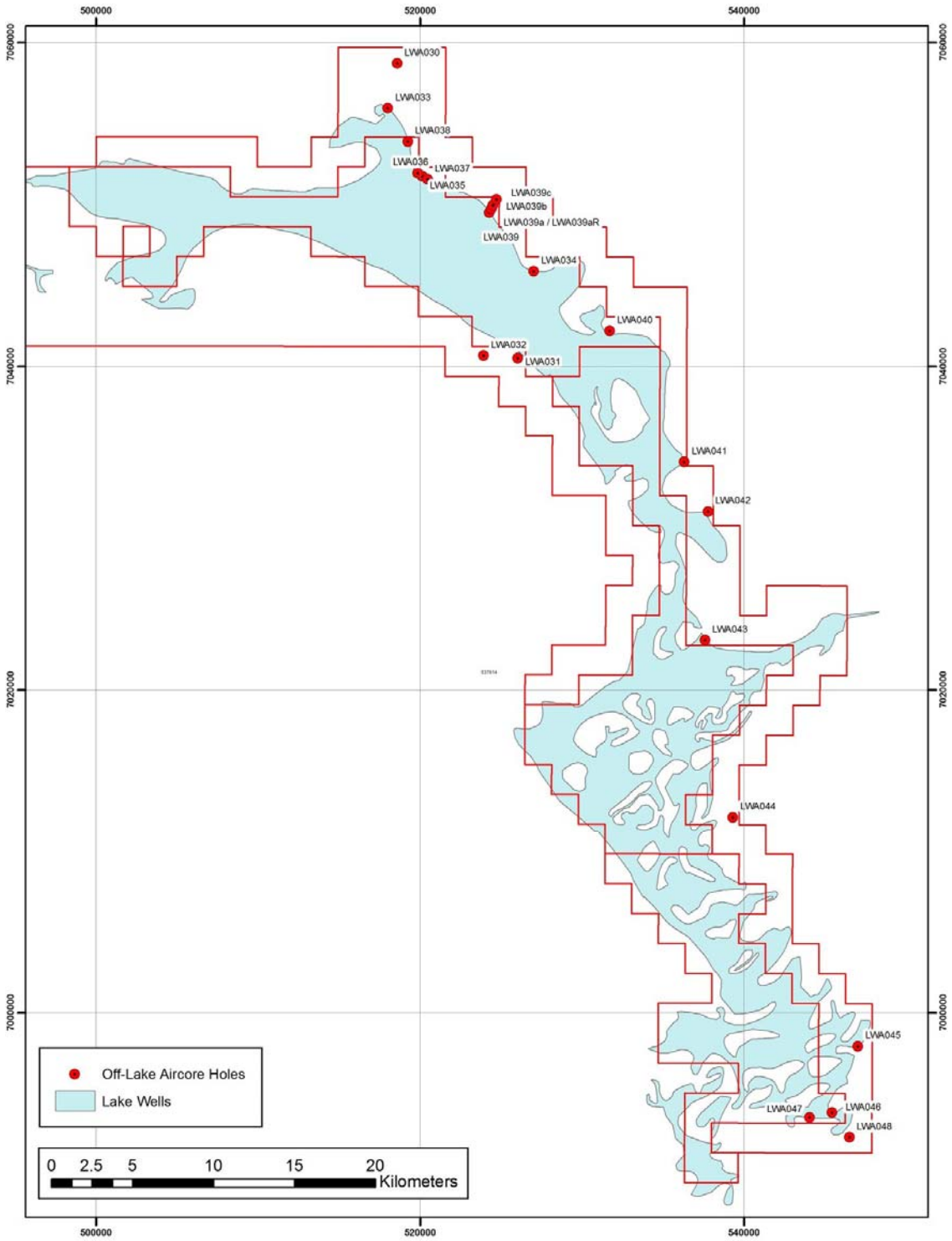


**Figure 2: Aircore Drilling Collars**

The stratigraphic sequence encountered at each hole was consistent with palaeovalley fill. The different stratigraphic descriptions at the various depth levels are provided below:

***Quaternary Alluvium (typical Depth 0-20)***

Unconsolidated, gypsiferous sand with minor silt in the upper 0.5m. This unit is dominated by fine to medium, sub-rounded, aeolian quartz, lithic and gypsum sand with a strong overprint of ferric oxides. Minor lithic fragments are found throughout and rarely the unit is very fine sand and silt dominated.

The Quaternary Alluvium comprised mainly fine grained silts and clay with some evaporite minerals in the shallower intervals. This unit yielded up to 3 L/s during aircore drilling, averaging 0.7L/s.

***Plastic Clays (typical Depth 20-45)***

Grey, massive, clay, the clay is very firm to indurated and is commonly described as plastic in its saturated state. It is also extremely homogenous. It is predominantly massive although there are occasional fine laminae. Occasionally the grey clay has red mottling.

***Minor silt/fine sand unit (typical Depth 45-60)***

Silt and very fine sand. This fine grained unit yielded water to aircore drilling at rates generally below 1 L/s. It is a low permeability aquifer and likely to be low yielding. It does produce brine samples that are useful for confirming the brine chemistry profile with depth.

***Stiff Clays (typical Depth 60-100)***

Black to Grey to Purple, lacustrine, massive clays. These sediments are similar to the overlying plastic clays but differ in that they commonly contain organic material. The clay is massive but with common fine clay laminae. The clay is homogenous throughout its depth and breadth, and is compact.

***Basal Paleochannel Sediments***

The Basal Paleochannel Sediment (BPS) is the main productive aquifer in the study area. It is a broadly fining upwards sequence which infilled the lowest part of the palaeovalley (Thalweg), and is differentiated by upper and lower units:

***Upper unit (typical Depth 100-115)***

The upper unit comprises silt and very fine sand with clay interbeds. The top of the unit is fairly consistent at 350m AHD, which equates to 90 to 100m below Lake Playa Surface. Thickness ranges from 4 to 30m.

***Lower unit (typical Depth 115-125)***

The lower unit comprises generally medium to coarse grained sands with silt, clay and minor lignite interbeds. Sands are typically angular to sub-angular quartz. The thickness of the unit ranges from 4 up to 21m. Aircore yields range up to 9 L/s averaging 3 L/s.

***Basement (typical Depth >125m)***

Basement comprised well indurated, fine-grained, meta-siltstone and meta-sandstone. A single drillhole, LWA048 at the southern extent of the tenement intersected granitic basement.

A long section illustrating the paleochannel extent is presented as Figure 3. The inferred paleochannel extends the full length of Lake Wells, although drillhole LWA040 intersected shallow basement. The detailed structure in this area has not yet been defined.

The thickness of the Basal Paleochannel Sediments unit varies from approximately 10 to 25m. The Lower Unit comprises fine to very-coarse grained sands interbedded with silt, clay and minor lignite.

The sequence is broadly fining upwards and the Upper Unit comprises predominately very fine sands and silts.

A test production bore was constructed and a pumping test was undertaken at site LWA033 as reported in ASX release dated 10 August 2016. Further test production bores and pumping tests will be completed in the current Quarter in order to measure the aquifer properties and determine production bore yields.

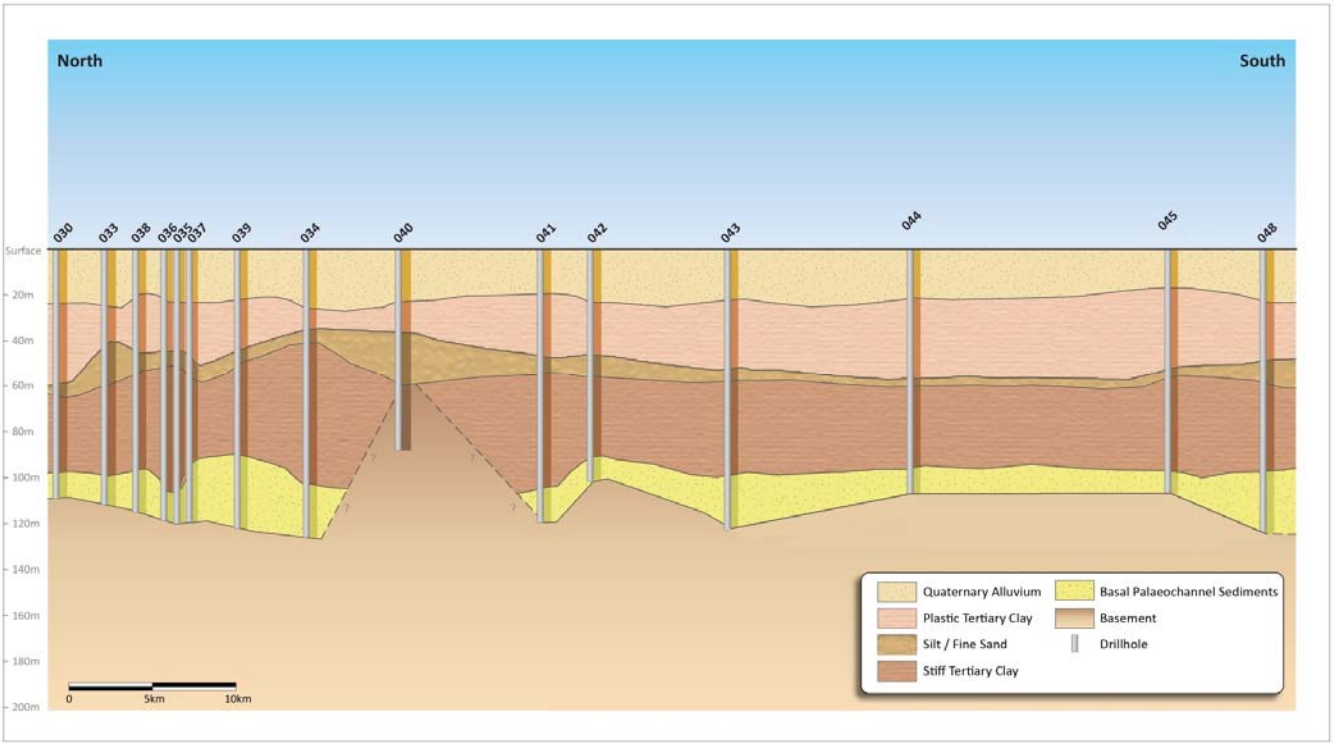


**Figure 3: North-South Long Section Outlining the Stratigraphic Sequence**

## *Brine Concentration*

The average potassium concentration of brine samples from the Basal Paleochannel Sediment unit at each drillhole is summarised in Figure 4. Some drillholes terminated in basement and did not intersect the paleochannel. These holes are not shown in Figure 4.

Drill holes where the truck-mounted aircore rig was able to access targets on the lake edge exhibited Potassium (K) concentrations ranging from approximately 3,000 – 4,500mg/L, while drillholes that tested targets outside the immediate vicinity of the lake edge (LWA030, LWA044 and LWA048) returned Potassium (K) concentrations in the range of 2,000 – 3,000mg/L. The lower potassium concentration observed at these drillholes indicates that, as anticipated, brine concentration decreases with distance from the salt lake edge.

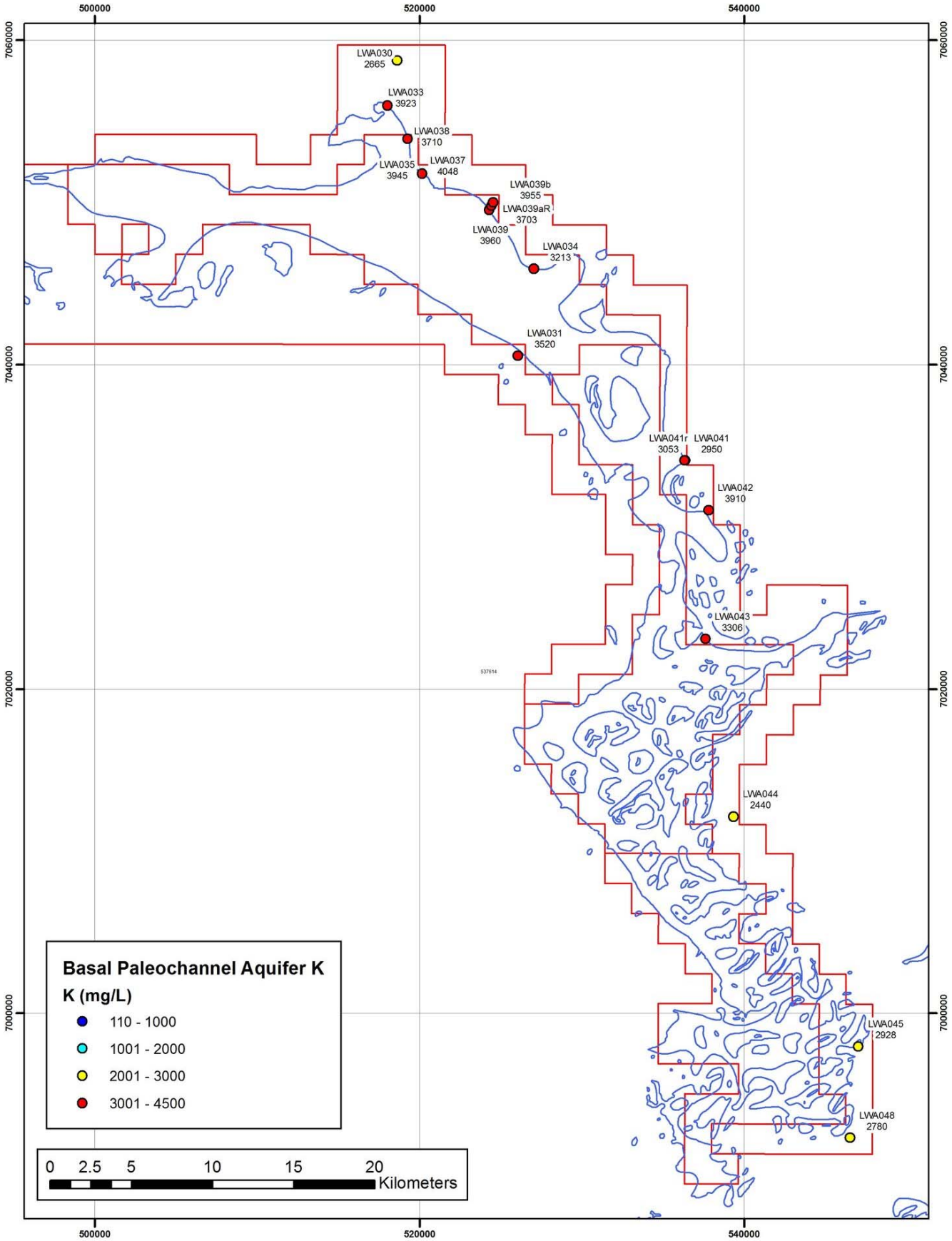


**Figure 4: Brine Potassium Concentration – Basal Paleochannel Aquifer**

## Shallow Auger and Trench Program

The Company has designed a program of shallow augering and test trenching (6m maximum depth) to gather further geological and hydrological data in relation to the near surface aquifer hosted by the Quaternary Alluvium stratigraphic sequence within the top 20 metres of the Lake. This aquifer is potentially a productive source of brine which would be extracted via trenching. The auger and test trench programs both commenced in October and will provide valuable data for the pre-feasibility study.

## PROCESS DEVELOPMENT TESTWORK

The Company has undertaken a range of process development testwork on bulk samples of Lake Wells brine. Two bench scale trials are being conducted, the first in the USA by Hazen Research and the second in Western Australia by Bureau Veritas (BV). A large scale site evaporation trial has also commenced at the Lake Wells Project.

## Bench Scale Trial – Hazen Research

Hazen Research, Inc. is a world class industrial research and development firm located in Golden, Colorado that has developed hundreds of hydrometallurgical, pyrometallurgical, and mineral beneficiation processes for most commercial metals and industrial minerals, and many inorganic and organic chemicals, including potash and other crop nutrients.

Salt Lake engaged Hazen to complete an evaporation, flotation and crystallisation trial on a representative sample of Lake Wells brine, under simulated site conditions.

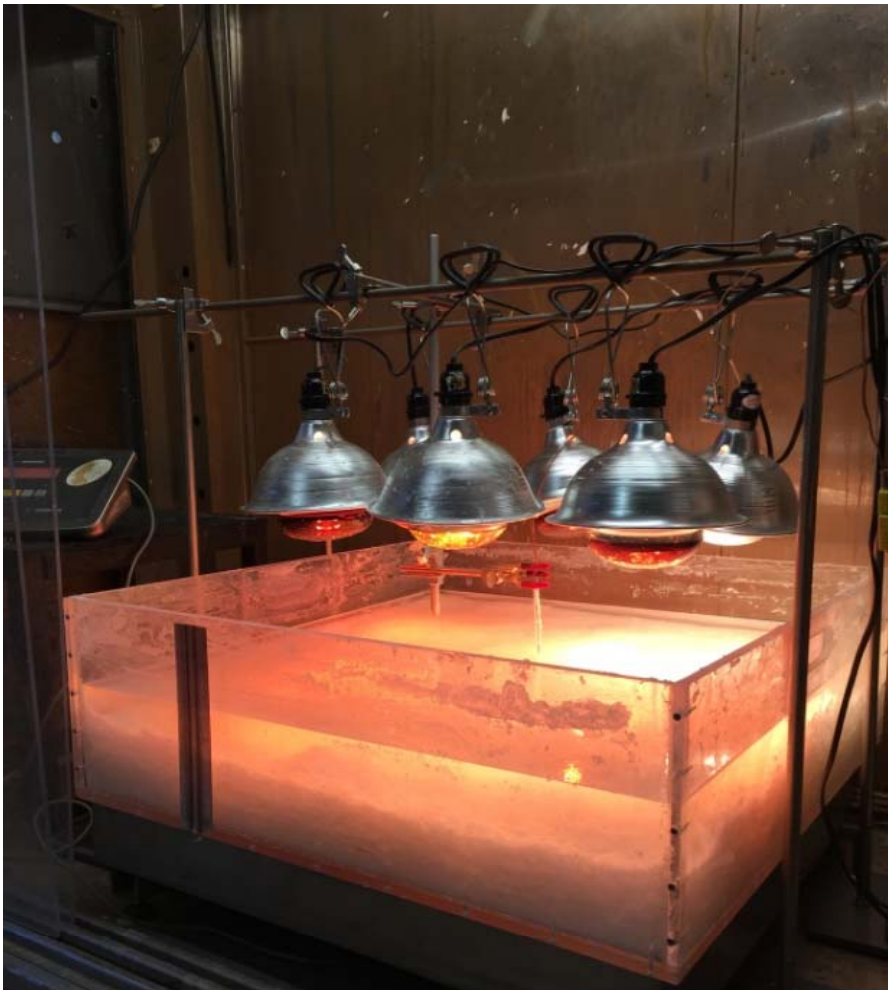

**Figure 5 - Evaporation Trial at Hazen Laboratories**

The Hazen trial is intended to provide evaporation and crystallisation data to enhance the Lake Wells process model and also to improve the model for ongoing testwork to be conducted at Hazen, Bureau Veritas and at Lake Wells. The Hazen trial is intended to initially produce potassium containing salts and then to process those salts via flotation, conversion and crystallisation into Sulphate of Potash.

The Hazen evaporation test was monitored using a USBM theoretical model and comprised an initial charge of 240kg of Lake Wells Brine.

At the end of the quarter, the actual evaporation pattern was closely following the modelled theoretical pattern.

## Bench Scale Trial – Bureau Veritas

The Company engaged international laboratory and testing company, Bureau Veritas (BV) in Perth, to conduct a series of tests based on evaporating brine at simulated average Lake Wells site conditions. The aim of the BV trials is to monitor the chemical composition of the brine and salts produced through the evaporation process to establish:

- Concentration thresholds in the brine chemistry which can be used to maximise the recovery of sulphate and potassium harvest salts and minimise the quantity of dilutive salts into a process plant;
- The quantity and composition of harvest salts which will be the plant feed in commercial production; and
- The potential for any internal evaporation pond recycle streams that may improve harvest salt recovery.

The first trial in the series consisted of evaporation of 90kg of brine on a load cell to monitor evaporative loss. The temperature of the brine was controlled to a constant 23°C using infra-red lamps and air flow across the brine surface was provided by a fan.

**Figure 6 – Bureau Veritas Trial Evaporation Pan**

## Site Evaporation Trial

A large scale, continuous Site Evaporation Trial (SET) was established at Lake Wells to refine the process design criteria for halite evaporation ponds and subsequent harvest salt ponds. The SET will process up to 1 ton of brine per day and produce substantial ongoing quantities of potassium and sulphate salts. These salts will then be further processed to produce samples of SOP for potential customers and partners.

The objectives of the SET are to:

- Refine the solar evaporation pathway, under actual site conditions, for Lake Wells brine. The analysis of this pathway will define the salting points of the various salts along the evaporation pathway allowing for the completion of a detailed mass balance for the pond system;
- Refine the quality and quantity of brine and salts produced at the various points along the evaporation path;
- Define the distribution in various salts of potassium, magnesium and sulphate through the evaporation system;
- Provide design information for brine in-flow requirements, pond area, required number of ponds and flow requirements between ponds for a commercial facility; and
- Determine opportunities for recycle of bittern or salt that may improve potassium, magnesium or sulphate recovery to the harvest salts.

The outputs of the ongoing test work will also provide key inputs into prefeasibility study costings for the halite and harvest salt evaporation ponds for the Lake Wells SOP project and assist in the development of a more extensive test work program including:

- **Halite Evaporation Pond Design:** On-lake pond construction trial;
- **Harvest Salt Pond Design**
- **Conversion Test Work:** Collected harvest salts will provide the inputs for conversion design trials;
- **Flotation Test Work:** Outputs from the conversion trials above will provide inputs for flotation work;
- **Crystallisation Trials:** Outputs from the flotation trials above will provide inputs for crystallisation test work**.**

The SET will comprise two trains each of six plastic lined ponds, designed to operate continuously under all weather conditions for up to 12 months. Brine is introduced to the first Halite Pond, H1, via a small surface trench. The brine progresses on a continuous basis through a series of six ponds as it concentrates through evaporation: two halite ponds; two transition ponds; and two harvest salt ponds.

**Figure 7 – SET Train 1 with Product Ponds in the Foreground**

Train 1 has been completed and will process approximately 500kg of fresh brine per day. Train 2 will double that volume when established. At the end of the quarter, Train 1 had several tonnes of brine in circulation and was producing initial salts.

An Automatic Weather Station (AWS) will be established at the SET site, providing comprehensive, continuous data for temperature, solar radiation, pan & theoretical evaporation, relative humidity and wind velocity and direction. The AWS data combined with actual evaporation records from the nearby SET will allow for sizing and detailed production modelling of commercial scale evaporation ponds.

## REGIONAL LAKES

### Lake Lewis

During the quarter, the Company conducted an initial reconnaissance and pit sampling program at Lake Lewis located in the Northern Territory. A traverse of shallow pit samples was completed across the eastern and northern parts of the lake (Figure 8), highlighting the potential of the lake to contain large volumes of highly saline brine with elevated levels of potassium and sulphate. A total of 24 pit samples have been collected at Lake Lewis encountering brine at a standing water level from less than 1 metre from surface and the average brine chemistry of the samples was:

| Brine Chemistry | K (mg/L) | Mg (mg/L) | $SO_4$ (mg/L) | TDS (mg/L) |
|---|---|---|---|---|
| Average of 24 pit water samples | 3,364 | 1,865 | 22,808 | 237,009 |

Lake Lewis has a highly strategic location in the Northern Territory being located adjacent to a sealed road, and in close vicinity to the Adelaide-Darwin railway line and an existing gas pipeline.

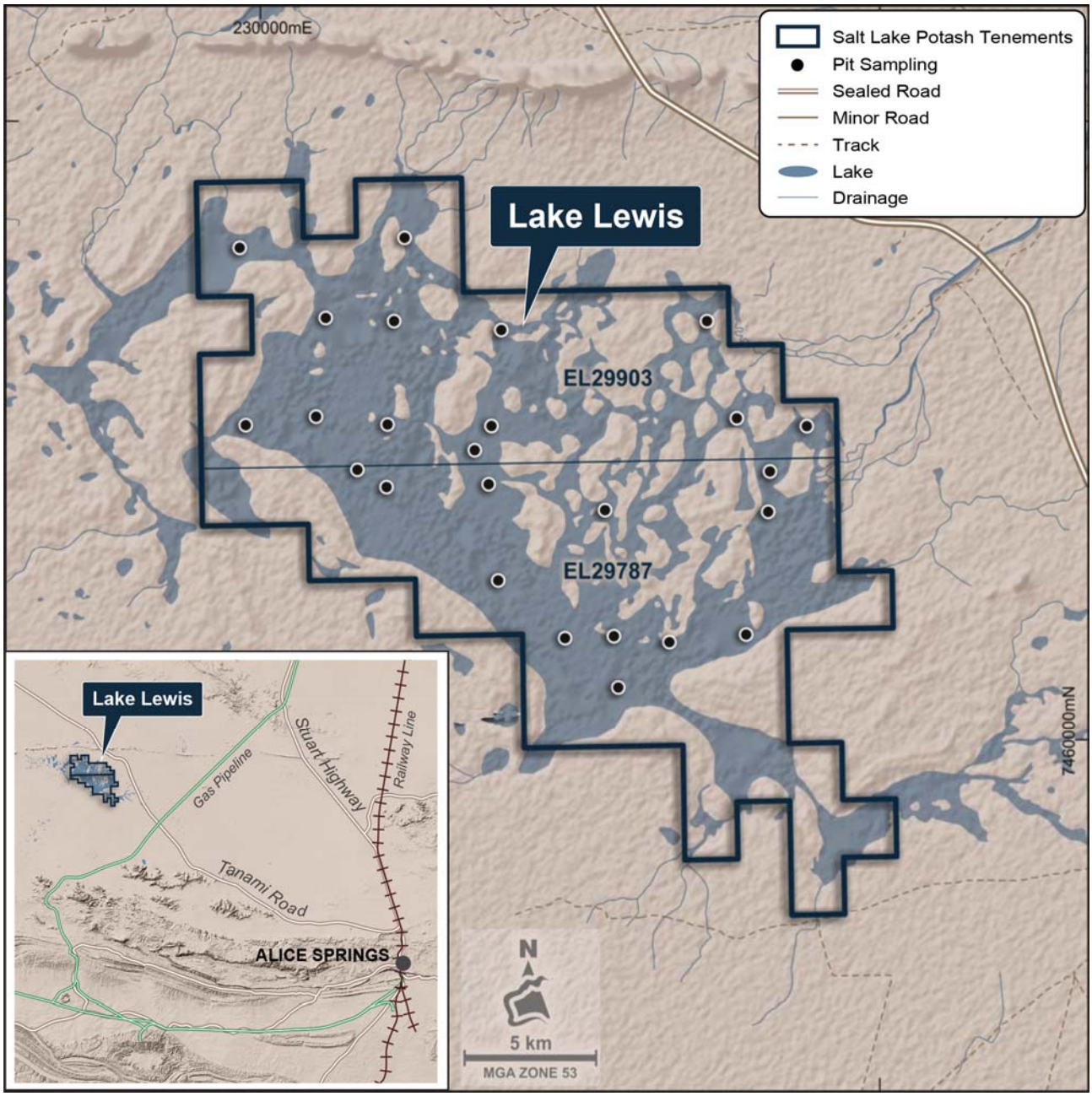


**Figure 8: Lake Lewis Pit Sampling Locations**

## Table 1 - Summary of Exploration and Mining Tenements

As at 30 September 2016, the Company holds interests in the following tenements:

### Australian Projects:

| Project | Status | Type of Change | License Number | Area ($km^2$) | Term | Grant Date | Date of First Relinquish-ment | Interest (%) 1-Jul-16 | Interest (%) 30-Sept-16 |
|---|---|---|---|---|---|---|---|---|---|
| ***Western Australia*** | | | | | | | | | |
| ***Lake Wells*** | | | | | | | | | |
| **Central** | Granted | - | E38/2710 | 192.2 | 5 years | 05-Sep-12 | 4-Sep-17 | 100% | 100% |
| **South** | Granted | - | E38/2821 | 131.5 | 5 years | 19-Nov-13 | 18-Nov-18 | 100% | 100% |
| **North** | Granted | - | E38/2824 | 198.2 | 5 years | 04-Nov-13 | 3-Nov-18 | 100% | 100% |
| **Outer East** | Granted | - | E38/3055 | 298.8 | 5 years | 16-Oct-15 | 16-Oct-20 | 100% | 100% |
| **Single Block** | Granted | - | E38/3056 | 3.0 | 5 years | 16-Oct-15 | 16-Oct-20 | 100% | 100% |
| **Outer West** | Granted | - | E38/3057 | 301.9 | 5 years | 16-Oct-15 | 16-Oct-20 | 100% | 100% |
| **North West** | Application | - | E38/3124 | 39.0 | - | - | - | 100% | 100% |
| ***Lake Ballard*** | | | | | | | | | |
| **West** | Granted | - | E29/912 | 607.0 | 5 years | 10-Apr-15 | 10-Apr-20 | 100% | 100% |
| **East** | Granted | - | E29/913 | 73.2 | 5 years | 10-Apr-15 | 10-Apr-20 | 100% | 100% |
| **North** | Granted | - | E29/948 | 94.5 | 5 years | 22-Sep-15 | 21-Sep-20 | 100% | 100% |
| **South** | Granted | - | E29/958 | 30.0 | 5 years | 20-Jan-16 | 19-Jan-21 | 100% | 100% |
| ***Lake Irwin*** | | | | | | | | | |
| **West** | Granted | - | E37/1233 | 203.0 | 5 years | 08-Mar-16 | 07-Mar-21 | 100% | 100% |
| **Central** | Granted | - | E39/1892 | 203.0 | 5 years | 23-Mar-16 | 22-Mar-21 | 100% | 100% |
| **East** | Granted | - | E38/3087 | 139.2 | 5 years | 23-Mar-16 | 22-Mar-21 | 100% | 100% |
| **North West** | Application | - | E37/1260 | 203.0 | - | - | - | 100% | 100% |
| **North** | Application | - | E37/1261 | 107.3 | - | - | - | 100% | 100% |
| **Central East** | Application | - | E38/3113 | 203.0 | - | - | - | 100% | 100% |
| **South** | Application | - | E39/1955 | 118.9 | - | - | - | 100% | 100% |
| **South West** | Application | - | E39/1956 | 110.2 | - | - | - | 100% | 100% |
| ***Lake Minigwal*** | | | | | | | | | |
| **West** | Granted | - | E39/1893 | 246.2 | 5 years | 01-Apr-16 | 31-Mar-21 | 100% | 100% |
| **East** | Granted | - | E39/1894 | 158.1 | 5 years | 01-Apr-16 | 31-Mar-21 | 100% | 100% |
| **Central** | Application | - | E39/1962 | 369.0 | - | - | - | 100% | 100% |
| **Central East** | Application | - | E39/1963 | 93.0 | - | - | - | 100% | 100% |
| **South** | Application | - | E39/1964 | 99.0 | - | - | - | 100% | 100% |
| **South West** | Application | - | E39/1965 | 89.9 | - | - | - | 100% | 100% |
| **Lake Way** | | | | | | | | | |
| **Central** | Application | - | E53/1878 | 217.0 | - | - | - | 100% | 100% |
| **South** | Application | - | E53/1897 | 77.5 | - | - | - | 100% | 100% |
| **Lake Marmion** | | | | | | | | | |
| **North** | Application | Application Lodged | E29/1000 | 167.4 | - | - | - | - | 100% |
| **Central** | Application | Application Lodged | E29/1001 | 204.6 | - | - | - | - | 100% |
| **South** | Application | Application Lodged | E29/1002 | 186.0 | - | - | - | - | 100% |
| ***South Australia*** | | | | | | | | | |
| **Lake Macfarlane** | Granted | - | EL5702 | 816 | 5 years | 20-Jan-16 | 19-Jan-21 | 100% | 100% |
| **Island Lagoon** | Granted | - | EL5726 | 978 | 5 years | 08-Feb-16 | 07-Feb-21 | 100% | 100% |
| ***Northern Territory*** | | | | | | | | | |
| ***Lake Lewis*** | | | | | | | | | |
| **South** | Granted | - | EL 29787 | 146.4 | 6 year | 08-Jul-13 | 7-Jul-19 | 100% | 100% |
| **North** | Granted | - | EL 29903 | 125.1 | 6 year | 21-Feb-14 | 20-Feb-19 | 100% | 100% |

### Other Projects:

| Location | Name | Resolution Number | Percentage Interest |
|---|---|---|---|
| **USA – Colorado** | C-SR-10 | C-SR-10 | 80% |
| **USA – Colorado** | C-JD-5A | C-JD-5A | 80% |
| **USA – Colorado** | C-SR-11A | C-SR-11A | 80% |
| **USA – Colorado** | C-SR-15A | C-SR-15A | 80% |
| **USA – Colorado** | C-SR-16 | C-SR-16 | 80% |
| **USA – Colorado** | C-WM-17 | C-WM-17 | 80% |
| **USA – Colorado** | C-LP-22A | C-LP-22A | 80% |
| **USA – Colorado** | C-LP-23 | C-LP-23 | 80% |

### *Competent Persons Statement*

*The information in this report that relates to Exploration Results, or Mineral Resources for Lake Wells is based on information compiled by Mr Ben Jeuken, who is a member Australian Institute of Mining and Metallurgy. 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'. Mr Jeuken consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this Announcement that relates to Exploration Results on geophysical and test pumping results for Lake Wells, is extracted from the reports entitled Geophysics and Test Pumping Reinforce Lake Wells Potential ' dated 10 August 2016 and 'Excellent Initial Pump Test Results at Lake Wells ' dated 12 May 2016 and is available to view on the Company's website www.saltlakepotash.com.au. The information in the original ASX Announcement that related to Exploration Results on geophysical and test pumping results for Lake Wells based on information compiled by Mr Adam Lloyd, who is a member of the Australian Institute of Geoscientists and International Association of Hydrogeology. Mr Lloyd was an employee of Salt Lake Potash Limited. Mr Lloyd 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'. Mr Lloyd consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company 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 report that relates to Exploration Results for Lake Lewis is based on information compiled by Mr Charles Nesbitt, who is a member Australian Institute of Mining and Metallurgy. Mr Nesbitt is employed by Redbelly Resources Pty Ltd, an independent consulting company. Mr Nesbitt 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'. Mr Nesbitt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

**Cautionary Statement and Important Information**

*The information in the Report that relates to the Scoping Study is extracted from the report entitled 'Scoping Study Confirms Potential Confirms Lake Wells Potential' dated 29 August 2016 (**Scoping Study Announcement**). The announcement is available to view on www.saltlakepotash.com.au. The Scoping Study has been prepared and reported in accordance with the requirements of the JORC Code (2012) and relevant ASX Listing Rules.*

*The primary purpose of the Scoping Study is to establish whether or not to proceed to a Pre-Feasibility Study ("PFS") and has been prepared to an accuracy level of ±30%, the Scoping Study results should not be considered a profit forecast or production forecast. As defined by the JORC Code, a "Scoping Study is an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistic assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be justified." (Emphasis added)*

*The Modifying Factors included in the JORC Code have been assessed as part of the Scoping Study, including mining (brine extraction), processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and government factors. The Company has received advice from appropriate experts when assessing each Modifying Factor.*

*Following an assessment of the results of the Scoping Study, the Company has formed the view that a PFS is justified for the Lake Wells project, which it will now commence. The PFS will provide the Company with a more comprehensive assessment of a range of options for the technical and economic viability of the Lake Wells project.*

*The Company has concluded it has a reasonable basis for providing any of the forward looking statements included in this announcement and believes that it has a reasonable basis to expect that the Company will be able to fund its stated objective of completing a PFS for the Lake Wells project. All material assumptions on which the forecast financial information is based are set out in the Scoping Study Announcement.*

*In accordance with the ASX listing rules, the Company advises the Scoping Study referred to in the Scoping Study Announcement is based on lower-level technical and preliminary economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.*

**Production Target**

*The Production Target stated in this Report is based on the Company's Scoping Study for the Lake Wells Project as released to the ASX on 29 August 2016. 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 was included in the Company's ASX Announcement released on 29 August 2016. The Company confirms that the material assumptions underpinning the Production Target referenced in the 29 August 2016 release continue to apply and have not materially changed.*

*The Production Target referred to in this Report and the Scoping Study Announcement is based on 100% Measured Mineral Resources for Stage 1 and 70% Measured Mineral Resources and 30% Inferred Mineral Resources for Stage 2. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Measured or Indicated Mineral Resources or that the production target or preliminary economic assessment will be realised.*

**Forward Looking Statements**

*This Report contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to pre-feasibility and definitive feasibility studies, the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this news release are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in Schedule 2 of the Company's Notice of General Meeting and Explanatory Memorandum dated 8 May 2015.*

## APPENDIX 1 - LAKE WELLS DRILLHOLE DATA

| Hole_ID | Drilled Depth (m) | East | North | RL (mAHD) | Dip | Azimuth |
|---|---|---|---|---|---|---|
| LWA030 | 107 | 518616 | 7058726 | 448.1 | -90 | 0 |
| LWA031 | 100 | 526070 | 7040544 | 441.5 | -90 | 0 |
| LWA032 | 101 | 523956 | 7040687 | 444.9 | -90 | 0 |
| LWA033 | 126 | 518042 | 7055955 | 441.5 | -90 | 0 |
| LWA034 | 126 | 527042 | 7045897 | 441.1 | -90 | 0 |
| LWA035 | 119 | 520177 | 7051758 | 440.1 | -90 | 0 |
| LWA036 | 119 | 519893 | 7051962 | 440.0 | -90 | 0 |
| LWA037 | 118 | 520491 | 7051569 | 439.7 | -90 | 0 |
| LWA038 | 114 | 519272 | 7053911 | 439.9 | -90 | 0 |
| LWA039 | 123 | 524291 | 7049514 | 440.2 | -90 | 0 |
| LWA039aR | 119 | 524436 | 7049781 | 442.3 | -90 | 0 |
| LWA039b | 107 | 524545 | 7049985 | 445.4 | -90 | 0 |
| LWA039c | 71 | 524736 | 7050342 | 451.6 | -90 | 0 |
| LWA040 | 87 | 531740 | 7042216 | 442.9 | -90 | 0 |
| LWA041R | 125 | 536340 | 7034079 | 438.3 | -90 | 0 |
| LWA042 | 101 | 537798 | 7031018 | 442.4 | -90 | 0 |
| LWA043 | 125 | 537614 | 7023076 | 441.0 | -90 | 0 |
| LWA044 | 107 | 539336 | 7012139 | 449.8 | -90 | 0 |
| LWA045 | 107 | 547030 | 6997952 | 443.8 | -90 | 0 |
| LWA046 | 34 | 545426 | 6993869 | 439.3 | -90 | 0 |
| LWA047 | 34 | 544041 | 6993551 | 439.3 | -90 | 0 |
| LWA048 | 125 | 546500 | 6992333 | 443.4 | -90 | 0 |

| HoleID | Stratigraphic Unit | K | SO4 | TDS | SG |
|---|---|---|---|---|---|
| LWA030 | Q | 110 | 1,003 | 9 | 1.01 |
| LWA030 | S | 1,510 | 11,200 | 132 | 1.09 |
| LWA030 | P | 2,665 | 14,750 | 213 | 1.13 |
| LWA031 | Q | 1,050 | 8,100 | 84 | 1.06 |
| LWA031 | P | 3,520 | 18,500 | 260 | 1.16 |
| LWA032 | Q | 985 | 8,840 | 87 | 1.06 |
| LWA032 | B | 1,050 | 9,570 | 95 | 1.06 |
| LWA033 | Q | 3,657 | 15,867 | 253 | 1.15 |
| LWA033 | S | 3,907 | 17,533 | 277 | 1.16 |
| LWA033 | P | 3,923 | 19,267 | 298 | 1.17 |
| LWA034 | Q | 2,970 | 18,350 | 238 | 1.14 |
| LWA034 | S | 3,130 | 18,500 | 253 | 1.15 |
| LWA034 | P | 3,213 | 18,800 | 277 | 1.16 |
| LWA035 | P | 3,945 | 18,267 | 297 | 1.17 |
| LWA037 | Q | 3,884 | 17,840 | 288 | 1.17 |
| LWA037 | P | 4,048 | 19,840 | 310 | 1.18 |
| LWA038 | Q | 3,350 | 15,100 | 255 | 1.15 |
| LWA038 | P | 3,710 | 19,280 | 289 | 1.17 |
| LWA039 | Q | 3,583 | 19,675 | 269 | 1.15 |
| LWA039 | P | 3,960 | 22,500 | 329 | 1.18 |
| LWAT39a | Q | 2,945 | 20,900 | 240 | 1.13 |
| LWAT39a | S | 3,270 | 21,500 | 268 | 1.14 |
| LWA039aR | Q | 2,700 | 19,100 | 233 | 1.13 |
| LWA039aR | P | 3,703 | 21,825 | 302 | 1.15 |
| LWA039b | Q | 2,630 | 21,900 | 228 | 1.13 |
| LWA039b | S | 4,030 | 24,700 | 343 | 1.17 |
| LWA039b | P | 3,955 | 24,750 | 336 | 1.17 |
| LWA039c | Q | 1,147 | 12,433 | 109 | 1.07 |
| LWA039c | B | 1,270 | 13,300 | 123 | 1.08 |
| LWA040 | S | 4,335 | 18,750 | 300 | 1.17 |
| LWA040 | B | 4,387 | 18,600 | 303 | 1.17 |
| LWA041 | Q | 3,405 | 15,300 | 247 | 1.14 |
| LWA041 | S | 3,120 | 14,400 | 226 | 1.13 |
| LWA041 | P | 2,950 | 14,400 | 229 | 1.14 |
| LWA041r | Q | 2,660 | 12,700 | 204 | 1.12 |
| LWA041r | P | 3,053 | 14,300 | 235 | 1.13 |
| LWA042 | Q | 2,970 | 17,900 | 241 | 1.14 |
| LWA042 | P | 3,910 | 18,500 | 296 | 1.16 |
| LWA043 | Q | 3,830 | 16,700 | 285 | 1.15 |
| LWA043 | P | 3,306 | 13,850 | 244 | 1.14 |
| LWA044 | Q | 1,100 | 7,950 | 103 | 1.07 |
| LWA044 | P | 2,440 | 15,825 | 231 | 1.14 |
| LWA045 | Q | 3,140 | 12,000 | 243 | 1.14 |
| LWA045 | S | 2,265 | 9,278 | 167 | 1.10 |
| LWA045 | P | 2,928 | 11,730 | 225 | 1.13 |
| LWA046 | Q | 2,780 | 13,000 | 227 | 1.14 |
| LWA047 | Q | 2,805 | 13,525 | 229 | 1.14 |
| LWA048 | Q | 1,726 | 6,582 | 120 | 1.07 |
| LWA048 | S | 1,830 | 7,410 | 133 | 1.08 |
| LWA048 | P | 2,780 | 13,145 | 230 | 1.13 |

Notes: 1) Stratigraphic Unit - Q = Quaternary, S = Silt/fine sand unit, P = Paleochannel unit, B = Basement

## APPENDIX 2 - LAKE LEWIS TEST PIT RESULTS

| | East | North | K (mg/L) | $SO_4$ (mg/L) | Mg (mg/L) | TDS (mg/L) |
|---|---|---|---|---|---|---|
| LLPN01A | 229,323 | 7,475,900 | 3,760 | 23,400 | 1,990 | 254,485 |
| LLPN02A | 234,651 | 7,476,224 | 3,890 | 21,100 | 1,490 | 227,663 |
| LLPN03A | 232,099 | 7,473,646 | 2,980 | 19,900 | 1,930 | 223,072 |
| LLPN04A | 234,311 | 7,473,549 | 3,400 | 21,000 | 1,740 | 240,540 |
| LLPN05A | 237,769 | 7,473,263 | 3,510 | 19,200 | 1,730 | 240,128 |
| LLPN06A | 244,410 | 7,473,550 | 2,970 | 19,500 | 1,570 | 214,445 |
| LLPN07A | 229,516 | 7,470,184 | 3,770 | 25,700 | 2,350 | 258,421 |
| LLPN08A | 231,787 | 7,470,456 | 3,150 | 21,500 | 1,960 | 233,408 |
| LLPN09A | 234,098 | 7,470,203 | 3,560 | 22,700 | 2,020 | 262,532 |
| LLPN10A | 237,453 | 7,470,154 | 3,450 | 18,300 | 1,450 | 215,321 |
| LLPN11A | 245,375 | 7,470,403 | 3,370 | 20,100 | 1,460 | 208,284 |
| LLPN12A | 247,640 | 7,470,150 | 2,790 | 21,500 | 1,620 | 206,957 |
| LLPN13A | 233,125 | 7,468,749 | 3,360 | 23,000 | 2,040 | 250,609 |
| LLPN14A | 236,915 | 7,469,380 | 3,350 | 19,600 | 1,540 | 221,818 |
| LLPS01A | 234,066 | 7,468,191 | 3,230 | 22,100 | 2,300 | 256,710 |
| LLPS02A | 237,366 | 7,468,281 | 3,520 | 22,900 | 1,620 | 237,283 |
| LLPS03A | 241,118 | 7,467,453 | 3,510 | 21,200 | 1,760 | 237,930 |
| LLPS04A | 246,392 | 7,467,399 | 3,190 | 23,200 | 1,550 | 216,217 |
| LLPS05A | 246,447 | 7,468,698 | 3,080 | 20,100 | 1,640 | 213,247 |
| LLPS06A | 239,828 | 7,463,303 | 3,780 | 28,400 | 2,440 | 276,867 |
| LLPS07A | 241,405 | 7,463,368 | 3,480 | 28,800 | 1,940 | 245,667 |
| LLPS08A | 243,200 | 7,463,180 | 3,920 | 31,200 | 1,660 | 240,134 |
| LLPS09A | 245,675 | 7,463,420 | 2,900 | 26,900 | 1,560 | 220,041 |
| LLPS11A | 241,547 | 7,461,704 | 3,210 | 27,500 | 2,700 | 259,792 |
| LLPS14A | 237,672 | 7,465,169 | 2,970 | 21,400 | 2,560 | 265,909 |

# APPENDIX 3 – JORC TABLE ONE

## Section 1: Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sampling techniques*** | *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br><br>*Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br><br>*Aspects of the determination of mineralisation that are Material to the Public Report.*<br><br>*In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | **Lake Wells**<br><br>Geological samples were obtained from buckets below the cyclone during aircore drilling. Brine samples were obtained during aircore drilling from the cyclone when airlifting at the end of each drill rod. Airlifts were completed on minimum air and sampling took place following stabilisation of flow approximately between 2 and 10mins from start of airlift.<br><br>**Lake Lewis**<br><br>Brine samples were collected from shallow pits dug into the lake surface to a depth of 0.5 to 0.75m. Brine samples are composite samples from the water that filled the pit after digging.<br><br>The material in the pit was geologically logged as a composite qualitative description for the entire pit. |
| ***Drilling techniques*** | *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | **Lake Wells**<br><br>Non-face discharge vacuum aircore drilling at 138mm diameter.All holes vertical.<br><br>**Lake Lewis**<br><br>Not Applicable |
| ***Drill sample recovery*** | *Method of recording and assessing core and chip sample recoveries and results assessed.*<br><br>*Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | **Lake Wells**<br><br>Geological sample recovery when aircore drilling was through the cyclone and of excellent quality. Drill rates were slowed to ensure a clean sample was produced and that contamination was minimised. Cuttings were recovered by placing a clean bucket under the cycloneBrine samples were obtained following stabilisation of flow approximately between 2 and 10mins from start of airlift.<br><br>**Lake Lewis**<br><br>Not Applicable |
| ***Logging*** | *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br><br>*Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br><br>*The total length and percentage of the relevant intersections logged.* | **Lake Wells**<br><br>All drill holes were geologically logged qualitatively by a qualified geologist, noting in particular moisture content of sediments, lithology, colour, induration, grainsize and shape, matrix and structural observations. Flow rate data from airlifting was logged to note water inflow zones.<br><br>**Lake Lewis**<br><br>All pits were geologically logged by a qualified geologist, noting colour, induration, moisture content of sediments grain size distribution and lithology. |
| ***Sub-sampling techniques and sample preparation*** | *If core, whether cut or sawn and whether quarter, half or all core taken.*<br><br>*If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br><br>*For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br><br>*Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br><br>*Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br><br>*Whether sample sizes are appropriate to the grain size of the material being sampled.* | **Lake Wells**<br><br>Brine samples were obtained during aircore drilling from the cyclone when airlifting at the end of each drill rod.<br><br>Sample bottles are rinsed with brine which is discarded prior to sampling.<br><br>All brine samples taken in the field are split into two sub-samples: primary and duplicate. Reference samples were analysed at a separate laboratory for QA/QC.<br><br>Representative chip trays and bulk lithological samples are kept for records.<br><br>**Lake Lewis**<br><br>Not Applicable |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Quality of assay data and laboratory tests*** | *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br><br>*For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br><br>*Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | Primary samples were sent to Bureau Veritas Minerals Laboratory, Perth.<br><br>Brine samples were analysed using ICP-AES for K, Na, Mg, Ca, with chloride determined by Mohr titration and alkalinity determined volumetrically. Sulphate was calculated from the ICP-AES sulphur analysis.<br><br>• Reference standard solutions were sent to Bureau Veritas Minerals Laboratory to check accuracy.. |
| ***Verification of sampling and assaying*** | *The verification of significant intersections by either independent or alternative company personnel.*<br><br>*The use of twinned holes.*<br><br>*Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br><br>*Discuss any adjustment to assay data.* | Data entry is done in the field to minimise transposition errors.<br><br>Brine assay results are received from the laboratory in digital format, these data sets are subject to the quality control described above. All laboratory results are entered in to the company's database and validation completed.<br><br>Independent verification of significant intercepts was not considered warranted given the relatively consistent nature of the brine. |
| ***Location of data points*** | *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br><br>*Specification of the grid system used.*<br><br>*Quality and adequacy of topographic control.* | Hole co-ordinates were captured using hand held GPS.<br><br>Coordinates were provided in GDA 94_MGA Zone 51.<br><br>Topographic control is obtained using Geoscience Australia's 1-second digital elevation product. |
| ***Data spacing and distribution*** | *Data spacing for reporting of Exploration Results.*<br><br>*Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br><br>*Whether sample compositing has been applied.* | **Lake Wells**<br><br>Drill hole spacing is shown on the attached map and varies due to irregular access along the lake edge.<br><br>**Lake Lewis**<br><br>Data spacing is very wide and can only be considered to be reconnaissance level work. |
| ***Orientation of data in relation to geological structure*** | *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br><br>*If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | All drill holes and pits were vertical. Geological structure is considered to be flat lying. |
| ***Sample security*** | *The measures taken to ensure sample security.* | All brine samples were marked and kept onsite before transport to the laboratory.<br><br>All remaining sample and duplicates are stored in the Perth office in climate-controlled conditions.<br><br>Chain of Custody system is maintained. |
| ***Audits or reviews*** | *The results of any audits or reviews of sampling techniques and data.* | Data review is summarised in Quality of assay data, laboratory tests and Verification of sampling and assaying. No audits were undertaken. |

## Section 2: Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Mineral tenement and land tenure status*** | *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br><br>*The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | **Lake Wells**<br><br>Tenements drilled were granted exploration licences 38/2710, 38/2821, 38/2824, 38/3055, 38/3056 and 38/3057 in Western Australia.<br><br>Exploration Licenses are held by Piper Preston Pty Ltd (fully owned subsidiary of ASLP).<br><br>**Lake Lewis**<br><br>Tenements pit sampled were grant exploration licences EL29787 and El 29903 in the Northern Territory. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Exploration done by other parties*** | *Acknowledgment and appraisal of exploration by other parties.* | No other known exploration has occurred on the Exploration Licenses. |
| ***Geology*** | *Deposit type, geological setting and style of mineralisation.* | Salt Lake Brine Deposit |
| ***Drill hole Information*** | *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>o *easting and northing of the drill hole collar*<br>o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>o *dip and azimuth of the hole*<br>o *down hole length and interception depth*<br>o *hole length.*<br>*If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | **Lake Wells**<br>Details are presented in the report.<br><br>**Lake Lewis**<br>Hand dug pits as described above and presented in the announcement. |
| ***Data aggregation methods*** | *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>*Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>*The assumptions used for any reporting of metal equivalent values should be clearly stated.* | Within the salt lake extent no low grade cut-off or high grade capping has been implemented. |
| ***Relationship between mineralisation widths and intercept lengths*** | *These relationships are particularly important in the reporting of Exploration Results.*<br>*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>*If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | **Lake Wells**<br>The unit is flat lying and drill holes are vertical hence the intersected downhole depth is equivalent to the inferred thickness of mineralisation.<br><br>**Lake Lewis**<br>Not Applicable |
| ***Diagrams*** | *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | Addressed in the announcement. |
| ***Balanced reporting*** | *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | All results have been included. |
| ***Other substantive exploration data*** | *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | Gravity survey was completed by Atlas Geophysics using a Hi Target V100 GNSS receiver for accurate positioning and CG-5 Digital Automated Gravity Meter.<br>Gravity data was gained using the contractors rapid acquisition, high accuracy UTV borne techniques. The company's own in-house reduction and QA software was used to reduce the data on a daily basis to ensure quality and integrity. All gravity meters were calibrated pre and post survey and meter drift rates were monitored daily. 3 to 5 % of the stations are repeated for quality control.<br>Western Geophysics were engaged to manage and process the gravity survey. Processing the survey involved reducing the gravity data and integrating to the regional data to a residual anomaly which shows there is a semi-continuous distinct residual gravity low of negative 2 to 2.5 milligals present along eastern to central areas to the entire tenement area. |
| ***Further work*** | *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>*Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | **Lake Wells**<br>Exploration aircore drilling to further define the paleochannel aquifer depth and geometry. Installation of monitoring bores.<br>Further test production bores to be constructed and test pumping completed to determine, aquifer properties, expected production rates and infrastructure design (trench and bore size and spacing). |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | Numerical hydrogeological modelling to be completed that incorporates the results of the test pumping. The model will be the basis of the annual brine abstraction rate and mine life.<br><br>**Lake Lewis**<br>Further drilling to assess the occurrence of brine at depth.<br>Closer spaced, more evenly distribute drilling, particularly to define the thickness of the LPS unit.<br>Hydraulic testing be undertaken, for instance pumping tests from bores and/or trenches to determine, aquifer properties, expected production rates and infrastructure design (trench and bore size and spacing).<br>Lake recharge dynamics be studied to determine the lake water balance and subsequent production water balance. For instance simultaneous data recording of rainfall and subsurface brine level fluctuations to understand the relationship between rainfall and lake recharge, and hence the brine recharge dynamics of the Lake.<br>Study of the potential solid phase soluble or exchangeable potassium resource. |

*+Rule 5.5*

# 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** | **Quarter ended ("current quarter")** |
|---|---|
| 98 117 085 748 | 30 September 2016 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (3 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | | |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (1,430) | (1,430) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (318) | (318) |
| | (e) administration and corporate costs | (196) | (196) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 19 | 19 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Research and development refunds | - | - |
| 1.8 | Other (provide details if material)<br>- Business Development | (44) | (44) |
| **1.9** | **Net cash from / (used in) operating activities** | **(1,969)** | **(1,969)** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire: | | |
| | (a) property, plant and equipment | (50) | (50) |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | - |
| | (d) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | - | - |
| | (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) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **(50)** | **(50)** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of shares | - | - |
| 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 | (4) | (4) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **(4)** | **(4)** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 7,500 | 7,500 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,969) | (1,969) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (50) | (50) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (4) | (4) |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **5,477** | **5,477** |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Bank balances | 5,477 | 7,500 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **5,477** | **7,500** |

| 6. | Payments to directors of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to these parties included in item 1.2 | (209) |
| 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

Payments include director and consulting fees, superannuation and provision of corporate, administration services, and a fully serviced office.

| 7. | Payments to related entities of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 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

Not applicable.

| **8.** | **Financing facilities available**<br>*Add notes as necessary for an understanding of the position* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 8.1 | Loan facilities | - | - |
| 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.

Not applicable

| **9.** | **Estimated cash outflows for next quarter** | **$A'000** |
|---|---|---|
| 9.1 | Exploration and evaluation | 1,600 |
| 9.2 | Development | - |
| 9.3 | Production | - |
| 9.4 | Staff costs | 350 |
| 9.5 | Administration and corporate costs | 140 |
| 9.6 | Other (provide details if material)<br>- Business Development | 10 |
| **9.7** | **Total estimated cash outflows** | **2,100** |

| **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 Table 1 | | |
| 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 October 2016
(~~Director~~/Company secretary)

Print name: Sam Cordin

**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.