31 July 2016

JUNE 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 June 2016.*

Highlights:

- *Initial test pumping of the paleochannel and surface aquifers at the Lake Wells Sulphate of Potash (**SOP**) Project returned very encouraging results.*
- *The test pumping provided aquifer permeability measurements within or exceeding the expected range for the paleochannel and surface aquifers, demonstrating the potential to draw very substantial brine flows from both the paleochannel and surface aquifers.*
- *An extensive geophysical survey was completed, including gravity and passive seismic programs focused on paleochannel mapping and aquifer modelling.*
- *An aircore drilling program commenced at Lake Wells, aimed at paleochannel targets identified by the geophysical work.*
- *The first hole in the aircore program was completed during the quarter, encountering a thick paleochannel aquifer unit and providing initial confirmation of geophysical modelling.*
- *Particle size distribution analysis of the paleochannel aquifer unit sediments (comprising sands, gravels and cobbles) indicates potentially high permeability.*
- *The second heritage clearance survey at the Lake Wells Project was completed, with Aboriginal Heritage Consultants confirming the proposed drilling and resource evaluation program.*
- *The Company and its consultants have substantially advanced the Lake Wells Project Scoping Study, with completion expected in the coming weeks.*
- *Significant progress was made in the understanding of potential brine processing and SOP production pathways, with leading international industry experts conducting a site visit to Lake Wells.*
- *The Company placed 27.8 million shares to a range of sophisticated and institutional investors in Australia and Overseas, raising a total of $8.9 million (before costs).*

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EXPLORATION

Test Pumping

Drilling and test pumping of aircore and selected mud rotary holes at a number of sites on the lake continued during the quarter. The objective of the program was to make an initial assessment of the permeability and other characteristics of the brine aquifers at the Lake Wells Project.

The results of the test pumping provided aquifer permeability measurements within or exceeding the expected range for the two aquifers tested. The paleochannel aquifer and one of the surface aquifer test production bores were pumped at 4 litres per second (**l/s**), which was the maximum capacity of the pump as constrained by the borehole diameter. Based on aquifer response considerably higher pumping rates would be achieved with a larger capacity pump.

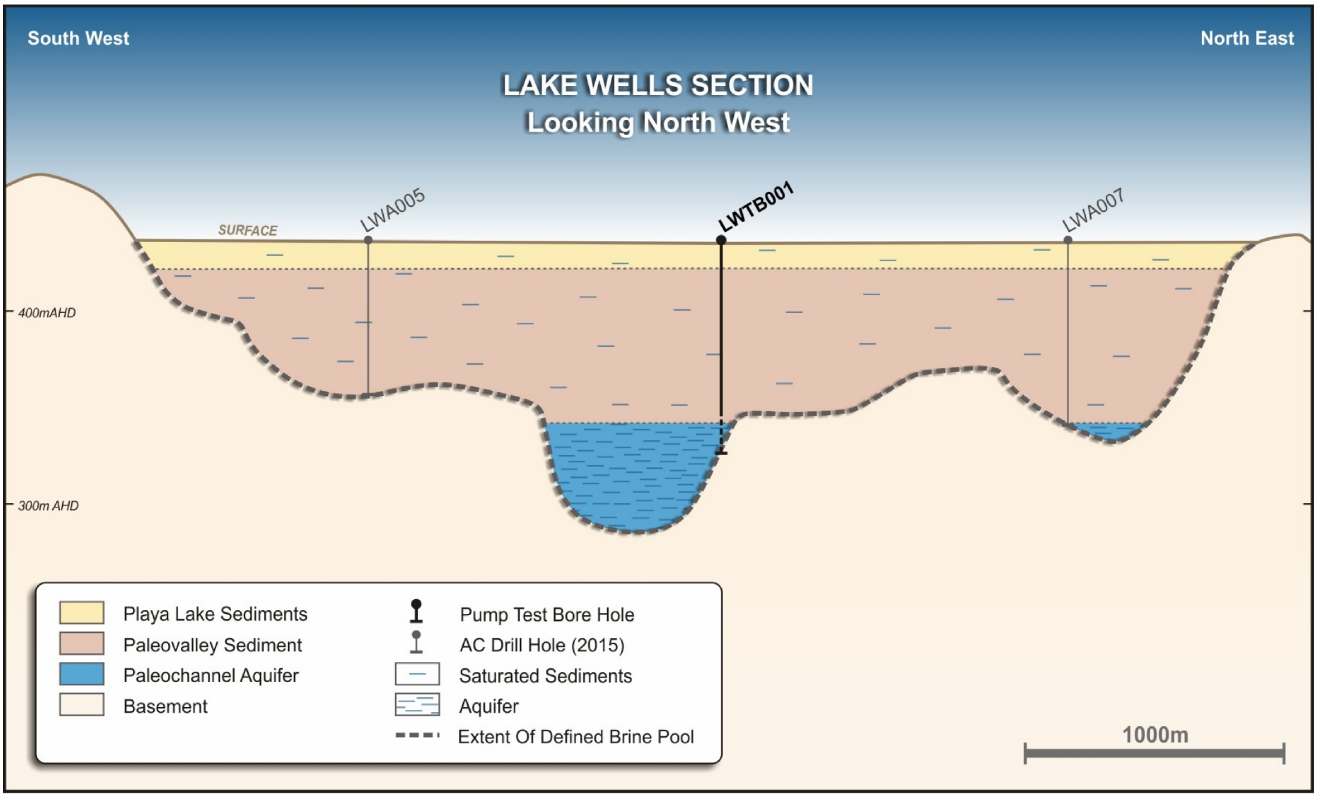


Figure 1: Transect at Lake Wells

<u>Paleochannel Aquifer</u>

The Paleochannel Aquifer at Lake Wells was encountered in two aircore holes approximately 2km apart drilled in late 2015. Paleochannel aquifers are a common feature of Australian paleochannel environments and are intepreted to be extensive in the Lake Wells paleovalley. The coarse sands and gravels at the depths of the paleochannel are potentially a very productive source of feed brine because of high permeability in sediments deposited in the early, high energy paleo-environment.

A 2015 aircore hole drilled in the northern arm of Lake Wells, intersected fine paleochannel sands with interbedded clays from 105m to 120m, with a band of noticeably coarser sands and gravels in the deepest 4-5m. In the current campaign, a 150mm mud rotary hole LWBT001 (refer to Figure 2 below) was drilled to the same depth approximately 10m from the earlier aircore hole.

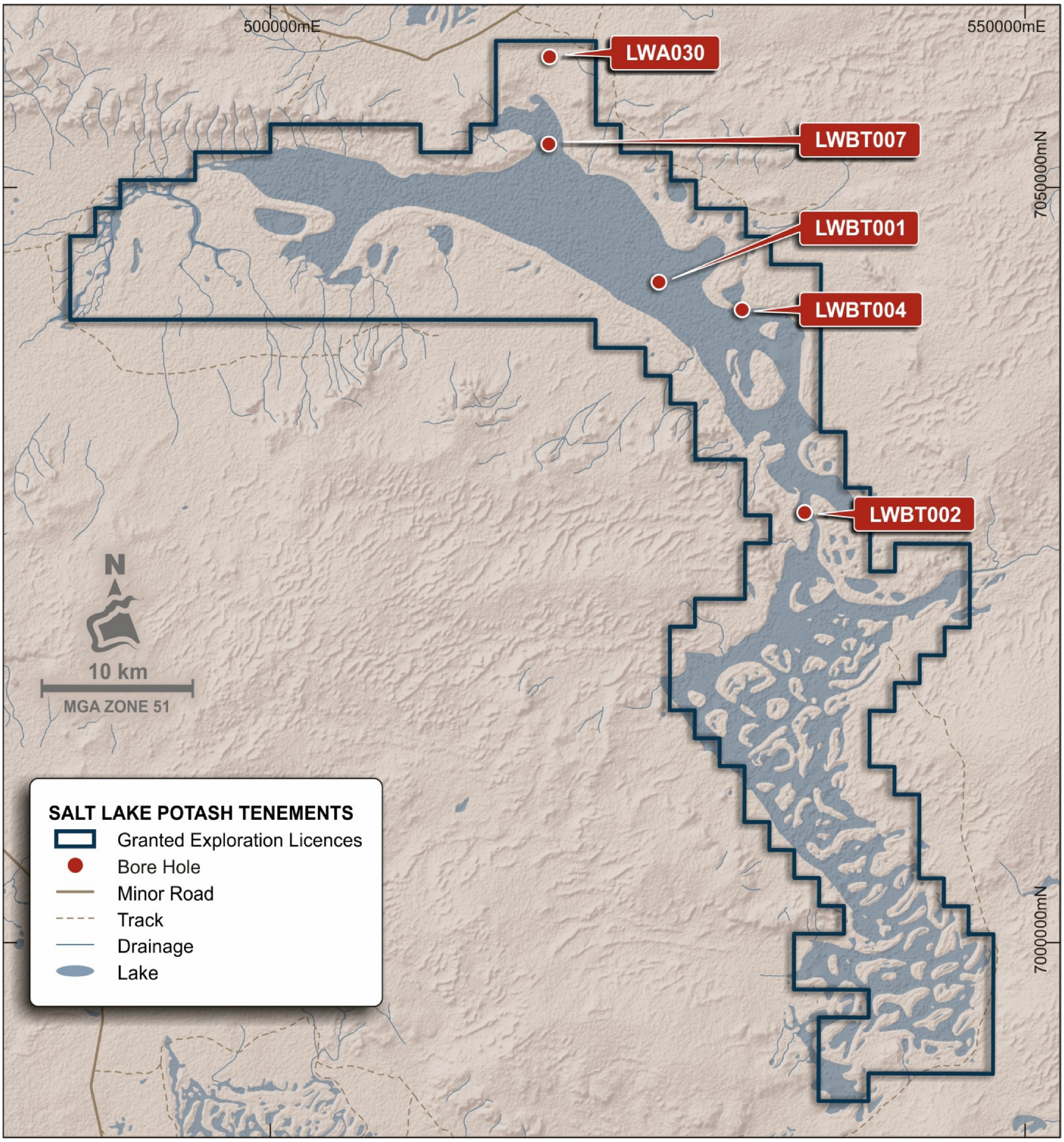


Figure 2: Location of Completed Pump Test Bore Holes

The hole was cased with 100mm PVC casing above the paleochannel aquifer and slotted 100mm PVC casing through the paleochannel aquifer (105-120m), the bore annulus was gravel packed and grouted. After bore development, a 100mm 4KW submersible pump was set at approximately 50m below ground level. Test pumping comprised a step test where the bore was pumped at increasing flow rates until the capacity of the pump was reached at approximately 4l/s. At this rate the water level in the bore was lowered and maintained at 37m below ground level.

Using the standard Cooper-Jacob (1946) method, the pumping data was analysed and modelled to estimate aquifer transmissivity of 8m² per day, equating to bulk average permeability of 0.5m per day at this site.

Importantly, particle size distribution analysis for samples from this part of the paleochannel aquifer record much coarser sands in the lower part of the aquifer, from 116-120m. This indicates that there is much higher permeability in the lower part of the aquifer, rather than the finer sands higher in the unit, where substantial clay is also present. Based on the particle size distribution analysis, permeability in the 116-120m interval equated to 2-3m per day. This is particularly encouraging given the current understanding of the geological setting is that the hole is located on the flank of the paleochannel and the deepest part of the channel is a few hundred metres north of LWTB001.

Surface Aquifer

The Playa Lake Sediment (**PLS**) hosted aquifer at the surface of the Lake is a potential source of feed brine from either or both of surface trenching or shallow bores. The PLS exhibits a wide range of lithology, with variably sorted, fine grained clays, silts and sands, including gypsum crystals and silcrete which influence the porosity and permeability of the sediments.

A shallow aircore drill hole in late 2015 in the Northern arm of the Lake encountered PLS and a band of crystalline silcrete from approximately 5-13m, which exhibited excellent brine flow during airlifting. In the current campaign, a 24m mud rotary hole LWBT007 was drilled adjacent to the air core hole. The hole was cased and gravel packed, with slotted PVC from 6m to 20m. A 100mm 4KW submersible pump was installed 15m below ground level and a constant flow rate test was run for 24 hours at 6l/s. Drawdown was stable at 1.8m, before the failure of the pump generator terminated testing. Prior to the constant rate flow test an initial trial pumping reached the capacity of the pump.

Modelling of the pumping test using the standard Cooper-Jacob (1946) method produced an aquifer transmissivity of 3400m^2 per day, equating to bulk average permeability of 240m per day for this site. This exceptional result is partly due to the enhanced secondary porosity developed within the silcrete zone. The extent of the silcrete zone has not been defined by the two holes drilled.

An additional mud rotary hole LWBT004 was drilled to 21m and adjacent to the location of a 2015 aircore hole which intersected interbedded clays, sands and silts from surface to the targeted depth. The pump test was conducted on an interval from 1m to 21m as per the procedures described for LWBT007, with the equivalent calculation method producing a transmissivity of 4m^2 per day, equating to bulk average permeability of 0.2m per day.

Fractured Siltstone Aquifer

The majority of drill holes completed during the aircore drill program in 2015 ended in a fractured bedrock brine yielding aquifer, which was defined as the Fractured Siltstone Aquifer (**FSA**). The upper part of the formation yielded water at variable rates for these drill holes demonstrating elevated permeability. The permeability of this unit is likely to be associated with weathering and fracturing of the rock matrix. Where fractured, the rock is expected to act as an aquifer. The siltstone aquifer and brine pool potentially continues some depth below the range of the aircore drill program.

During the 2015 program aircore hole LWA009 intersected shallow fractured and weathered Proterozoic siltstone from 11 to 63m below ground level (**m bgl**) where the hole was terminated due to refusal. Airlift yields of between 0.2 to 0.3 l/s were recorded from 42 to 63m bgl and showed a general increase with depth indicating the potential for productive fracture zones beyond 63m.

In 2016, a Mud rotary hole LWBT002 was located adjacent to LWA009 in the “Neck” area of Lake Wells and drilled to 99m. Results of test pumping indicated a transmissivity of 16m^2 per day, equating to bulk average permeability of 0.3m per day, from an interval of 20m to 77.5m. Further exploration to define structural controls and identify more highly fractured zones will be undertaken to determine additional drilling and test pumping targets in the FSA.

Test Pumping Program Brine Sampling Results

Brine samples were obtained at regular intervals during test pumping. Brine analysis has been completed on the samples collected to date from each of the test pumped aquifers as presented in Table 1 below. The SOP grade of the samples range from 8.56kg/m^3 to 10.09kg/m^3, with an average of 9.47kg/m^3. Samples collected from the two surface aquifer tests exhibit a slightly higher grade SOP compared with the paleochannel aquifer. The brine analysis results are consistent over the duration of each test, and with the corresponding samples collected from adjacent aircore holes during the 2015 aircore drilling program.

Average Brine Chemistry	Number of Samples	K (kg/m^3)	Mg (kg/m^3)	SO_4 (kg/m^3)	TDS (kg/m^3)	K_2SO_4 (kg/m^3)
LWBT001	6	3.840	7.168	21.100	268	8.56
LWBT004	4	4.525	6.250	17.475	266	10.09
LWBT007	1	4.250	5.760	17.300	256	9.48
LWBT002	1	4.380	6.390	18.300	262	9.78

Table 1: Brine Analysis Results

Completion of Detailed Geophysical Survey

An extensive ground based geophysical survey was completed in the quarter aimed at assessing the Lake Wells bedrock topography and generation of aquifer drill targets. Atlas Geophysics were engaged to undertake a gravity survey using industry leading high accuracy gravimeters and position systems to measure subsurface density. A total of 46 gravity lines comprising 2,147 stations spaced 50 – 200m apart (see Figure 3) were completed. In addition, a low impact high-resolution passive seismic system was used to correlate a secondary geophysical interpretation tool with the gravity and provide a more robust model. A total of 11 passive seismic lines spanning 30km was completed on priority lines identified by the gravity survey. Interpretation and modelling of the geophysical survey data is ongoing.

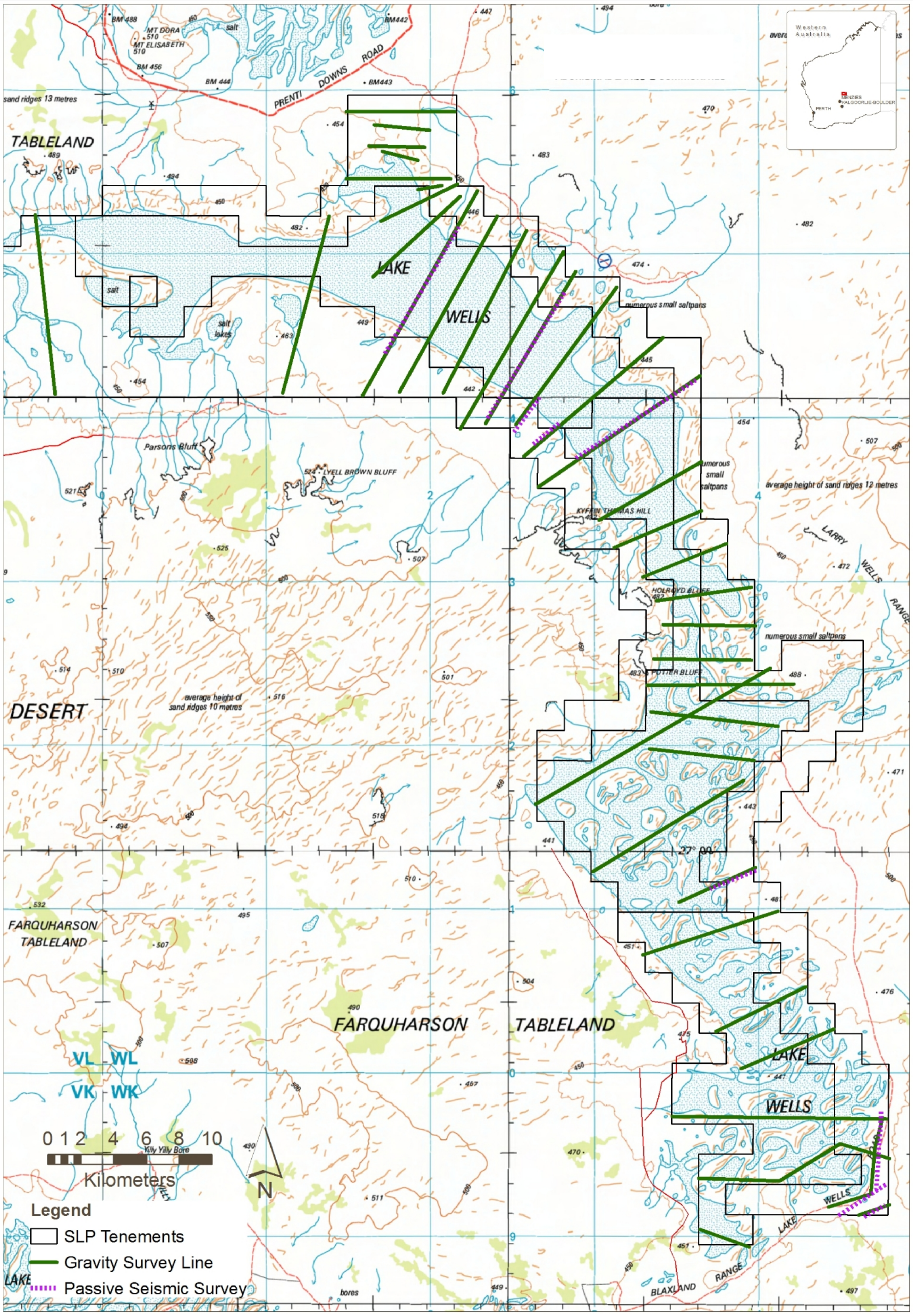


Figure 3: Lake Wells Gravity and Seismic Survey Completed

Aircore Drilling Program

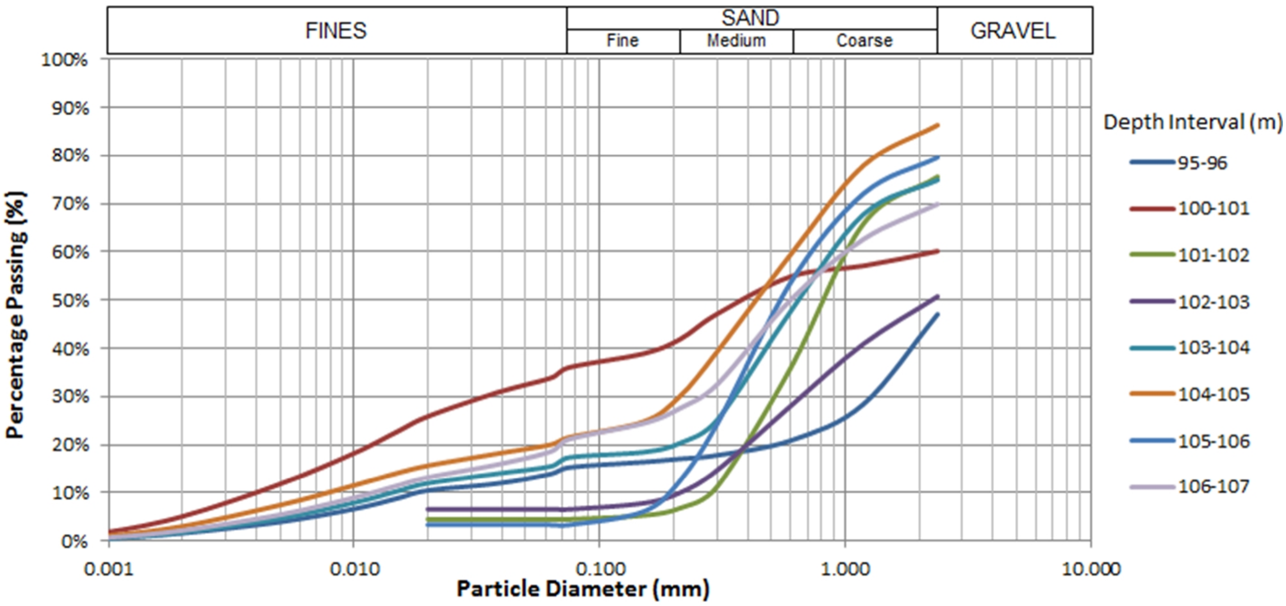
A truck mounted air-core drill rig was mobilized to the northern end of the Lake during the quarter. A program of 5-10 holes to 120m is planned to validate the geophysical modeling and test potential palaeochannel aquifer targets identified by geophysical surveys. The first hole in the program, LWA030, was located approximately 3km from the northernmost point of Lake Wells (see Figure 2). The hole encountered a highly permeable silcrete aquifer of brackish water from 9m to 21m followed by a sequence of paleovalley clays from 21m to 95m. A paleochannel aquifer comprising fine to coarse sands, gravels and cobbles from approximately 95m to 107m was encountered. The hole ended in cobbles which the aircore failed to penetrate. Airlift water flows of up to 9l/s were recorded in this zone, as well as considerable sub-artesian water pressure.

Analysis of brine samples in the paleochannel aquifer in hole LWA030 were as follows:

Average Brine Chemistry	Number of Samples	K (kg/m³)	Mg (kg/m³)	SO_4 (kg/m³)	TDS (kg/m³)	K_2SO_4 (kg/m³)
LWA030	2	3.64	5.62	18.2	240	8.12

Table 2: Brine Analysis Results

Samples of coarse sands and gravels which were collected from intervals from 95 to 96m, and 100 to 107m, were submitted for Particle Size Distribution (**PSD**) analysis. These zones have theoretical permeability ranging from 0.01 to 66m/d. The balance of the sampled interval includes some sands and clays which bring the average permeability down to approximately 17m/d. This equates to a Transmissivity of approximately 136m^2/day over the sampled interval, indicating potentially high water flows in this part of the aquifer. The results of the PSD analysis are presented in Figure 4 below, where high permeability zones relate to more well sorted coarse grained sediments.



Depth (m)	D50 Grain Size Classification	K [m/d, Hazen 1892]
95-96	Gravel	0.29
100-101	Medium Sand	0.01
101-102	Medium Sand	66.31
102-103	Coarse Sand	39.02
103-104	Coarse Sand	0.17
104-105	Medium Sand	0.06
105-106	Medium Sand	30.16
106-107	Medium Sand	0.12
Average		17.02

Figure 4: PSD Analysis of LWA030

Subsequent to the end of the quarter, the off-lake drill program has continued to progress to the south-east of LWA030 drilling additional paleochannel targets.

Heritage Clearance

The Company completed its second annual heritage clearance survey at the Lake Wells Project, conducted by anthropological consultants De Gand & Associates Pty Ltd, with the participation of six Aboriginal Heritage Consultants. The Company outlined the next stage of proposed drilling and resource evaluation programs to be undertaken at the Lake Wells Project and was pleased to confirm heritage clearance on completion of the survey.

Scoping Study and Ongoing Test-work

Amec Foster Wheeler and other consultants continued substantial work on the Scoping Study for the Lake Wells project. Amec Foster Wheeler is a recognised leader in potash mining and processing with capabilities extending to detailed engineering, procurement and construction management.

In addition to the expertise that Amec Foster Wheeler is providing to the Scoping Study, the Company has engaged brine-processing experts Carlos Perucca Processing Consulting Ltd (CPPC) and AD Infinitum Ltd (AD Infinitum) and their principals Carlos Perucca and Marcelo Bravo, who are highly regarded global experts in the potash industry. Marcelo previously worked as Process Manager Engineer at SQM, the third largest salt lake SOP producer globally. He specialises in the front end of brine processing from feed brine through to the crystallisation of harvest salts. Carlos Perucca has over 25 years of experience in mineral process engineering and will provide high-level expertise with respect to plant operations for the processing of harvest salts through to final SOP product.

The Company has also engaged Green Markets to conduct fertiliser market studies as part of the Scoping Study. Green Markets is a subsidiary of Bloomberg LP and is a market intelligence firm that has been covering global fertiliser markets for 39 years.

In addition, Project Advisory Group (PAG) has been engaged to provide transport studies incorporated within the Scoping Study. PAG is an Australian project and engineering consultancy group with extensive experience in transport cost engineering.

The Scoping Study is expected to be completed in the current quarter.

CORPORATE

Placement Raising $8.9 million

The Company completed a placement of 27,775,000 ordinary shares at an issue price of $0.32 to a range of strategic, institutional and sophisticated investors in Australia and overseas raising a total of $8.9m before costs.

Proceeds from the placement will be used to accelerate the Company's exploration programs at its Lake Wells and other SOP Projects.

Exploration Incentive Scheme

Salt Lake has been offered up to $150,000 under the WA Government Exploration Incentive Scheme (EIS) Co-funded Drilling programme for drilling at Lake Wells. Under the EIS guidelines the funding covers direct drilling costs which Salt Lake is required to match on a dollar for dollar basis.

Lake Wells Project

The Lake Wells Project is located in the Northern Goldfields of Western Australia approximately 200km north of Laverton. The Project comprises 1,126 km^2 of granted Exploration Licences, substantially covering the Lake Wells Playa and the area immediately contiguous to the Lake.

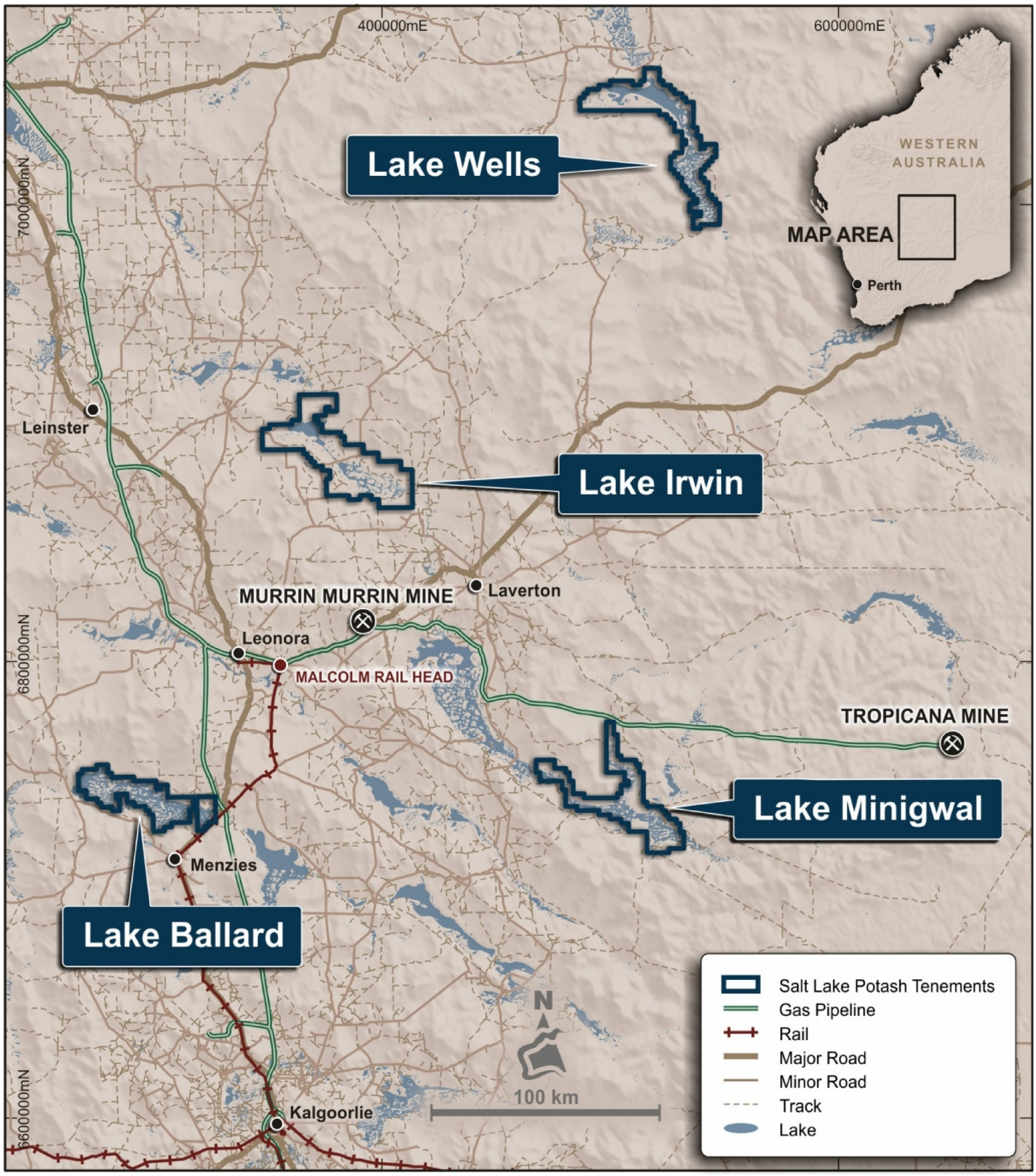


Figure 5: Map of Western Australian project locations

Table 3 - Summary of Exploration and Mining Tenements

As at 30 June 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-Apr-16	Interest (%) 30-Jun-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	Application Lodged	E38/3124	39.0	-	-	-	-	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	Granted	E39/1893	246.2	5 years	01-Apr-16	31-Mar-21	100%	100%
East	Granted	Granted	E39/1894	158.1	5 years	01-Apr-16	31-Mar-21	100%	100%
Central	Application	Application Lodged	E39/1962	369.0	-	-	-	-	100%
Central East	Application	Application Lodged	E39/1963	93.0	-	-	-	-	100%
South	Application	Application Lodged	E39/1964	99.0	-	-	-	-	100%
South West	Application	Application Lodged	E39/1965	89.9	-	-	-	-	100%
Lake Way									
Central	Application	-	E53/1878	217.0	-	-	-	100%	100%
South	Application	Application Lodged	E53/1897	77.5	-	-	-	-	100%
South Australia									
Lake Macfarlane	Granted	-	EL 2015/085	816	5 years	20-Jan-16	19-Jan-21	100%	100%
Island Lagoon	Granted	-	EL 2015/084	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 for Lake Wells is 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 is 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 information in this Report that relates to Mineral Resources is extracted from the reports entitled 'Lake Wells Resource Increased by 193% to 85Mt of SOP' dated 22 February 2016 and 'Significant Maiden SOP Resource of 29Mt at Lake Wells' dated 11 November 2015. The announcement is available to view on www.saltlakepotash.com.au. The information in the original ASX Announcement that related to Mineral Resources was based on, and fairly represents, information compiled by Mr Ben Jeuken, who is a member Australian Institute of Mining and Metallurgy and a member of the International Association of Hydrogeologists. 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'. 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 and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. 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.

APPENDIX 1 - LAKE WELLS DRILLHOLE DATA

Hole_ID	Drilled Depth (m)	East	North	RL (mAHD)	Dip	Azimuth
LWBT001	121	525743	7043737	443	-90	0
LWBT004	21	518452	7052870	443	-90	0
LWBT007	24	531246	7041900	443	-90	0
LWBT002	99.5	535393	7028485	432	-90	0
LWA030	107	518525	7058696	447	-90	0

APPENDIX 2 - BRINE CHEMISTRY ANALYSIS

HOLE ID	SAMPLE	K (kg/m^3)	Cl (kg/m^3)	Na (kg/m^3)	Ca (kg/m^3)	Mg (kg/m^3)	SO_4 (kg/m^3)	TDS (g/kg)
LWBT001	Test pumping	3.830	147.700	86.200	0.521	7.120	21.000	267
LWBT001	Test pumping	3.830	146.150	86.500	0.523	7.190	21.000	266
LWBT001	Test pumping	3.840	148.050	86.900	0.524	7.160	21.000	268
LWBT001	Test pumping	3.840	147.550	86.400	0.523	7.130	21.000	267
LWBT001	Test pumping	3.840	147.350	91.000	0.524	7.190	21.000	271
LWBT001	Test pumping	3.860	146.500	91.000	0.525	7.220	21.000	271
LWBT004	Test pumping	4.550	153.150	88.700	0.568	6.530	18.000	272
LWBT004	Test pumping	4.610	152.650	90.800	0.567	6.660	18.000	274
LWBT004	Airlift development	4.480	147.900	86.800	0.635	6.190	18.000	264
LWBT004	Test pumping	4.460	142.300	83.100	0.638	5.620	16.000	253
LWBT007	Test pumping	4.250	143,850	84.300	0.585	5.760	18.000	256
LWBT002	Test pumping	4.380	146.650	86.400	0.561	6.390	18.000	263
LWBT002	Test pumping	4.480	147.850	88.800	0.584	6.440	18.000	266
LWBT002	Test pumping	4.440	147.150	88.500	0.573	6.480	18.000	265
LWA030	Airlift 101m	3.530	132.000	73.900	0.621	5.540	18.000	234
LWA030	Airlift 107m	3.750	139.950	79.000	0.609	5.700	18.000	247

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.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *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.*	Brine samples were obtained from 100mm PVC cased slotted test production bores using two methods: • Sampled during test pumping at regular intervals from the end of the discharge hose; or • Sampled from airlifted brine flowing from the top of the bore casing at the end of the development phase of bore construction when all drilling fluids have been removed from the bore. Brine samples were also 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. The pump used during test pumping was a 4" Lowara 16GS40 coupled to a Franklin 4KW 316SS 415V motor. The flow from the bore was controlled using a variable speed drive and monitored using a calibrated magflow meter and bucket and stop watch, the cumulative volume pumped at each stage of test pumping was used as verification of the volumes abstracted. Drawdown in the pumping bore was measured using vented data loggers coupled to a laptop to provide a live readout. In addition to regular manual dips. The discharge line outlet at each test bore was located between 300m and 500m away to ensure there was no re-circulation of discharged water. Geological samples were obtained at 1m intervals from the top of the open hole by sieve during mud rotary drilling and from buckets below the cyclone during aircore drilling. The mud rotary samples were logged and used to confirm the geological strata encountered are equivalent to the adjacent aircore hole, typically less than 10m away. Particle size distribution analysis was completed on samples obtained from the aircore drilled programme. The samples had been kept in storage and analysed by Bureau Veritas Minerals Laboratory by wet and dry sieving methods.
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).*	Conventional mud rotary drilling, 162mm - 200mm hole diameter and diamond drilling at HQ diameter, completed by Raglan Drilling, Kalgoorlie using a customised track based diamond rig. Aircore drilling at 138mm diameter was completed by Austral Drilling Services of Malaga, Perth, with a non-face discharge vacuum blade bit and truck mounted Schramm 685. All holes vertical.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *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.*	Geological sample recovery when drilling conventional mud rotary was low to moderate due to the crushing and mixing nature of the drilling method. 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 cyclone for the entire metre length and then emptying out on a pre-marked grid on the edge of the drill pad. Where PQ diamond core was drilled, samples were placed in core trays, labelled and photographed. Core loss and recovery percent was logged and marked up in the core trays. General recovery was good, however some highly fractured sections had some core loss. Brine sample recovery during test pumping was relevant to the bulk chemistry of the slotted section of the production bore.

Criteria	JORC Code explanation	Commentary
		Airlifts were completed on minimum air and sampling took place following stabilisation of flow approximately between 2 and 10mins from start of airlift.
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.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	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. Where mud rotary drilling was completed logging was compared to the adjacent aircore hole to determine if geological variation occurs. Flow rate data from airlifting was logged to note water inflow zones. Mud logs were completed during mud rotary drilling to record how the muds changed composition during drilling through different formations to maintain a stable hole and optimise penetration rate.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *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.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Brine was sampled directly from the end of the discharge hose during test pumping or flowing water from the top of the bore casing during development, ensuring no contamination with overland flow occurred. Brine samples were obtained during aircore drilling from the cyclone when airlifting at the end of each drill rod. Sample bottles are rinsed with brine which is discarded prior to sampling. All brine samples taken in the field are split into two sub-samples: primary and duplicate. Reference samples were analysed at an approximate 1:8 ratio and sent to a separate laboratory for QA/QC. Brine samples once collected were stored in eskys on site for no more than 7 days prior to freighting to the laboratory for testing. Core samples were taken for laboratory analysis of porosity when diamond drilling. Representative cores were obtained from the bulk matrix of the rock types encountered. These were sealed in plastic and frozen to maintain moisture content. Chip trays and bulk lithological samples are kept for records.
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.* *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.* *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. 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 Reference standard solutions were sent to Bureau Veritas Minerals Laboratory to check accuracy. Reference standards analysis reported an average error of less than 10%.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Data entry is done in the field to minimise transposition errors. 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. 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.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Hole co-ordinates were captured using hand held GPS. Coordinates were provided in GDA 94_MGA Zone 51. Topographic control is obtained using Geoscience Australia's 3-second digital elevation product. Topographic control is not considered critical as the salt lakes are generally flat lying and the water table is taken to be the top surface of the brine resource.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *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.* *Whether sample compositing has been applied.*	Drill hole spacing is on average 4.1 km. The drilling is not on an exact grid due to the irregular nature of the salt lake shape, aquifer occurrence and difficulty obtaining access to some part of the salt lake.
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.* *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 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. All remaining sample and duplicates are stored in the Perth office in climate-controlled conditions. 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.* *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.*	Tenements drilled were granted exploration licences 38/2710, 38/2821, 38/2824, 38/3055, 38/3056 and 38/3057 in Western Australia. Exploration Licenses are held by Piper Preston Pty Ltd (fully owned subsidiary of ASLP).
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* *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.*	Test production bore drilling comprised three mud rotary drilled holes. Aircore Drilling comprised one aircore hole, diamond drilling comprised of one diamond drilled hole. Details are presented in the report.
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.* *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.* *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. Data aggregation for this report comprised averaging of all brine samples per drill hole to present an average concentration per hole in Table 1 and 2.

SALT LAKE POTASH LTD

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *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').*	The brine resource is inferred to be consistent and continuous through the full thickness of the sediments. The unit is flat lying and drill holes are vertical hence the intersected downhole depth is equivalent to the inferred thickness of mineralisation.
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.*	Test pumping interpretation data was corrected for brine specific gravity and analysed using the industry standard Cooper – Jacob method (Cooper, H.H. & Jacob, C.E. (1946) A generalised graphical method for evaluation formation constants and summarizing well field history. *Transactions of the American Geophysical Union* 27, 526-534). Particle size distribution analysis was completed using the Hazen equation for permeability (Hazen, A. (1892). ''Physical properties of sands and gravels with reference to their use in filtration'' Report to Massachusetts State Board of Health.) The announcement dated 12/05/2016 provided an initial estimate of transmissivity and permeability for LWTB007. This value has been revised upwards after a more robust test was completed at a higher flow rate (6l/s) and longer duration (24hr).
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Exploration aircore drilling to confirm the paleochannel aquifer depth and geometry. Installation of monitoring bores. 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). 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.

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, 01/05/2013

Name of entity

SALT LAKE POTASH LIMITED

ABN	Quarter ended ("current quarter")
98 117 085 748	30 JUNE 2016

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,110)	(2,960)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(214)	(702)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	31	67
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material):		
	(a) business development	(75)	(242)
	Net Operating Cash Flows	**(1,368)**	**(3,837)**
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(70)	(110)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
	Net investing cash flows	**(70)**	**(110)**
1.13	Total operating and investing cash flows (carried forward)	(1,438)	(3,947)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,438)	(3,947)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,688	8,888
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other :		
	- Capital raising costs	(291)	(611)
	Net financing cash flows	**3,397**	**8,277**
	Net increase (decrease) in cash held	**1,959**	**4,330**
1.20	Cash at beginning of quarter/year to date	5,541	3,170
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	**7,500**	**7,500**

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	249
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	(900)
4.2	Development	-
4.3	Production	-
4.4	Administration	(150)
	Total	**(1,050)**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	1,480	5,521
5.2	Deposits at call	6,020	20
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**7,500**	**5,541**

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed		Refer to Table 3		
6.2	Interests in mining tenements and petroleum tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	133,827,596	133,827,596	Not applicable	Not applicable
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	11,525,000	11,525,000	$0.32	$0.32
7.5	**+Convertible debt securities** *(description)*				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options**	*Options*		*Exercise price*	*Expiry date*
	- *Unlisted Options*	57,370	-	$3.60	30 November 2016
	- *Unlisted Options*	57,370	-	$4.80	30 November 2016
	- *Unlisted Options*	57,370	-	$6.00	30 November 2016
	- *Unlisted Options*	33,333	-	$2.73	30 November 2016
	- *Incentive Options*	750,000	-	$0.40	29 April 2019
	- *Incentive Options*	750,000	-	$0.50	29 April 2020
	- *Incentive Options*	1,000,000	-	$0.60	29 April 2021
		Rights			
	- *Perf Rights*	5,000,000	-	-	12 June 2018
	- *Perf Rights*	7,500,000	-	-	12 June 2019
	- *Perf Rights*	10,000,000	-	-	12 June 2020
7.8	Issued during quarter	*Options*		*Exercise price*	*Expiry date*
	- *Incentive Options*	750,000	-	$0.40	29 April 2019
	- *Incentive Options*	750,000	-	$0.50	29 April 2020
	- *Incentive Options*	1,000,000	-	$0.60	29 April 2021
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... Date: 31 July 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 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.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.