SALT LAKE POTASH LTD

ANNUAL FINANCIAL REPORT

30 JUNE 2016

ABN 98 117 085 748

CORPORATE DIRECTORY

DIRECTORS
Mr Ian Middlemas – Chairman
Mr Matthew Syme
Mr Jason Baverstock
Mr Mark Hohnen
Mr Mark Pearce

COMPANY SECRETARY
Mr Sam Cordin

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London Stock Exchange (AIM)
AIM Code: SO4 – Ordinary Shares

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BANKERS
Australia and New Zealand Banking Group Limited

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The Directors of Salt Lake Potash Limited present their report on the Consolidated Entity consisting of Salt Lake Potash Limited (**Company** or **Salt Lake**) and the entities it controlled at the end of, or during, the year ended 30 June 2016 (**Consolidated Entity** or **Group**).

DIRECTORS

The names and details of the Group's Directors in office at any time during the financial year or since the end of the financial year are:

Mr Ian Middlemas	Chairman
Mr Matthew Syme	Chief Executive Officer (**CEO**) (appointed CEO 29 April 2016)
Mr Jason Baverstock	Executive Director
Mr Mark Hohnen	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

Unless otherwise stated, Directors held their office from 1 July 2015 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Mr Ian Middlemas *B.Com, CA*
Chairman

Mr Middlemas is a Chartered Accountant, a member of the Financial Services Institute of Australasia and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a Director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed a Director of the Company on 21 January 2010 and Chairman on 29 August 2014. During the three year period to the end of the financial year, Mr Middlemas has held directorships in Apollo Minerals Limited (July 2016 – present), Cradle Resources Limited (May 2016 – present), Paringa Resources Limited (October 2013 – present), Berkeley Energia Limited (April 2012 – present), Prairie Mining Limited (August 2011 – present), Syntonic Limited (April 2010 – present), Equatorial Resources Limited (November 2009 – present), WCP Resources Limited (September 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present), Papillon Resources Limited (May 2011 – October 2014), Sierra Mining Limited (January 2006 – June 2014) and Decimal Software Limited (July 2013 – April 2014).

Mr Matthew Syme *B.Com, CA*
Chief Executive Officer

Mr Syme is a Chartered Accountant and an accomplished mining executive with over 26 years experience in senior management roles in Australia and overseas. He was a Manager in a major international Chartered Accounting firm before spending 3 years as an equities analyst in a large stockbroking firm. He was then Chief Financial Officer of Pacmin Mining Limited, a successful Australian gold mining company.

Mr Syme has considerable experience in managing mining projects in a wide range of commodities and countries. He most recently held the position of Managing Director of copper-gold developer Sierra Mining Limited, which merged with RTG Mining Inc in early June 2014. Mr Syme was responsible for the acquisition of Sierra's key Mabilo Project in late 2011.

Prior to joining Sierra in 2010 he was Managing Director of Berkeley Resources Limited where he successfully guided the acquisition and scoping studies of Berkeley's Salamanca Uranium Project in Spain.

Mr Syme was appointed a director of Salt Lake Potash Limited on 9 April 2015 and CEO on 29 April 2016. During the three year period to the end of the financial year, Mr Syme was a director of Sovereign Metals Limited (June 2014 – June 2016), RTG Mining Inc. (June 2014 – September 2014) and Sierra Mining Limited (July 2010 – June 2014).

CURRENT DIRECTORS AND OFFICERS (Continued)

Mr Jason Baverstock *B.Com,*
Executive Director

Mr Baverstock founded Australia Salt Lake Potash Pty Ltd and secured each of that company's potash projects. He brings to the Company over 10 years of financial, business and research expertise. He began his career with the Australian government as Researcher and Mandarin Translator in the Australian Embassy in Beijing. He then worked in commerce and finance in Greater China in roles such as Strategy Analyst at Credit Suisse, Hong Kong and Analyst at BNP Paribas, Hong Kong. His role at BNP Paribas focused on identifying new investment ideas in the agricultural and alternative energy sectors and also analysis of the leading Chinese grain processing and fertiliser companies.

Mr Baverstock was appointed a Director on 15 June 2015. He has not held any other directorships in listed companies in the previous three years to the end of the financial year.

Mr Mark Hohnen
Non-Executive Director

Mr Hohnen has been involved in the mineral business since the late 1970s and has held a number of directorships in both public and private companies. He was founding Chairman of Cape Mentelle and Cloudy Bay wines, as well as the oil and coal company Anglo Pacific Resources Plc and was a director of AIM listed Kalahari Minerals Plc.

Mr Hohnen was appointed a Director of the Company on 19 February 2010. During the three year period to the end of the financial year, Mr Hohnen has held directorships in Bacanora Minerals Limited (April 2016 – present), Boss Resources Limited (April 2016 – present), Mawson West Limited (March 2014 – January 2015), Praetorian Resources Ltd (April 2012 – June 2014) and Mtemi Resources Ltd (September 2012 – August 2014).

Mr Mark Pearce *B.Bus, CA, FCIS, FFin*
Non-Executive Director

Mr Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed resource companies. Mr Pearce is also a Fellow of the Institute of Chartered Secretaries and Administrators and a Fellow of the Financial Services Institute of Australasia.
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Mr Pearce was appointed a Director of the Company on 29 August 2014. During the three year period to the end of the financial year, Mr Pearce has held directorships in Apollo Minerals Limited (July 2016 – present), Prairie Mining Limited (August 2011 – present), Syntonic Limited (April 2010 – present), WCP Resources Limited (September 2009 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present) and Decimal Software Limited (July 2013 - April 2014).

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year consisted of the exploration and development of resource projects. No significant change in nature of these activities occurred during the year.

OPERATING AND FINANCIAL REVIEW

Operations

The Company's primary focus during the period continued to be the advancement of the Lake Wells' Project, located in the Northern Goldfields of Western Australia approximately 200km north of Laverton. The Project comprises 1,126 km^2 of Exploration Licences, substantially covering the Lake Wells Playa and the area immediately contiguous to the Lake. The Project has potential to host a large, high grade salt lake brine project to produce highly sought after Sulphate of Potash (**SOP**) for domestic and international fertiliser markets.

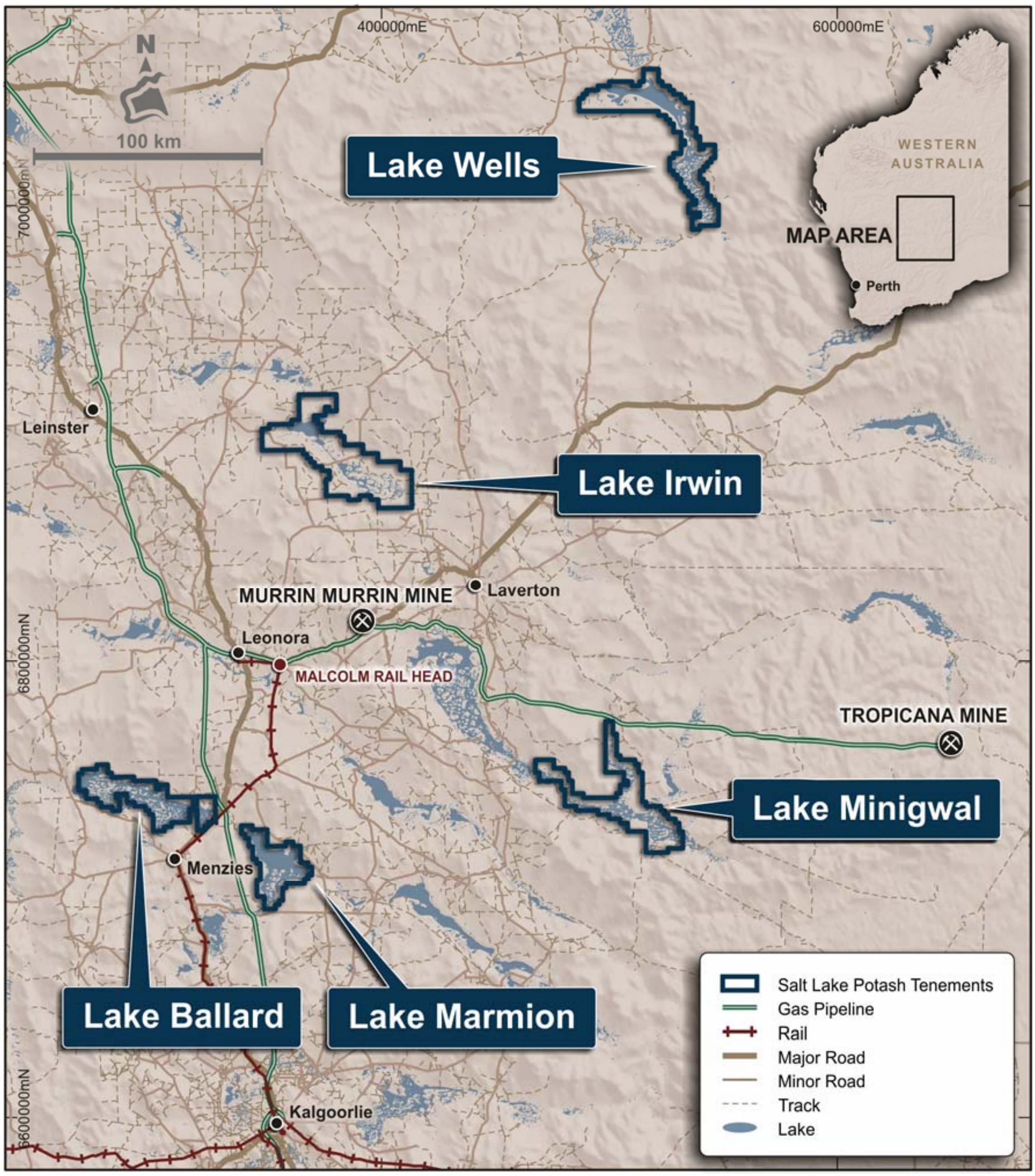

Figure 1: Location of Lake Wells

OPERATING AND FINANCIAL REVIEW (Continued)

Operations (Continued)

Highlights

Highlights during, and subsequent to the end of, the financial year include:

- **Initial Shallow Core Drilling Program:** a program of 32 shallow hollow auger core holes was completed over the entire surface of the Lake, forming the basis of the maiden resource estimate.

- **Maiden Mineral Resource Estimate for Lake Wells:** the Company completed its maiden JORC Mineral Resource estimate for the Lake Wells Project, totalling 29 million tonnes (Mt) of Sulphate of Potash (SOP) with approximately 80% in the 'Measured' category with excellent brine chemistry of 4,009 mg/L Potassium (K), 19,175 mg/L (SO4). The resource was calculated only on the upper 16 metres of the Lake, with mineralisation remaining open at depth across most of the Lake.

- **Completion of Deeper Air Core Drill Program:** A program of 27 air core drill holes for a total of 1,697m were drilled over the Lake. An average drill depth of 63m (ranging from 15m-126m) was achieved, confirming continuation of the brine pool at depth. The majority of holes ended in high grade brine, and the brine pool remains open at depth. The successful air core program identified permeable rock units (aquifers) at the base of the brine saturated sedimentary sequence, potentially representing a productive aquifer for brine extraction by pumping from bores.

- **Deeper Resource Estimate:** Based on the aircore drilling, an expanded Mineral Resource Estimate (MRE) was calculated at Lake Wells totaling 80-85 million tonnes of SOP. This represents an additional 51-56 Mt of Inferred Resource calculated in the strata below the previously reported shallow Resource of 29 Mt.

- **Geophysical Survey and Modelling**: An extensive geophysical survey was completed, including gravity and passive seismic programs focused on paleochannel mapping and aquifer modelling.

- **Initial Test Pumping:** the Company competed initial test pumping of the paleochannel and surface aquifers at Lake Wells, returning 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.

- **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.

Next Steps

- **Commencement of a Pre-Feasibility Study (PFS):** based on the positive results of the Scoping Study, the Company has commenced a PFS. During the PFS phase, the Company will undertake more detailed hydrological testwork and modelling, brine extraction optimisation and further infrastructure assessment aimed at identifying opportunities to enhance the Project economics through capital and operating cost reductions.

- **Continued Exploration activities:** including drilling, test pumping and other testwork are already underway, to upgrade the resource classification and increase the overall resource base. The targeted outcomes include an improved hydrogeological understanding of the performance of basal sand (deep bores) bores including draw down rates, productivity rates and bore and trench positions, as well as improved understanding of the potential productivity of the fractured siltstone aquifer.

- **Field Evaporation Trial:** A comprehensive field evaporation trial has commenced with the objective to optimise evaporation pond design from a flow, halite storage, and hydraulic perspective. The field trial will also produce large samples of product salts which can be used for marketing and testing purposes.

- **Regional Lakes and Opportunities**: The Company will also continue to investigate potential additional revenue streams for the Project and other opportunities for enhancement, including the benefits of an integrated Lake Wells-Lake Irwin operation.

Corporate

- **Successful Placement Raising $8.9 million:** the Company completed a placement of 27,775,000 ordinary shares to strategic and institutional investors in Australia and overseas, raising gross proceeds of $8.9 million.

- **Appointment of Chief Executive Officer:** Mr Matthew Syme, a Non-Executive Director of the Company, and accomplished mining executive, has been appointed as Chief Executive Officer (CEO) of the Company after effectively acting as CEO.

Scoping Study

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 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.

OPERATING AND FINANCIAL REVIEW (Continued)

Operations (Continued)

The Scoping Study is based on 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
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$160.7m	A$32.0m
Indirect	A$30.5m	A$6.8m
Growth Allowance	A$32.5m	A$5.1m
Total Capital	**A$223.7m**	**A$43.9m**

** 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.

Results of Operations

The net loss of the Consolidated Entity for the year ended 30 June 2016 was $4,645,028 (2015 restated: net loss of $1,348,856). This loss is mainly attributable to:

(i) Exploration and evaluation expenses of $3,191,159 (2015 restated: $191,882) which is attributable to the Group's accounting policy of expensing exploration and evaluation expenditure incurred by the Group subsequent to the acquisition of the rights to explore and up to the successful completion of definitive feasibility studies for each separate area of interest;

(ii) Non-cash share-based payment expenses of $163,448 (2015: nil) which is attributable to the Group's accounting policy of expensing the value (estimated using an option pricing model) of Incentive Options to key employees and consultants. The value is measured at grant date and recognised over the period during which the option holders become unconditionally entitled to the options and/or rights; and

(iii) Business development expenses of $365,354 (2015: $85,432) which is attributable to additional business development and investor relations activities required to support the growth and development of the Lake Wells Project, including travel costs associated with representing the Company at international conferences and investor meetings.

Financial Position

As at the date of this report, the Company had working capital in excess of $7 million which includes cash and cash equivalents.

At 30 June 2016, the Company had cash reserves of $7,498,285 (2015: $3,172,363), and no debt.

At 30 June 2016, the Company had net assets of $9,397,552 (restated 2015: $5,542,742), an increase of 70% compared with the previous year. This increase is consistent with the increase in cash reserves following the completion of the placement raising $8.9 million, which is offset by the comprehensive loss for the year of $4.6 million.

Business Strategies and Prospects for Future Financial Years

The objective of the Group is to create long-term shareholder value through the discovery, exploration and development of its projects.

To date, the Group has not commenced production of any minerals. To achieve its objective, the Group currently has the following business strategies and prospects:

(i) Complete a PFS on the Lake Wells Project;

(ii) Complete additional exploration activites including drilling,test pumping and other testwork; and

(iii) Complete a comprehensive field evaporation trial to optimise the definition of evaporation ponds and design.

All of these activities are inherently risky and the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely activities will be achieved. The material business risks faced by the Group that could have an effect on the Group's future prospects, and how the Group manages these risks, include:

OPERATING AND FINANCIAL REVIEW (Continued)

Business Strategies and Prospects for Future Financial Years (Continued)

The Company's exploration properties may never be brought into production – The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. To mitigate this risk, the Company will undertake systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, the Company will then progressively undertake a number of technical and economic studies with respect to its projects prior to making a decision to mine. However there can be no guarantee that the studies will confirm the technical and economic viability of the Company's mineral properties or that the properties will be successfully brought into production;

The Company's activities will require further capital – The exploration and any development of the Company's exploration properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and any development of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company;

The Company's exploration licence may be subject to Native title and Aboriginal Heritage - There may be areas over which legitimate common law and/or statutory Native Title rights of Aboriginal Australians exist. If Native Title rights do exist, the ability of the Company to gain access to the Projects (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected;

The Company may be adversely affected by fluctuations in commodity prices – The price of potash and other commodities fluctuates widely and is affected by numerous factors beyond the control of the Company. Future production, if any, from the Company's mineral properties will be dependent upon the price of potash and other commodities being adequate to make these properties economic. The Company currently does not engage in any hedging or derivative transactions to manage commodity price risk. As the Company's operations change, this policy will be reviewed periodically going forward; and

Global financial conditions may adversely affect the Company's growth and profitability – Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. Due to the current nature of the Company's activities, a slowdown in the financial markets or other economic conditions may adversely affect the Company's growth and ability to finance its activities. If these increased levels of volatility and market turmoil continue, the Company's activities could be adversely impacted and the trading price of the Company's shares could be adversely affected.

EARNINGS PER SHARE

	2016 Cents	2015 Cents
Basic and diluted loss per share	**(4.13)**	(3.34)

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities.

There have been no significant known breaches by the Group during the financial year.

DIVIDENDS

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Consolidated Entity during the financial year were as follows:

- On 11 November 2015, the Company announced a maiden Mineral Resource Estimation (MRE) at the Lake Wells Project, totalling 29 million tonnes (Mt) of Sulphate of Potash (SOP).
- On 2 December 2015, The Company changed its name ASX and AIM code has changed to Salt Lake Potash Limited (formerly Wildhorse Energy Limited) and ASX/AIM code “SO4” (formerly WHE).
- On 22 February 2016, the Company announced an expanded Mineral Resource Estimate (MRE) at the Lake Wells Project, totalling 80-85 million tonnes of SOP.
- On 29 April 2016, Mr Matthew Syme was appointed CEO of the Company.
- In June 2016, the Company completed a placement of 27.78 million ordinary shares to sophisticated investors, to raise $8.9 million before costs.

SIGNIFICANT EVENTS AFTER BALANCE DATE

(i) On 9 September 2016, the Company issued 180,000 shares to a consultant in lieu of fees.

As at the date of this report there are no matters or circumstances which have arisen since 30 June 2016 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2016, of the Consolidated Entity.

DIRECTORS' INTERESTS

As at the date of this report, the Directors' interests in the securities of the Company are as follows:

	Interest in securities at the date of this report		
	Ordinary Shares[1]	Incentive Options [2]	Performance Shares [3]
Mr Ian Middlemas	11,000,000	-	-
Mr Mark Hohnen	5,033,218	-	-
Mr Jason Baverstock	5,100,000	-	7,650,000
Mr Matthew Syme	4,500,000	2,500,000	-
Mr Mark Pearce	4,000,000	-	-

Notes:

1 **Ordinary Shares** means fully paid Ordinary Shares in the capital of the Company.

2 **Incentive Options** means an unlisted share option to subscribe for one Ordinary Share in the capital of the Company.

3 **Performance Shares** means Performance Shares issued by the Company that convert to one Ordinary Share in the capital of the Company upon vesting of various performance conditions.

SHARE OPTIONS AND PERFORMANCE SHARES

At the date of this report the following options and performance shares have been issued over unissued Ordinary Shares of the Company:

- 57,370 Unlisted Options exercisable at $3.60 each on or before 30 November 2016;
- 57,370 Unlisted Options exercisable at $4.80 each on or before 30 November 2016;
- 57,370 Unlisted Options exercisable at $6.00 each on or before 30 November 2016;
- 33,333 Unlisted Options exercisable at $2.73 each on or before 30 November 2016;
- 750,000 Unlisted Options exercisable at $0.40 each on or before 29 April 2019;
- 750,000 Unlisted Options exercisable at $0.50 each on or before 29 April 2020;
- 1,000,000 Unlisted Options exercisable at $0.60 each on or before 29 April 2021;
- 5,000,000 'Class A' Performance Shares on or before 12 June 2018;
- 7,500,000 'Class B' Performance Shares on or before 12 June 2019; and
- 10,000,000 'Class C' Performance Shares on or before 12 June 2020.

During the year ended 30 June 2016 no Ordinary Shares have been issued as a result of the exercise of Unlisted Options, and no Ordinary Shares have been issued as a result of the conversion of Performance Shares. Subsequent to year end and up until the date of this report, no Ordinary Shares have been issued as a result of the exercise of no Unlisted Options.

REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel (**KMP**) of the Group.

Details of Key Management Personnel

Details of the KMP of the Group during or since the end of the financial year are set out below:

Directors

Mr Ian Middlemas	Chairman
Mr Matthew Syme	Chief Executive Officer (**CEO**) (appointed CEO 29 April 2016)
Mr Jason Baverstock	Executive Director
Mr Mark Hohnen	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

Other KMP

Mr Sam Cordin	Chief Financial Officer and Company Secretary

Unless otherwise disclosed, the KMP held their position from 1 July 2015 until the date of this report.

Remuneration Policy

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors. In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

(a) the Group is currently focused on undertaking exploration, appraisal and development activities;

(b) risks associated with small cap resource companies whilst exploring and developing projects; and

(c) other than profit which may be generated from asset sales, the Company does not expect to be undertaking profitable operations until sometime after the commencement of commercial production on any of its projects.

Executive Remuneration

The Group's remuneration policy is to provide a fixed remuneration component and a performance based component (short term incentive and long term incentive). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Non-cash benefits may include provision of car parking and health care benefits.

Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

*Performance Based Remuneration – Short Term Incentive (**STI**)*

Some executives are entitled to an annual cash incentive payment upon achieving various key performance indicators ("KPI's"), as set by the Board. Having regard to the current size, nature and opportunities of the Company, the Board has determined that these KPI's will include measures such as successful commencement and/or completion of exploration activities (e.g. commencement/completion of exploration programs within budgeted timeframes and costs), establishment of government relationship (e.g. establish and maintain sound working relationships with government and officialdom), development activities (e.g. completion of infrastructure studies and commercial agreements), corporate activities (e.g. recruitment of key personnel and representation of the company at international conferences) and business development activities (e.g. corporate transactions and capital raisings). These measures were chosen as the Board believes they represent the key drivers in the short and medium term success of the Project's development. On an annual basis, subsequent to year end, the Board assesses performance against each individual executive's KPI criteria. During the 2016 financial year, no bonuses were approved, paid, or are payable.

Performance Based Remuneration – Long Term Incentive

The Board has chosen to issue incentive securities (either options or rights) where appropriate to some executives as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the executives and to provide an incentive linked to the performance of the Company. The Board considers that each executive's experience in the resources industry will greatly assist the Company in progressing its projects to the next stage of development and the identification of new projects. As such, the Board believes that the number of incentive securities (either options or rights) granted to executives is commensurate to their value to the Company.

Incentive options granted to executives generally have exercise prices at or above the market share price at the time of agreement. As such, incentive options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Company increases sufficiently to warrant exercising the incentive options granted. Other than service-based vesting conditions, there are generally no additional performance criteria on the incentive options granted to executives, as given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the executives and the performance and value of the Company are closely related. During the 2016 financial year, the Company issued incentive options to Mr Matthew Syme as part of his remuneration as CEO.

The Company prohibits executives from entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

The Company plans to adopt a long-term incentive plan ("LTIP") comprising the "Salt Lake Performance Rights Plan" (the "Plan") to reward KMP and key employees for long-term performance. The Company will put the plan to Shareholders' vote in November 2016 at the Annual General Meeting of Shareholders.

The Plan provides for the issuance of unlisted performance share rights (**Performance Rights**) which, upon satisfaction of the relevant performance conditions attached to the Performance Rights, will result in the issue of an Ordinary Share for each Performance Right. Performance Rights are issued for no consideration and no amount is payable upon conversion thereof.

REMUNERATION REPORT (AUDITED) (Continued)

Executive Remuneration (Continued)

Performance Based Remuneration – Long Term Incentive (Continued)

To achieve its corporate objectives, the Company needs to attract and retain its key staff, whether employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the implementation of the Plan will:

(a) enable the Company to incentivise and retain existing key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;

(b) enable the Company to recruit, incentivise and retain additional key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;

(c) link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;

(d) align the financial interest of participants of the Plan with those of Shareholders; and

(e) provide incentives to participants of the Plan to focus on superior performance that creates Shareholder value.

Performance Rights granted under the Plan to eligible participants will be linked to the achievement by the Company of certain performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting, Ordinary Shares are automatically issued for no consideration. If a performance condition of a Performance Right is not achieved by the expiry date then the Performance Right will lapse.

Non-Executive Director Remuneration

The Board's policy is for fees to Non-Executive Directors to be no greater than market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, Unlisted Options may also be used to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and given the current size, nature and opportunities of the Company, Non-Executive Directors may receive Unlisted Options in order to secure and retain their services.

Fees for the Chairman are presently $36,000 per annum (2015: $36,000) and fees for Non-Executive Directors' are presently set at $20,000 per annum (2015: $20,000). These fees cover main board activities only. Only Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees. The Company prohibits executives entering into arrangements to limit their exposure to Unlisted Options granted as part of their remuneration package.

Relationship between Remuneration of KMP and Shareholder Wealth

During the Company's exploration and development phases of its business, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly, the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Board did not determine, and in relation to, the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Company traded between the beginning and end of the current and the previous four financial years. Discretionary annual cash incentive payments are based upon achieving various non-financial key performance indicators as detailed under "Performance Based Remuneration – Short Term Incentive" and are not based on share price or earnings. However, as noted above, certain KMP may receive Unlisted Options in the future which generally will be of greater value to KMP if the value of the Company's shares increases sufficiently to warrant exercising the Unlisted Options.

Relationship between Remuneration of KMP and Earnings

As discussed above, the Company is currently undertaking exploration and development activities, and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

Emoluments of Directors and Executives

Details of the nature and amount of each element of the emoluments of each Director and KMP of Salt Lake Potash Limited are as follows:

	Short-term Incentives						
2016	Salary & fees $	Cash Incentive Payments $	Living Allow-ance $	Post-employment benefits $	Share-based payments $	Total $	Perfor-mance related %
Current Directors							
Mr Ian Middlemas	**36,000**	-	-	**3,420**	-	**39,420**	-
Mr Matthew Syme [1]	**194,834**	-	-	**5,542**	**163,448**	**363,824**	**45%**
Mr Jason Baverstock	**125,000**	-	-	**11,875**	-	**136,875**	-
Mr Mark Hohnen	**20,000**	-	-	-	-	**20,000**	-
Mr Mark Pearce	**20,000**	-	-	**1,900**	-	**21,900**	-
Current Other KMP							
Mr Sam Cordin [2]	-	-	-	-	-	-	-
Total	**395,834**	-	-	**22,737**	**163,448**	**582,019**	

Notes:

[1] Mr Syme was appointed as CEO on 29 April 2016. Prior to Mr Syme's appointment as CEO, Mr Syme acted as a Non-Executive Director receiving Directors fees of $16,667 and consulting fees of $135,500 for additional services provided to the Company.

[2] Mr Cordin provides services as the Company Secretary through a services agreement with Apollo Group Pty Ltd ('Apollo'). During the year, Apollo was paid, or was payable, $210,000 for the provision of a fully serviced office and administrative, accounting and company secretarial services to the Group.

REMUNERATION REPORT (AUDITED) (Continued)

Emoluments of Directors and Executives (Continued)

	Short-term Incentives						
2015	Salary & fees $	Cash Incentive Payments $	Living Allow-ance $	Post-employment benefits $	Share-based payments $	Total $	Perfor-mance related %
Current Directors [1]							
Mr Ian Middlemas [2]	-	-	-	-	-	-	-
Mr Mark Hohnen	6,667	-	-	-	-	**6,667**	-
Mr Jason Baverstock [3]	10,000	-	-	950	-	**10,950**	-
Mr Matthew Syme [4]	36,667	-	-	396	-	**37,063**	-
Mr Mark Pearce [5]	6,667	-	-	633	-	**7,300**	-
Former Directors							
Mr Matthew Swinney [6]	-	-	-	-	-	-	-
Mr Brett Mitchell [7]	-	-	-	-	-	-	-
Mr James Strauss [8]	-	-	-	-	-	-	-
Mr Johan Brand [9]	-	-	-	-	-	-	-
Dr Konrad Wetzker [10]	-	-	-	-	-	-	-
Current Other KMP							
Mr Sam Cordin [11]	-	-	-	-	-	-	-
Former Other KMP							
Ms Sophie Raven [12]	15,750	-	-	-	-	**15,750**	-
Total	**75,751**	**-**	**-**	**1,979**	**-**	**77,730**	

Notes:

[1] Directors' fees effective 1 July 2014 to 1 March 2015 were set at nil for the period the Company completed the recapitalisation process.
[2] Mr Middlemas elected not to receive any Chairman fees for this financial year.
[3] Mr Baverstock was appointed 15 June 2015.
[4] Mr Syme was appointed 9 April 2015. Mr Syme received Directors fees of $4,167 and consulting fees of $32,500 for additional services provided to the Company.
[5] Mr Pearce was appointed 29 August 2014.
[6] Mr Swinney resigned effective from 29 August 2014.
[7] Mr Mitchell resigned effective from 29 August 2014.
[8] Mr Strauss resigned effective from 29 August 2014.
[9] Mr Brand resigned effective from 25 July 2014.
[10] Dr Wetzker resigned effective from 29 August 2014.
[11] Mr Cordin was appointed 13 November 2014. Mr Cordin provides services as the Company Secretary through a services agreement with Apollo Group Pty Ltd ('Apollo'). During the year, Apollo was paid, or was payable, $64,000 for the provision of a fully serviced office and administrative, accounting and company secretarial services to the Group.
[12] Ms Raven ceased her role effective 13 November 2014.

Options Granted to KMP

Details of Incentive Options granted by the Company to each KMP of the Group during the financial year are as follows:

2016	Options/ Rights(i)	Grant Date	Vesting Date(iii)	Expiry Date	Exercise Price $	Grant Date Fair Value(i) $	No. Granted(ii)	No. Vested At 30 June 2016
Director								
Matthew Syme	Options	03-Jun-16	29-Apr-16	29-Apr-19	$0.40	$0.190	750,000	750,000
Matthew Syme	Options	03-Jun-16	29-Apr-17	29-Apr-20	$0.50	$0.204	750,000	-
Matthew Syme	Options	03-Jun-16	29-Apr-18	29-Apr-21	$0.60	$0.217	1,000,000	-

Notes:

(i) For details on the valuation of the options, including models and assumptions used, please refer to Note 21 to the financial statements;

(ii) Each unlisted Incentive Option converts into one Ordinary Share of Salt Lake Potash Limited; and

(iii) The vesting conditions are service conditions.

No options were granted to KMPs during the 2015 financial year.

Details of the values of Incentive Options granted, exercised or lapsed for each KMP of the Group during the 2016 financial year are as follows:

2016	Options Granted Value at Grant Date $	Options Exercised Value at Exercise Date $	Options Lapsed Value at Time of Lapse $	Total Value of Options Granted, Exercised and Lapsed $	Value of Options included in Remuneration for the Period $	Percentage of Remuneration for the Period that Consists of Options %
Directors						
Matthew Syme	512,500	-	-	512,500	163,448	45%

Equity instruments held by KMP

Options and Performance Shares holdings of Key Management Personnel

2016	Held at 1 July 2015	Granted as Remuner-ation	Options Exercised/Rights Converted	Net Other Change	Held at 30 June 2016	Vested and exercise-able at 30 June 2016
Directors						
Mr Ian Middlemas	-	-	-	-	-	-
Mr Matthew Syme	-	**2,500,000**	-	-	**2,500,000**	**750,000**
Mr Jason Baverstock	**7,650,000**	-	-	-	**7,650,000**	-
Mr Mark Hohnen	-	-	-	-	-	-
Mr Mark Pearce	-	-	-	-	-	-
Other KMP						
Mr Sam Cordin	-	-	-	-	-	-
	7,650,000	**2,500,000**	-	-	**10,150,000**	**750,000**

REMUNERATION REPORT (AUDITED) (Continued)

Equity instruments held by KMP (Continued)

Ordinary Shareholdings of Key Management Personnel

2016	Held at 1 July 2015	Granted as Remuneration	Options Exercised/ Rights Converted	Net Other Change	Held at 30 June 2016
Directors					
Mr Ian Middlemas	11,000,000	-	-	-	11,000,000
Mr Matthew Syme	4,500,000	-	-	-	4,500,000
Mr Jason Baverstock	5,100,000	-	-	-	5,100,000
Mr Mark Hohnen	5,033,218	-	-	-	5,033,218
Mr Mark Pearce	4,000,000	-	-	-	4,000,000
Other KMP					
Mr Sam Cordin	400,000	-	-	-	400,000
	30,033,218	-	-	-	**30,033,218**

Employment Contracts with Directors and KMP

Mr Matthew Syme, Chief Executive Officer, has a letter of appointment with the Company dated 29 April 2016. The contract specifies the duties and obligations to be fulfilled by the Chief Executive Officer. The contract has a rolling annual term and may be terminated by the Company by giving 3 months notice. No amount is payable in the event of termination for neglect or incompetence in regards to the performance of duties. The contract provides for an annual salary of $250,000 plus superannuation and insurance benefits.

For the period 1 July 2015 to 29 April 2016, Mr Matthew Syme had a consulting agreement with the Company dated 1 March 2015, which provided for a consultancy fee at the rate of $1,000 per day for business development services provided by Mr Syme. Either party could terminate with three months written notice. In addition, Mr Syme also received the fixed remuneration component of $20,000 per annum plus superannuation as previously set by the Board for Non-Executive Directors.

Mr Jason Baverstock, Executive Director, has a letter of appointment with the Company dated 31 May 2016 and effective 1 May 2016. The contract specifies the duties and obligations to be fulfilled by the Executive Director. The contract has a rolling annual term and may be terminated by the Company by giving 3 months notice. No amount is payable in the event of termination for neglect or incompetence in regards to the performance of duties. The contract provides for an annual salary of $150,000 plus superannuation and insurance benefits.

For the period 1 July 2015 to 30 April 2016, Mr Jason Baverstock, Executive Director, had an employment agreement with the Company which specified the duties and obligations to be fulfilled by an Executive Director. Mr Baverstock is entitled to a fee of $10,000 per month plus any required superannuation. The contract had a 12 month term which may be terminated by the Company at any time for any reason and by Mr Baverstock by giving at least 1 months' notice. No amount was payable in the event of termination by the Company for cause, including wilful or negligent failure to perform duties. In the event of termination by the Company without cause, then the Company was required to pay Mr Baverstock $5,000 per month for the period from the effective date of that notice until the end date of the 12 month term.

Loans from Key Management Personnel

No loans were provided to or received from Key Management Personnel during the year ended 30 June 2016 (2015: Nil).

Other Transactions

Apollo Group Pty Ltd, a Company of which Mr Mark Pearce is a Director and beneficial shareholder, was paid or is payable $210,000 (2015: $64,000) for the provision of serviced office facilities, company secretarial, corporate and administration services for the year ended 30 June 2016. The amount is based on a monthly retainer due and payable in advance, with no fixed term, and is able to be terminated by either party with one month's notice. At 30 June 2016, $20,000 (2015: $64,000) was included as a current liability in the Statement of Financial Position.

End of Remuneration Report

DIRECTORS' MEETINGS

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows (there were no Board committees during the financial year):

	Board Meetings	
	Number eligible to attend	Number attended
Mr Ian Middlemas	1	1
Mr Mark Hohnen	1	1
Mr Jason Baverstock	1	1
Mr Matthew Syme	1	1
Mr Mark Pearce	1	1

INSURANCE OF OFFICERS

During the financial year, the Company has paid a premium in respect of insuring the directors and officers of the Company and the Group. The insurance contract prohibits disclosure of the premium or the nature of liabilities insured against under the policy.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Consolidated Group and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

INDEMNIFICATION AND INSURANCE OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

NON-AUDIT SERVICES

Non-audit services provided by our auditors, Ernst and Young (2015: KPMG) and related entities, are set out below. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. No non-audit services were provided by KPMG during the year ended 30 June 2015.

	2016 $	2015 $
Tax and other advisory services	**21,773**	-
	21,773	-

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

CORPORATE GOVERNANCE

The Statement of Corporate Governance Practices is set out in a separate section of the Company's 2016 Annual Report and discloses the Company's main corporate governance practices throughout the financial year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 19 of the Directors' Report.

Signed in accordance with a resolution of the Directors.

MATTHEW SYME
CEO

23 September 2016

AUDITOR'S INDEPENDENCE DECLARATION

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Building a better working world

Auditor's independence declaration to the Directors of Salt Lake Potash Limited

As lead auditor for the audit of Salt Lake Potash Limited for the financial year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Salt Lake Potash Limited and the entities it controlled during the financial year.

Ernst & Young

G H Meyerowitz
Partner
23 September 2016

GHM:JT:SLP:011

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	30 June 2016 $	*Restated** 30 June 2015 $
Continuing operations			
Finance income	4	**72,946**	28,337
Exploration and evaluation expenses		**(3,191,159)**	(191,882)
Corporate and administrative expenses		**(867,999)**	(480,537)
Business development expenses		**(365,354)**	(85,432)
Impairment of exploration and evaluation assets		**(293,462)**	-
Loss before tax		**(4,645,028)**	(729,514)
Income tax expense	6	**-**	-
Loss from continuing operations		**(4,645,028)**	(729,514)
Discontinued operations			
Net loss from discontinued operations (net of income tax)	3	**-**	(619,342)
Loss for the year		**(4,645,028)**	(1,348,856)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising during the year – continuing operations		**14,873**	151,466
Exchange differences arising during the year – discontinued operations		**-**	(133,553)
Other comprehensive income for the year, net of tax		**14,873**	17,913
Total comprehensive loss for the year		**(4,630,155)**	(1,330,943)
Basic and diluted loss per share attributable to the ordinary equity holders of the company (cents per share)	16	**(4.13)**	(3.34)
Basic and diluted loss per share – continuing operations (cents per share)	16	**(4.13)**	(1.81)

Notes:

* Refer to note 1(d) for details of the restatement due to the change in Exploration and Evaluation accounting policy.

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	30 June 2016 $	*Restated** 30 June 2015 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	**7,498,285**	3,172,363
Trade and other receivables	8	**126,583**	55,372
Total Current Assets		**7,624,868**	3,227,735
Non-Current Assets			
Exploration and evaluation expenditure	10	**2,276,736**	2,555,915
Property, plant and equipment	9	**115,275**	10,288
Total Non-Current Assets		**2,392,011**	2,566,203
TOTAL ASSETS		**10,016,879**	5,793,938
LIABILITIES			
Current Liabilities			
Trade and other payables	11	**607,615**	251,196
Provisions	12	**11,712**	-
Total Current Liabilities		**619,327**	251,196
TOTAL LIABILITIES		**619,327**	251,196
NET ASSETS		**9,397,552**	5,542,742
EQUITY			
Contributed equity	13	**106,761,669**	98,440,152
Reserves	14	**695,316**	516,995
Accumulated losses		**(98,059,433)**	(93,414,405)
TOTAL EQUITY		**9,397,552**	5,542,742

Notes:

* Refer to note 1(d) for details of the restatement due to the change in Exploration and Evaluation accounting policy.

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

CONSOLIDATED	Contributed Equity $	Share-Based Payment Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Non-Controlling interests $	Total Equity $
At 1 July 2015 restated	**98,440,152**	**77,400**	**439,595**	**(93,414,405)**	**-**	**5,542,742**
Net loss for the year	**-**	**-**	**-**	**(4,645,028)**	**-**	**(4,645,028)**
Exchange differences arising during the year – continuing operations	**-**	**-**	**14,873**	**-**	**-**	**14,873**
Exchange differences arising during the year – discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income/(loss) for the year	**-**	**-**	**14,873**	**(4,645,028)**	**-**	**(4,630,155)**
Transactions with owners, recorded directly in equity						
Shares issued in lieu of fees	**35,124**	**-**	**-**	**-**	**-**	**35,124**
Share placement	**8,888,000**	**-**	**-**	**-**	**-**	**8,888,000**
Share issue costs	**(601,607)**	**-**	**-**	**-**	**-**	**(601,607)**
Share based payment expense	**-**	**163,448**	**-**	**-**	**-**	**163,448**
Balance at 30 June 2016	**106,761,669**	**240,848**	**454,468**	**(98,059,433)**	**-**	**9,397,552**

Notes:

* Refer to note 1(d) for details of the restatement due to the change in Exploration and Evaluation accounting policy

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

FOR THE YEAR ENDED 30 JUNE 2016

CONSOLIDATED	Contributed Equity $	Share-Based Payment Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Non-Controlling interests $	Total Equity $
Balance at 1 July 2014 originally stated	**92,500,223**	**1,284,248**	**421,682**	**(93,069,633)**	**(75,966)**	**1,060,554**
Change in accounting policy opening balance adjustment *	-	-	-	(280,164)	-	(280,164)
At 1 July 2014 restated	**92,500,223**	**1,284,248**	**421,682**	**(93,349,797)**	**(75,966)**	**780,390**
Net loss for the year	-	-	-	(1,348,856)	-	(1,348,856)
Exchange differences arising during the year – continuing operations	-	-	151,466	-	-	151,466
Exchange differences arising during the year – discontinued operations	-	-	(133,553)	-	-	(133,553)
Total comprehensive income/(loss) for the year	**-**	**-**	**17,913**	**(1,348,856)**	**-**	**(1,330,943)**
Transactions with owners, recorded directly in equity						
Entitlement issue	3,783,441	-	-	-	-	3,783,441
Share issue costs	(89,512)	-	-	-	-	(89,512)
Shares issued to acquire controlled entity	2,160,000	77,400	-	-	-	2,237,400
Expiry of incentive options	-	(1,284,248)	-	1,284,248	-	-
Disposal of non-controlling interest	-	-	-	-	75,966	75,966
Shares issued in lieu of fees	18,000	-	-	-	-	18,000
Shares issued to creditors	68,000	-	-	-	-	68,000
Balance at 30 June 2015 (restated)	**98,440,152**	**77,400**	**439,595**	**(93,414,405)**	**-**	**5,542,742**

Notes:

* Refer to note 1(d) for details of the restatement due to the change in Exploration and Evaluation accounting policy

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	30 June 2016 $	*Restated 30 June 2015 $
Cash flows from operating activities			
Payments to suppliers and employees		**(3,906,492)**	(944,236)
Interest received		**66,335**	21,888
Net cash outflow from operating activities	15(a)	**(3,840,157)**	(922,348)
Cash flows from investing activities			
Payments for property, plant and equipment		**(120,456)**	-
Proceeds from the sale of property, plant and equipment		**-**	52,627
Net cash acquired on acquisition of controlled entity	17	**-**	(53,546)
Net cash (outflow) from investing activities		**(120,456)**	(919)
Cash flows from financing activities			
Proceeds from issue of shares		**8,888,000**	3,783,441
Transaction costs from issue of shares		**(601,607)**	(89,512)
Net cash inflow from financing activities		**8,286,393**	3,693,929
Net increase in cash and cash equivalents held		**4,325,780**	2,770,662
Net foreign exchange differences		**142**	(2,442)
Cash and cash equivalents at the beginning of the year		**3,172,363**	404,143
Cash and cash equivalents at the end of the year	15(b)	**7,498,285**	3,172,363

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial report of Salt Lake Potash Limited (**Salt Lake** or **Company**) and its consolidated entities (**Consolidated Entity** or **Group**) for the year ended 30 June 2016 are stated to assist in a general understanding of the financial report.

Salt Lake is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (**ASX**), and the Alternative Investment Market (**AIM**) on the London Stock Exchange.

The financial report of the Group for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the Directors on 22 September 2016.

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ("**AASBs**") and other authoritative pronouncements of the Australian Accounting Standards Board ("**AASB**") and the *Corporations Act 2001*. The Group is a for-profit entity for the purposes of preparing the consolidated financial statements.

The financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars.

The consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group has updated the classification of expenses to make the Statement of Profit or Loss and other Comprehensive Income more relevant to users of the financial report. This has resulted in the reclassification of some items in the prior year, however, has not impacted the reported loss for the year or earnings per share.

Discontinued operation

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or held for sale, or is a subsidiary acquired exclusively with a view of resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement is restated as if the operation had been discontinued from the start of the comparative period.

Reclassification of comparative information

Certain comparatives have been reclassified to conform with the presentation and classification of the current financial year. Refer to note 1(d) for re-presentations made.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Group include:

(i) AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* which completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that standard to be effectively withdrawn.

The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2016. Those which may be relevant to the Group are set out in the table below, but these are not expected to have any significant impact on the Group's financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016
(Continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Statement of Compliance (Continued)

Title	Summary	Application Date of Standard	Application Date for Group
AASB 9 *Financial Instruments*	AASB 9 is a new standard which replaces AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 incorporates a simplified model for classifying and recognising financial instruments, a new impairment model, and a substantially-reformed approach to hedge accounting.	1 January 2018	1 July 2018
AASB 15 *Revenue from Contracts with Customers*	AASB 15 is a new standard which replace AASB 118 (which covers contracts for goods and services) and AASB 111 (which covers construction contracts). AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.	1 January 2018	1 July 2018
AASB 16 *Leases*	AASB 16 is a new standard which replaces AASB 117 *Leases*. AASB 16 will primarily affect the accounting by lessees and will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts.	1 January 2019	1 July 2019
AASB 2015-1 *Annual Improvements to Australian Accounting Standards 2012–2014 Cycle*	Amendments to clarify minor points in various accounting standards, including AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*, AASB 7 *Financial Instruments: Disclosures*, AASB 119 *Employee Benefits* and AASB 134 *Interim Financial Reporting*.	1 January 2016	1 July 2016
AASB 2015-2 *Disclosure Initiative: Amendments to AASB 101*	Amends AASB 101 *Presentation of Financial Statements* to clarify a number of presentation issues and highlight that preparers are permitted to tailor the format and presentation of the financial statements to their circumstances and the needs of users.	1 January 2016	1 July 2016
AASB 2016-1 *Recognition of Deferred Tax Assets for Unrealised Losses*	Amends AASB 112 *Income Taxes* to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017	1 July 2017
AASB 2016-2 *Disclosure Initiative: Amendments to AASB 107*	Amends AASB 107 *Statement of Cash Flows* to introduce additional disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	1 January 2017	1 July 2017
AASB 1057 *Application of Australian Accounting Standards* (as amended by AASB 2015-9 *Scope and Application Paragraphs*)	This Standard effectively moves Australian specific application paragraphs from each Standard into a combined Standard. The Standard has no impact on the application of individual standards.	1 January 2016	1 July 2016
AASB 2 *Classification and Measurement of Share-based Payment Transactions*	This standard amends AASB 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: - The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments - Share-based payment transactions with a net settlement feature for withholding tax obligations A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled	1 January 2018	1 July 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2016 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated.

(d) Change in Accounting Policy

The policy for accounting for exploration and evaluation expenditure has changed from the policy applied in previous reporting periods.

In previous reporting periods, all costs incurred in connection with the exploration and evaluation of areas with current rights of tenure were capitalised and recognised as an exploration and evaluation asset. Costs carried forward in respect of an area of interest that was abandoned were written off in the year in which the decision to abandon was made.

The policy has now changed, and the new policy has been applied retrospectively (with comparative information restated accordingly). Under the new policy:

- exploration and evaluation expenditure incurred in the acquisition of the rights to explore (including payments to landowners required under the Group's mineral leases) is capitalised and recognised as an exploration and evaluation asset; and

- exploration and evaluation expenditure incurred subsequent to the acquisition of the rights to explore will now be expensed as incurred, up to and until the final investment decision to commence construction.

The Directors are of the opinion that the change in accounting policy provides users with more relevant and no less reliable information as the policy is more transparent and less subjective. The policy is common of exploration focussed companies where exploration and evaluation expenditure is viewed as an ongoing expense of discovery, until a technical feasibility study has been completed. The impact of this change in accounting policy is reflected below.

For comparative purposes the accounts within the Consolidated Statement of Financial Position have changed by:

	1 July 2014 $	30 June 2015 $
Decrease in exploration and evaluation assets	(280,164)	(472,046)
Net decrease in equity	**(280,164)**	**(472,046)**

For comparative purposes the loss after tax has changed by:

	30 June 2015 $
Recognised exploration expenditure	(191,882)
Increase in loss	(191,882)

Basic and diluted loss per share have also been restated. The amount of the impact on basic and diluted loss per share for the restated result for the year ended 30 June 2015 due to the change in accounting policy is an increase in loss per share of 0.47 cents.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Trade and Other Receivables

Trade receivables are recognised and carried at the original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due and are interest free.

(g) Investments and Other Financial Assets

(i) Classification

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(ii) Recognition and derecognition

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the Statement of Profit or Loss and other Comprehensive Income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the investments available-for-sale reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments previously reported in equity are included in the Statement of Profit or Loss and other Comprehensive Income as gains and losses on disposal of investment securities.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and receivables (Continued)

(iv) Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in Profit or loss – is transferred from equity to the Statement of Profit or Loss and other Comprehensive Income. Impairment losses recognised in the Statement of Profit or Loss and other Comprehensive Income on equity instruments classified as held for sale are not reversed through the Statement of Profit or Loss and other Comprehensive Income.

(h) Property, Plant and Equipment

(i) Cost and valuation

All classes of property, plant and equipment are measured at historical cost.

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the Statement of Profit or Loss and other Comprehensive Income as incurred.

(ii) Depreciation and Amortisation

Depreciation is provided on a straight line basis on all property, plant and equipment.

	2016	2015
Major depreciation and amortisation periods are:		
Leasehold Land:	**7% - 20%**	7% - 20%
Buildings:	**22%- 40%**	22%- 40%
Plant and equipment:	**22%- 40%**	22%- 40%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(iii) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(i) Exploration and Development Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 *Exploration for and Evaluation of Mineral Resources*.

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and

- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation expenditure incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred, up to costs associated with the preparation of a feasibility study.

(i) Impairment

Capitalised exploration costs are reviewed each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(j) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 60 days.

(k) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) Revenue Recognition

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(m) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Income Tax (Continued)

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation

Salt Lake Potash Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the Company. The current tax liability of each group entity is then subsequently assumed by the Company. The tax consolidated group has entered a tax sharing agreement whereby each company in the Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(n) Employee Entitlements

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(o) Earnings per Share

Basic earnings per share (**EPS**) is calculated by dividing the net profit attributable to members of the Company for the reporting period, after excluding any costs of servicing equity, by the weighted average number of Ordinary Shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential Ordinary Shares and the effect on revenues and expenses of conversion to Ordinary Shares associated with dilutive potential Ordinary Shares, by the weighted average number of Ordinary Shares and dilutive Ordinary Shares adjusted for any bonus issue.

(p) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(r) Acquisition of Assets

A group of assets may be acquired in a transaction which is not a business combination. In such cases the cost of the group is allocated to the individual identifiable assets (including intangible assets that meet the definition of and recognition criteria for intangible assets in AASB 138) acquired and liabilities assumed on the basis of their relative fair values at the date of purchase.

(s) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(t) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(u) Issued and Unissued Capital

Ordinary Shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Foreign Currencies

(i) Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Statement Profit or Loss and other Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the other Comprehensive Income.

(iii) Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- items of equity are translated at the historical exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the Statement of Profit or Loss and other Comprehensive Income in the period in which the operation is disposed.

(w) Share-Based Payments

Equity-settled share-based payments are provided to officers, employees, consultants and other advisors. These share-based payments are measured at the fair value of the equity instrument at the grant date. Fair value is determined using the Binomial option pricing model. Further details on how the fair value of equity-settled share based payments has been determined can be found in Note 21.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share based payments reserve.

Equity-settled share-based payments may also be provided as consideration for the acquisition of assets. Where Ordinary Shares are issued, the transaction is recorded at fair value based on the quoted price of the Ordinary Shares at the date of issue. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

(x) Use and Revision of Accounting Estimates, Judgements and Assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Exploration and Evaluation Expenditure (Note 10)
- Share-Based Payments (Note 21)

2. SEGMENT INFORMATION

Management has determined that the operating segments are based on reports reviewed by the chief operating decision maker, the Chief Executive Officer, which are used to monitor performance and make strategic decisions. The business is considered from a geographic perspective.

Management assesses the performance of the operating segments based on a measure of contribution. This measure excludes items such as the effects of equity settled share based payments, unrealised gains and losses on financial instruments, interest income, corporate expenses, and other centralised expenses, which are not attributable to segments.

For the year ended 30 June 2016

	United States of America	Australia Potash	Total Segment	Unallocated/ Elimination[1]	Consolidated
	$	$	$	$	$
Results					
Segment Result	(323,748)	(3,539,522)	(3,863,270)	(781,758)	(4,645,028)
Loss before tax for the year	(323,748)	(3,539,522)	(3,863,270)	(781,758)	(4,645,028)
Comprehensive loss for the year	(308,875)	(3,539,522)	(3,848,397)	(781,758)	(4,630,155)
Segment assets [1]	15,661	2,396,261	2,411,922	7,604,957	10,016,879
Segment liabilities	3,150	616,177	619,327	-	619,327
Other Segment Information					
Depreciation and amortisation	-	15,469	-	-	15,469
Impairment of exploration and evaluation asset	-	-	-	-	-
Impairment of asset held for sale	(293,462)	-	-	-	(293,462)

Note:
[1] Cash and cash equivalents held by the Parent entity is classified in Unallocated/Elimination.

2. SEGMENT INFORMATION

For the year ended 30 June 2015

CONSOLIDATED	Hungary Coal (Discontinued) $	Hungary Uranium (Discontinued) $	Central Europe (Discontinued) $	United States of America $	Australia Potash $	Total Segment $	Unallocated/ Elimination $
Results							
Segment Result	(251,880)	(346,352)	(21,110)	(6,540)	(5,008)	(630,890)	(526,084)
Loss before tax for the year	(251,880)	(346,352)	(21,110)	(6,540)	(5,008)	(630,890)	(526,084)
Comprehensive loss for the year	(251,880)	(320,269)	(180,746)	144,926	(5,008)	(612,977)	(526,084)
Segment assets [1]	-	-	-	676,579	2,396,261	3,072,840	3,193,144
Segment liabilities	-	-	-	-	163,870	163,870	87,326
Other Segment Information							
Depreciation and amortisation	-	-	-	-	-	-	-
Impairment of exploration and evaluation asset	-	-	-	-	-	-	-
Impairment of asset held for sale	-	-	-	-	-	-	-

Note:
[1] Cash and cash equivalents held by the Parent entity is classified in Unallocated/Elimination.

2. SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment loss

	30 June 2016 $	30 June 2015 $
Total loss for reportable segments	**(3,762,981)**	(630,890)
Less corporate revenues/ (expenses)	**(882,047)**	(526,084)
Eliminate inter segment income/(expenses)	**-**	-
Consolidated loss before income tax	**(4,645,028)**	(1,348,856)
Elimination of discontinued operations before income tax	**-**	619,342
Total loss from continuing operations	**(4,645,028)**	(729,514)

3. DISCONTINUED OPERATIONS

	30 June 2016 $	30 June 2015 $
Loss attributable to the discontinued operation		
Income	-	-
Expenses	-	(294,772)
Loss on disposal of assets	-	(32,872)
Write off of non-recoverable deposits and other receivables	-	(215,732)
Loss of non-controlling interest	-	(75,966)
Impairment of exploration expense	-	-
Result from discontinued operations before tax	-	(619,342)
Income tax (expense)/benefit	-	-
Result from discontinued operations, net of tax	-	(619,342)
Basic and diluted loss per share – discontinued operations (cents per share)[1]	-	(1.53)

	30 June 2016 $	30 June 2015 $
Cash flows from discontinued operations		
Net cash from (used) in operating activities	-	(405,439)
Net cash from (used) in investing activities	-	52,627
Net cash from (used) in discontinued operations	-	(352,812)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016
(Continued)

4. FINANCE INCOME

	Note	2016 $	2015 $
Interest income		**72,946**	28,337
		72,946	28,337

5. EXPENSES

	Note	2016 $	2015 $
(a) Depreciation included in statement of comprehensive income			
Depreciation of plant and equipment	9	**15,469**	-
(b) Employee benefits expense (including KMP)			
Salaries and wages		**504,684**	139,960
Superannuation expense		**45,057**	9,372
Share-based payment expense	21	**163,448**	-
Total employment expenses included in profit or loss		**713,189**	149,332

6. INCOME TAX

	2016 $	*Restated 2015 $
(a) Recognised in the statement of comprehensive income		
Current income tax		
Current income tax benefit in respect of the current year	**-**	-
Deferred income tax		
Deferred income tax on discontinued operations	**-**	-
Income tax expense reported in the statement of Profit or Loss and other Comprehensive income	**-**	-
(b) Reconciliation between tax expense and accounting loss before income tax		
Accounting loss before income tax	**(4,645,028)**	(1,348,856)
At the domestic income tax rate of 30% (2015: 30%)	**(1,393,509)**	(404,657)
Expenditure not allowable for income tax purposes	**60,959**	61,062
Deferred tax assets not brought to account	**1,332,550**	343,595
Effect of different tax rates of subsidiaries operating in other jurisdictions	**-**	-
Income tax expense/(benefit) reported in the statement of Profit or Loss and other Comprehensive income	**-**	-

Note:
[1] Relates to the discontinued operations and has been included in the net loss from discontinued operations per note 3.

	2016 $	2015 $
(c) Deferred Tax Assets and Liabilities		
Deferred income tax at 30 June relates to the following:		
Deferred Tax Liabilities		
Accrued income	**3,949**	1,966
Exploration and evaluation assets	**-**	-
Deferred tax assets used to offset deferred tax liabilities	**(3,949)**	(1,966)
	-	-
Deferred Tax Assets		
Accrued expenditure	**32,613**	15,744
Capital allowances	**167,121**	128,102
Tax losses available for offset against future taxable income	**4,525,636**	3,547,951
Deferred tax assets used to offset deferred tax liabilities	**(3,949)**	(1,966)
Deferred tax assets not brought to account	**(4,721,421)**	(3,689,832)
	-	-

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Group in realising the benefit.

Deferred tax assets have not been recognised in respect to tax losses because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

(d) Tax Consolidation

The Company and its wholly-owned Australian resident entities have formed a tax consolidated group and are therefore taxed as a single entity. The head entity within the tax consolidated group is Salt Lake Potash Limited.

7. CASH AND CASH EQUIVALENTS

	2016 $	2015 $
Cash on hand	**1,478,285**	3,172,363
Deposit on call	**6,020,000**	-
	7,498,285	3,172,363

8. TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
Accrued interest	**13,162**	6,551
GST and other receivables	**99,713**	31,896
Other assets	**13,708**	16,925
	126,583	55,372

9. PROPERTY, PLANT AND EQUIPMENT

	2016 $	2015 $
(a) Plant and Equipment		
At cost	**130,744**	10,288
Accumulated depreciation and impairment	**(15,469)**	-
Carrying amount at end of year, net of accumulated depreciation and impairment	**115,275**	10,288
(b) Reconciliation		
Carrying amount at beginning of year, net of accumulated depreciation and impairment	**10,288**	46,305
Additions	**120,456**	-
Acquired on acquisition of controlled entity (note 17)	**-**	10,288
Disposals/write-offs during the year	**-**	(46,305)
Depreciation charge	**(15,469)**	-
Carrying amount at end of year, net of accumulated depreciation and impairment	**115,275**	10,288

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016
(Continued)

10. EXPLORATION AND EVALUATION EXPENDITURE

	Note	2016 $	*Restated* 2015 $
(a) Areas of Interest			
SOP Project		**2,276,736**	2,276,736
Golden Eagle Uranium Project		**-**	279,179
Carrying amount at end of year, net of impairment[1]		**2,276,736**	2,555,915
(b) Reconciliation			
Carrying amount at start of year		**2,555,915**	226,655
Acquisition of SOP Project	17	**-**	2,276,736
Impairment losses [2]		**(293,462)**	-
Exchange differences on translation of foreign operations		**14,283**	52,524
Carrying amount at end of year net of impairment [1]		**2,276,736**	2,555,915

Notes:

[1] The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

[2] Impairment of the carrying value of Golden Eagle Uranium. The Company has completed its initial review of the project. Based on the available information, current economic conditions and the price of uranium it is not viable for the Company to undertake any further exploration activities at this time and accordingly, the project has been impaired to nil.

SOP Project

Salt Lake holds a number of large salt lake brine projects (Projects) in Western Australia, South Australia and the Northern Territory, each having potential to produce highly sought after Sulphate of Potash (SOP) for domestic and international fertiliser markets.

Golden Eagle Uranium Project

The Golden Eagle Uranium and Vanadium Project holds nine U.S. Department of Energy (DOE) Uranium/Vanadium Mining Leases, covering 22.7 km^2 located in the Uravan Mineral Belt, Colorado USA.

11. TRADE AND OTHER PAYABLES

	2016 $	2015 $
Trade creditors	**377,775**	198,719
Accrued expenses	**229,840**	52,477
	607,615	251,196

12. PROVISIONS

	2016 $	2015 $
Statutory employee benefits	**11,712**	**-**
	11,712	**-**

13. CONTRIBUTED EQUITY

	30 June 2016 $	30 June 2015 $
Share Capital		
133,827,596 (30 June 2015: 105,802,596) Ordinary Shares	**106,761,669**	98,440,152
	106,761,669	98,440,152

(a) Movements in Ordinary Shares During the Past Two Years Were as Follows:

		Number of Ordinary Shares	Issue Price $	$
01-Jul-15	**Opening Balance**	**105,802,596**	**-**	**98,440,152**
09-Jul-15	Share issue [1]	250,000	0.1405	35,124
31-Mar-16	Share placement	16,250,000	0.32	5,200,000
4-Apr-16	Share placement	9,925,000	0.32	3,176,000
7-Jun-16	Share placement	1,600,000	0.32	512,000
Jul-15 to Jun-16	Share issue costs	-	-	(601,607)
30-Jun-16	**Closing balance**	**133,827,596**	**-**	**106,761,669**
01-Jul-14	**Opening Balance**	410,240,284	-	92,500,223
1-Oct-14	Share issue [1]	3,000,000	0.006	18,000
8-Dec-14	Consolidation of Capital [2]	(399,466,518)	-	-
9-Dec-14	Share issue to creditors [3]	1,360,000	0.05	68,000
11-Feb-15	Entitlement issue	19,158,525	0.05	957,926
27-Feb-15	Entitlement issue	28,500,000	0.05	1,425,000
19-Mar-15	Entitlement issue	28,010,305	0.05	1,400,515
12-Jun-15	Acquisition of SOP Project (note 17) [4]	15,000,000	0.144	2,160,000
Jul-14 to Jun-15	Share issue costs	-	-	(89,512)
30-Jun-15	**Closing balance**	**105,802,596**	**-**	**98,440,152**

Notes:

1 Shares issued to GMP Securities Europe LLP in lieu of fees for broking services provided.

2 The Company completed a 1 for 30 Consolidation of capital.

3 As approved by Shareholders at the Company's Annual General Meeting on 25 November 2014, shares were issued to non-related party creditors at $0.05 per Share.

4 The issue price was determined as $0.144 which was the 10 day volume weighted average price of the Company's shares prior to the date of issue, 12 June 2015.

(b) Rights Attaching to Ordinary Shares:

The rights attaching to fully paid Ordinary Shares (**Ordinary Shares**) arise from a combination of the Company's Constitution, statute and general law.

Ordinary Shares issued following the exercise of Unlisted Options in accordance with Note 14(c) or Performance Shares in accordance with Note 14(e) will rank equally in all respects with the Company's existing Ordinary Shares.

Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its shareholders and directors, including provisions to the following effect (when read in conjunction with the Corporations Act 2001 or Listing Rules).

(i) Shares

The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the Directors, subject to the Corporations Act 2001, ASX Listing Rules and any rights attached to any special class of shares.

(ii) Meetings of Members

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is two shareholders.

The Company holds annual general meetings in accordance with the Corporations Act 2001 and the Listing Rules.

(iii) Voting

Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

(iv) Changes to the Constitution

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(v) Listing Rules

Provided the Company remains admitted to the Official List, then despite anything in its Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Company's Constitution will be deemed to comply with the Listing Rules as amended from time to time.

14. RESERVES

	Note	2016 $	2015 $
Share-based payments reserve	14(b)	**240,848**	77,400
Foreign currency translation reserve		**454,468**	439,595
		695,316	516,995

(a) Nature and Purpose of Reserves

(i) Share-based payments reserve

The share-based payments reserve is used to record the fair value of Unlisted Options, Performance Rights and Performance Shares issued by the Group.

(ii) Foreign Currency Translation Reserve

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 1(v). The reserve is recognised in the Statement of Profit or Loss and other Comprehensive Income when the net investment is disposed of.

(b) Movements in the share-based payments reserve during the past two years were as follows:

		Number of Performance Shares	Number of Unlisted Options	$
01-Jul-15	**Opening Balance**	**22,500,000**	**205,443**	**77,400**
03-Jun-16	Issue of Incentive Options	-	2,500,000	-
Jul-15 to Jun-16	Share based payments expense	-	-	163,448
30-Jun-16	**Closing balance**	**22,500,000**	**2,705,443**	**240,848**
01-Jul-14	**Opening Balance**	-	12,963,514	1,284,248
22-Nov-14	Unlisted Options expired	-	(4,800,000)	(934,931)
8-Dec-14	Consolidation of Capital[1]	-	(7,891,405)	-
12-Jun-15	Issue of Performance Shares (note 14 (d))	22,500,000	-	77,400
30-Jun-15	Unlisted Options expired	-	(66,666)	(349,317)
30-Jun-15	**Closing balance**	**22,500,000**	**205,443**	**77,400**

Notes:

[1] As part of the Company's 1 for 30 consolidation of capital, the numbers of Options on issue were consolidated on a 1 for 30 basis, with the exercise price of the Options increasing in inverse proportion to the consolidation ratio.

(c) Terms and Conditions of Unlisted Options

The Unlisted Options are granted based upon the following terms and conditions:

- Each Unlisted Option entitles the holder to the right to subscribe for one Ordinary Share upon the exercise of each Unlisted Option;
- The Unlisted Options outstanding at the end of the financial year have the following exercise prices and expiry dates:
  - 57,370 Unlisted Options exercisable at $3.60 each on or before 30 November 2016;
  - 57,370 Unlisted Options exercisable at $4.80 each on or before 30 November 2016;
  - 57,370 Unlisted Options exercisable at $6.00 each on or before 30 November 2016;
  - 33,333 Unlisted Options exercisable at $2.73 each on or before 30 November 2016;
  - 750,000 Unlisted Options exercisable at $0.40 each on or before 29 April 2019;
  - 750,000 Unlisted Options exercisable at $0.50 each on or before 29 April 2020; and
  - 1,000,000 Unlisted Options exercisable at $0.60 each on or before 29 April 2021.
- The Unlisted Options are exercisable at any time prior to the Expiry Date, subject to vesting conditions being satisfied (if applicable);
- Ordinary Shares issued on exercise of the Unlisted Options rank equally with the then Ordinary Shares of the Company;
- Application will be made by the Company to ASX for official quotation of the Ordinary Shares issued upon the exercise of the Unlisted Options;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Unlisted Option holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction; and
- No application for quotation of the Unlisted Options will be made by the Company.

(d) Fair Value of Performance Shares

Date	Details	Number of 'Class A' Performance Shares	Number of 'Class B' Performance Shares	Number of 'Class C' Performance Shares	Fair Value [1] $	$
1 Jul 15	**Opening Balance**	**5,000,000**	**7,500,000**	**10,000,000**	**-**	**77,400**
30 Jun 16	**Closing Balance**	**5,000,000**	**7,500,000**	**10,000,000**	**-**	**77,400**
1 Jul 14	**Opening Balance**	**-**	**-**	**-**	**-**	**-**
12 Jun 15	Issue of Performance Shares [2]	5,000,000	-	-	0.0072	36,000
12 Jun 15	Issue of Performance Shares [3]	-	7,500,000	-	0.0036	27,000
12 Jun 15	Issue of Performance Shares [4]	-	-	10,000,000	0.0014	14,400
30 Jun 15	**Closing Balance**	**5,000,000**	**7,500,000**	**10,000,000**	**-**	**77,400**

Notes:

1. The grant date fair value of the Performance Shares has been determined with reference to the share price of Salt Lake Potash Limited at the date of acquisition of ASLP adjusted for the probability of achieving the milestones for the Class A, B and C Performance Shares.
2. The fair value of the milestone shares at the acquisition date has been determined to be $36,000, based on Management's assessment of the probability that the milestone for the Class A shares (refer to Note 14(e) for terms) will be met.
3. The fair value of the milestone shares at the acquisition date has been determined to be $27,000, based on Management's assessment of the probability that the milestone for the Class B shares (refer to Note 14(e) for terms) will be met.
4. The fair value of the milestone shares at the acquisition date has been determined to be $14,400, based on Management's assessment of the probability that the milestone for the Class C shares (refer to Note 14(e) for terms) will be met.

(e) Terms and Conditions of Performance Shares

The Convertible Performance Shares (Performance Shares) are granted as part of the consideration to acquire Australia Salt Lake Potash Pty Ltd were granted on the following terms and conditions:

- Each Convertible Performance Share will convert into one ordinary Share upon the satisfaction, prior to the Expiry Date, of the respective Milestone;
  - Class A Milestone: The announcement by the Company to ASX of the results of a positive Pre-feasibility Study on all or part of the Project Licences, within three years from the date of issue;
  - Class B Milestone: The announcement by the Company to ASX of the results of a positive Definitive Feasibility Study on all or part of the Project Licences, within four years from the date of issue; and
  - Class C Milestone: The commencement of construction activities for a mining operation on all or part of the Project Licences (including the commencement of ground breaking for the construction of infrastructure and/or processing facilities) following a final investment decision by the Board as per the project development schedule and budget in accordance with the Definitive Feasibility Study, within five years from the date of issue.
- Expiry Date means:
  - in relation to the Class A Convertible Performance Shares, 3 years from the date of issue;
  - in relation to the Class B Convertible Performance Shares, 4 years from the date of issue; and
  - in relation to the Class C Convertible Performance Shares, 5 years from the date of issue;
- If the Milestone for a Performance Share is not met by the Expiry Date, the total number of the relevant class of Performance Shares will convert into one Ordinary Share per holder;
- The Company shall allot and issue Ordinary Shares immediately upon conversion of the Performance Shares for no consideration;
- Ordinary Shares issued on conversion of the Performance Shares rank equally with the then Ordinary Shares of the Company;
- In the event of any reconstruction, consolidation or division into (respectively) a lesser or greater number of securities of the Ordinary Shares, the Performance Shares shall be reconstructed, consolidated or divided in the same proportion as the Ordinary Shares are reconstructed, consolidated or divided and, in any event, in a manner which will not result in any additional benefits being conferred on the Performance Shareholders which are not conferred on the Ordinary Shareholders;
- The Performance Shareholders shall have no right to vote, subject to the Corporations Act;
- No application for quotation of the Performance Shares will be made by the Company; and
- The Performance Shares are not transferable.

15. STATEMENT OF CASH FLOWS

(a) Reconciliation of the Loss after Tax to the Net Cash Flows from Operations

	2016 $	*Restated 2015 $
Net loss for the year	**(4,645,028)**	(1,348,856)
Adjustment for non-cash income and expense items		
Depreciation of plant and equipment	**15,469**	-
Share based payment expense	**163,448**	-
Unrealised foreign exchange (loss)/ gain	**448**	(63,164)
Impairment losses	**293,462**	32,872
Net (gain)/loss on disposal of property, plant and equipment, prospects	**-**	215,732
Shares issued in lieu	**35,124**	-
Change in operating assets and liabilities		
(Increase)/Decrease in trade and other receivables	**(71,211)**	92,655
Increase in trade and other payables	**356,419**	87,507
Increase/(Decrease) in provisions	**11,712**	(16,519)
Net cash outflow from operating activities	**(3,840,157)**	(922,348)

(b) Reconciliation of Cash

	2016 $	*Restated 2015 $
Cash at bank and on hand	**1,478,285**	3,172,363
Deposits on call	**6,020,000**	-
	7,498,285	3,172,363

(c) Non-cash Financing and Investing Activities

		2016 $	2015 $
Exploration and evaluation assets (with shares)	17	-	**2,237,400**
		-	**2,237,400**

30 June 2016

During the year ended 30 June 2016, the Company issued 250,000 ordinary shares to GMP Securities Europe LLP in lieu of fees. The fair value of the issued ordinary shares was $35,124 at issue date.

30 June 2015

During the year ended 30 June 2015, the Company issued 3,000,000 ordinary shares (pre-Consolidation basis) to GMP Securities Europe LLP in lieu of fees for the period 01 April 2014 to 31 December 2014 and 1,360,000 ordinary shares (post- Consolidation basis) to trade creditors, as approved by Shareholders at an issue price of A$0.05. The fair value of the issued ordinary shares was $86,000 at issue date.

16. EARNINGS PER SHARE

The weighted average number of ordinary shares used in calculating basic and diluted earnings per share has been retrospectively adjusted in the prior period to reflect the impact of the Consolidation.

	30 June 2016 $	*Re-presented* 30 June 2015 $
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Loss from continuing operations attributable to the owners of the Company used in calculating basic and diluted earnings per share – continuing operations	**(4,645,028)**	(729,514)
Net loss attributable to the owners of the Company from discontinued operations (net of income tax)	**-**	(619,342)
Net loss attributable to the owners of the Company used in calculating basic and diluted earnings per share	**(4,645,028)**	(1,348,856)

	Number of Shares 2016	Number of Shares 2015
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	**112,565,903**	40,361,103

(a) Non-Dilutive Securities

As at balance date, 2,705,443 Unlisted Options (which represent 2,705,443 potential Ordinary Shares) and 22,500,000 Performance Shares (which represent 22,500,000 potential Ordinary Shares) were considered non-dilutive as they would decrease the loss per share.

(b) Conversions, Calls, Subscriptions or Issues after 30 June 2016

Since 30 June 2016, the Company has issued the following securities:

- 180,000 Ordinary Shares were issued, refer to note 26.

Other than as outlined above, there have been no other conversions to, calls of, or subscriptions for Ordinary Shares or issues of potential Ordinary Shares since the reporting date and before the completion of this financial report.

17. ACQUISITION OF CONTROLLED ENTITY

On 12 June 2015, the Company completed the acquisition of Australia Salt Lake Potash Pty Ltd (**ASLP**) which holds a number of sulphate of potash (**SOP**) brine projects. The transaction was not deemed to be a Business Combination in accordance with AASB 3 Business Combinations, thus it has been accounted for as an asset acquisition. The consideration for the acquisition meets the definition of, and has been accounted for as a share based payment transaction.

The total cost of the acquisition was $2,237,400 and was comprised of an issue of equity instruments as follows:

		Fair values on acquisition $
Exploration and Evaluation Assets		**2,276,736**
Cash & Cash Equivalents		**46,454**
Trade and Other Receivables		**3,922**
Property, Plant & Equipment		**10,288**
Trade & Other Payables		**(100,000)**
Net assets acquired		**2,237,400**
Costs of the acquisition:		
Fully Paid Ordinary Shares (15,000,000)		**2,160,000**
Performance Shares: Class A (5,000,000)	14(d)	**36,000**
Performance Shares: Class B (7,500,000)	14(d)	**27,000**
Performance Shares: Class C (10,000,000)	14(d)	**14,400**
		2,237,400
Net cash outflow on acquisition:		
Loan provided pre-acquisition		**(100,000)**
Cash acquired on acquisition		**46,454**
		(53,546)

18. RELATED PARTIES

(a) Subsidiaries

Name	Country of Incorporation	% Equity Interest 2016 %	2015 %
Ultimate parent entity:			
Salt Lake Potash Limited	Australia		
Subsidiaries of Salt Lake Potash Limited			
Australia Salt Lake Potash Pty Ltd (ASLP)(i)	Australia	100	100
Subsidiary of ASLP			
Piper Preston Pty Ltd (i)	Australia	100	100
Peak Coal Pty Ltd	Australia	100	100
Wildhorse UCG Kft	Hungary	-	100
Wildhorse Energy Hungary Kft	Hungary	-	100
Wildhorse Resources Kft	Hungary	-	100
Mecsek Alternatív Szén Energia Kft	Hungary	-	100
Wildhorse GE Holding Inc	USA	100	100
Subsidiary of Salt Lake GE Holdings Inc			
Golden Eagle Uranium LLC	USA	100	100
Subsidiary of Wildhorse Energy Hungary Kft			
Magyar Urán Zrt	Hungary	-	97

(i) Refer to note 17.

(ii) During the year, the Company disposed of its Hungarian operation. The holding companies were dominant and were fully impaired.

(b) Ultimate Parent

Salt Lake Potash Limited is the ultimate parent of the Group.

(c) Transactions with Related Parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Transactions with Key Management Personnel, including remuneration, are included at Note 19.

19. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

The KMP of the Group during or since the end of the financial year were as follows:

Directors

Mr Ian Middlemas	Chairman
Mr Matthew Syme	Chief Executive Officer (**CEO**) (appointed CEO 29 April 2016)
Mr Jason Baverstock	Executive Director
Mr Mark Hohnen	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

Other Current KMP

Mr Sam Cordin	Chief Financial Officer and Company Secretary

Unless otherwise disclosed, the KMP held their position from 1 July 2015 until the date of this report.

	2016 $	2015 $
Short-term employee benefits	**395,834**	75,751
Post-employment benefits	**22,737**	1,979
Share-based payments	**163,448**	-
Total compensation	**582,019**	77,730

(b) Loans from Key Management Personnel

No loans were provided to or received from Key Management Personnel during the year ended 30 June 2016 (2015: Nil).

(c) Other Transactions

Apollo Group Pty Ltd, a Company of which Mr Mark Pearce is a Director and beneficial shareholder, was paid or is payable $210,000 (2015: $64,000) for the provision of serviced office facilities, company secretarial, corporate and administration services for the period. The amount is based on a monthly retainer due and payable in advance, with no fixed term, and is able to be terminated by either party with one month’s notice. At 30 June 2016, $20,000 (2015: $64,000) was included as a current liability in the Statement of Financial Position.

20. PARENT ENTITY DISCLOSURES

	2016 $	*Restated 2015 $
(a) Financial Position		
Assets		
Current assets	**7,607,069**	3,193,145
Non-current assets	**2,406,661**	2,591,009
Total assets	**10,013,730**	5,784,154
Liabilities		
Current liabilities	**616,178**	241,412
Total liabilities	**616,178**	241,412
Equity		
Contributed equity	**106,761,669**	98,440,152
Accumulated losses	**(97,604,964)**	(92,974,810)
Reserves	**240,847**	77,400
Total equity	**9,397,552**	5,542,742
(b) Financial Performance		
Profit/(loss) for the year	**(4,956,874)**	(1,186,779)
Other comprehensive income/(loss)	**-**	-
Total comprehensive income/(loss)	**(4,956,874)**	(1,186,779)

(c) Other information

The Company has not entered into any guarantees in relation to its subsidiaries.

Refer to Note 24 for details of contingent assets and liabilities.

21. SHARE-BASED PAYMENTS

(a) Recognised Share-based Payment Expense

From time to time, the Group provides incentive Unlisted Options and Performance Rights to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options or rights granted, and the terms of the options or rights granted are determined by the Board. Shareholder approval is sought where required.

In the current year, the Company has also granted shares in lieu of payments to trade creditors for outstanding balances.

During the past two years, the following equity-settled share-based payments have been recognised:

	2016 $	2015 $
Expenses/ (benefit) arising from equity-settled share-based payment transactions relating incentive options	**163,448**	-
Expenses/ (benefit) arising from equity-settled share-based payment transactions to creditors and consultants	**35,124**	86,000
Share issue costs settled by equity-settled share-based payment transactions	**-**	(3,551)
Total share-based payments recognised during the year	**198,572**	82,449

(b) Summary of Unlisted Options and Performance Rights Granted as Share-based Payments

The following Incentive Options were granted as share-based payments during the past two years:

Option Series	Issuing Entity	Security Type	Number	Grant Date	Expiry Date	Exercise Price $	Grant Date Fair Value $
Series 1	Salt Lake Potash Limited	Options	750,000	03-Jun-16	29-Apr-19	0.40	0.190
Series 2	Salt Lake Potash Limited	Options	750,000	03-Jun-16	29-Apr-20	0.50	0.204
Series 3	Salt Lake Potash Limited	Options	1,000,000	03-Jun-16	29-Apr-21	0.60	0.217

The following table illustrates the number and weighted average exercise prices (WAEP) of Unlisted Options granted as share-based payments at the beginning and end of the financial year:

Unlisted Options	2016 Number	2016 WAEP	2015 Number	2015 WAEP
Outstanding at beginning of year	**205,443**	**$4.46**	432,117	$9.90
Granted by the Company during the year	**2,500,000**	**$0.51**	-	-
Forfeited/cancelled/lapsed/expired	**-**	**-**	(226,674)	$15.06
Outstanding at end of year	**2,705,443**	**$0.81**	205,443	$4.46
Exercisable at end of year	**955,443**	**$0.81**	205,443	$4.46

Notes:
As part of the Company's 1 for 30 consolidation of capital in December 2015, the numbers of Options on issue were consolidated on a 1 for 30 basis, with the exercise price of the Options increasing in inverse proportion to the consolidation ratio.

The outstanding balance of options as at 30 June 2016 is represented by:

- 57,370 Unlisted Options exercisable at $3.60 each on or before 30 November 2016;
- 57,370 Unlisted Options exercisable at $4.80 each on or before 30 November 2016;
- 57,370 Unlisted Options exercisable at $6.00 each on or before 30 November 2016;
- 33,333 Unlisted Options exercisable at $2.73 each on or before 30 November 2016;
- 750,000 Unlisted Options exercisable at $0.40 each on or before 29 April 2019;
- 750,000 Unlisted Options exercisable at $0.50 each on or before 29 April 2020; and
- 1,000,000 Unlisted Options exercisable at $0.60 each on or before 29 April 2021.

21. SHARE-BASED PAYMENTS (Continued)

(c) Weighted Average Remaining Contractual Life

At 30 June 2016, the weighted average remaining contractual life of Unlisted Options on issue that had been granted as share-based payments was 3.66 years (2015: 1.42 years).

(d) Range of Exercise Prices

At 30 June 2016, the range of exercise prices of Unlisted Options on issue that had been granted as share-based payments was $0.40 to $6.00 (2015: $$2.73 to $6.00 (post Consolidation basis)).

(e) Weighted Average Fair Value

The weighted average fair value of Incentive Options granted as share-based payments by the Group during the year ended 30 June 2016 was $0.205 (2015: Nil).

(f) Option Pricing Models

The fair value of the equity-settled share options and performance rights granted is estimated as at the date of grant using the Binomial option valuation model taking into account the terms and conditions upon which the options were granted.

The table below lists the inputs to the valuation model used for share options granted by the Group in the current year:

Inputs	Series 1	Series 2	Series 3
Exercise price	0.40	0.50	0.60
Grant date share price	0.330	0.330	0.330
Dividend yield [1]	-	-	-
Volatility [2]	100%	100%	100%
Risk-free interest rate	1.59%	1.59%	1.77%
Grant date	03-Jun-16	03-Jun-16	03-Jun-16
Expiry date	29-Apr-19	29-Apr-20	29-Apr-21
Expected life of option [3]	2.90	3.91	4.91
Fair value at grant date	0.190	0.204	0.217

Notes:

[1] The dividend yield reflects the assumption that the current dividend payout will remain unchanged.

[2] The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

[3] The expected life of the options is based on the expiry date of the options as there is limited track record of the early exercise of options.

22. AUDITORS' REMUNERATION

The auditor of Salt Lake Potash Limited is Ernst and Young (2015:KPMG).

	2016 $	2015 $
Amounts received or due and receivable by Ernst and Young (2015:KPMG) for:		
• an audit or review of the financial report of the entity and any other entity in the consolidated group	**25,000**	27,290
• tax and other advisory services	**21,773**	-
	46,773	27,290

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Overview

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk, equity price risk and foreign currency risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Group. The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	2016 $	2015 $
Financial assets		
Cash and cash equivalents	**1,478,285**	3,172,363
Trade and other receivables (excluding VAT, GST and prepayments)	**126,583**	23,476
Deposits held	**6,020,000**	-
	7,624,868	3,195,839

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Where possible, the Group invests its cash and cash equivalents with banks that are rated the equivalent of investment grade and above. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group does not have any significant customers and accordingly does not have significant exposure to bad or doubtful debts.

Trade and other receivables comprise trade receivables, interest accrued and GST refunds due. Where possible the Consolidated Entity trades only with recognised, creditworthy third parties. It is the Group's policy that, where possible, customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. At 30 June 2016, none (2015: none) of the Group's receivables are past due.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. At 30 June 2016 and 2015, the Group had sufficient liquid assets to meet its financial obligations.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
2016 **Group**					
Financial Liabilities					
Trade and other payables	**607,615**	**-**	**-**	**-**	**607,615**
	607,615	**-**	**-**	**-**	**607,615**
2015 **Group**					
Financial Liabilities					
Trade and other payables	251,196	-	-	-	251,196
	251,196	-	-	-	251,196

(d) Interest Rate Risk

The Group does not have any long-term borrowing or long term deposits, which would expose it to significant cash flow interest rate risk.

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

(f) Capital Management

The Group defines its Capital as total equity of the Group, being $9,397,552 as at 30 June 2016 (2015 restated: $5,542,742). The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while financing the development of its projects through primarily equity based financing. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares.

The Group is not subject to externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the year. During the next 12 months, the Group will continue to explore project financing opportunities, primarily consisting of additional issues of equity.

(g) Fair Value

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets.
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

At 30 June 2016 and 30 June 2015, the carrying value of the Group's financial assets and liabilities approximate their fair value.

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016
(Continued)

24. CONTINGENT ASSETS AND LIABILITIES

(i) Contingent Assets

As at the date of this report, no contingent assets had been identified in relation to the 30 June 2016 financial year.

(ii) Contingent Liability

As at the date of this report, no contingent liabilities had been identified in relation to the 30 June 2016 financial year.

25. COMMITMENTS

Management have identified the following material commitments for the consolidated group as at 30 June 2016 and 30 June 2015:

	2016 $	2015 $
Exploration commitments		
Within one year	**890,000**	454,000
Later than one year but not later than five years	**-**	-
	890,000	454,000

26. EVENTS SUBSEQUENT TO BALANCE DATE

On 9 September 2016, the Company issued 180,000 shares to a consultant in lieu of fees.

As at the date of this report there are no matters or circumstances which have arisen since 30 June 2016 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2016, of the Consolidated Entity.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Salt Lake Potash Limited:

1. In the opinion of the Directors:

   (a) the attached financial statements, notes and the additional disclosures included in the Directors' report designated as audited, are in accordance with the Corporations Act 2001, including:

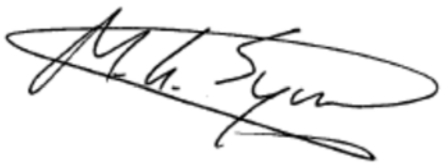
      (i) section 296 (compliance with accounting standards and Corporations Regulations 2001); and
      (ii) section 297 (gives a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the consolidated group); and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1(b) to the financial statements.

3. The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

On behalf of the Board



MATTHEW SYME
CEO

23 September 2016

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Independent auditor's report to the members of Salt Lake Potash Limited

Report on the financial report

We have audited the accompanying financial report of Salt Lake Potash Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

GHM:JT:SLP:010

Opinion

In our opinion:

a. the financial report of Salt Lake Potash Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the remuneration report of Salt Lake Potash Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

G H Meyerowitz
Partner
Perth
23 September 2016

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 presentation 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.

DISCLAIMERS AND DISCLOSURES

Competent Persons Statement

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. The announcement is available to view on www.saltlakepotash.com.au. The information in the original announcement that relates to processing, infrastructure and cost estimation are based on and fairly represents information compiled or reviewed by Mr Zeyad El-Ansary, who is a Competent Person as a member of the Australasian Institute of Mining and Metallurgy. Mr Zeyad El-Ansary has 9 years' experience relevant to the activities undertaken for preparation of these report sections and is a employed by Amec Foster Wheeler. Mr Zeyad El-Ansary consents to the inclusion in the report/press release of the matters based on their 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 Mineral Resources for Lake Wells, is extracted from the reports entitled 'Lake Wells Resource Increased By 193 Percent to 85Mt of SOP' dated 22 February 2016 and 'Significant Maiden SOP Resource of 29Mt at Lake Wells' dated 11 November 2015 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 for Lake Wells 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 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, not including geophysical and test pumping results for Lake Wells, is extracted from the reports entitled 'Aircore Drilling Confirms Deeper Potential At Lake Wells' dated 23 November 2015, 'Successful Shallow Core Drilling Completed at Lake Wells' dated 22 September 2015 and 'Wildhorse Acquires Two Large Scale High Grade Sulphate Of Potash Brine Projects' dated 9 April 2015 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, not including geophysical and test pumping results for Lake Wells 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 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 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.