

2 May 2017

PLACEMENT TO RAISE A\$17.6 MILLION FOR FURTHER DEVELOPMENT OF GOLDFIELDS SALT LAKES PROJECT

Salt Lake Potash Limited (**the Company** or **SO4**) is pleased to announce that it has received commitments from institutional and sophisticated investors in the United Kingdom and Australia to subscribe for 41 million new ordinary shares of the Company, to raise gross proceeds of \$17,630,000 (**Placement**).

Proceeds from the Placement will be used for the planning and initial construction costs of a Pilot Plant at the Goldfields Salt Lakes Project, as well as ongoing resource investigation, process testwork, engineering and transport studies and working capital.

Commenting on the Placement, SO4's CEO, Matt Syme, said *"We are very pleased to have successfully put in place the next stage of funding for our exciting Sulphate of Potash Projects in Australia, where we are working very hard to become the first producer in a sector with outstanding potential. The excellent support we have received from our shareholders and advisers in the UK and Australia is a great help in our pursuit of that goal and we look forward to continued success together."*

Cenkos Securities plc, the bookrunner in the UK, placed a total of 30,000,000 new ordinary shares in the Company at a price of 25 pence (equivalent to A\$0.43) per Share (**UK Placement**). Argonaut Securities Pty Limited acted as Manager to most of the Placement in Australia, with a total of 11 million new ordinary shares in the Company at a price of \$0.43 per Share (**Australian Placement**).

The issue price of A\$0.43 represents a 10.4% discount to the last closing price of \$0.48 on ASX and a 11.9% discount to the 20-day ASX VWAP.

The Placement will be completed in two tranches as follows:

- (a) 30.7 million shares (including the UK Placement) will be issued on 4 May 2017 under Listing Rule 7.1 (17,317,241 shares) and Listing Rule 7.1A (13,382,759 shares). Following the issue of these shares the Company will have 2,576,898 remaining issue capacity under Listing Rule 7.1 and no remaining issue capacity under Listing Rule 7.1A.
- (b) 10.3 million shares will be issued on or about Friday 16 June 2017 following shareholder approval. A notice of general meeting will be sent to shareholders shortly.

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Information required under ASX Listing Rule 3.10.5A:

- (a) Dilution to existing shareholders as a result of the issue under Listing Rule 7.1A is 9.1%, dilution to existing shareholders as a result of the issue under Listing Rule 7.1 is 11.4% and the total dilution to existing shareholders is 18.6%. Details regarding the participation of existing and new shareholders is not able to be determined yet and will be provided at completion;
- (b) The Company will issue 13,382,759 shares under Listing Rule 7.1A because the Placement was considered to be a more efficient mechanism for raising funds. The Placement did not expose the Company to additional costs, a protracted process and market volatility that may have been experienced with a pro-rata issue or other type of issue in which existing ordinary shareholders would have been eligible to participate;
- (c) No underwriting arrangements are in place for the Placement under rule 7.1A; and
- (d) A fee of up to 6% may be paid to the Brokers/Advisors in connection with the Placement under rule 7.1A.

Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Salt Lake Potash Limited's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Salt Lake Potash Limited, which could cause actual results to differ materially from such statements. Salt Lake Potash Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.