



## **SALT LAKE POTASH LIMITED**

### **Interim Financial Report for the Half Year Ended 31 December 2017**

ABN 98 117 085 748

## CORPORATE DIRECTORY

### DIRECTORS

Mr Ian Middlemas – Chairman  
 Mr Matthew Syme  
 Mr Bryn Jones  
 Mr Mark Pearce

### COMPANY SECRETARY

Mr Sam Cordin

### REGISTERED OFFICE

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### SECURITIES EXCHANGE LISTING

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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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## DIRECTORS' REPORT



The Board of Directors of Salt Lake Potash Limited present their report on Salt Lake Potash Limited (“**Company**” or “**Salt Lake Potash**”) and the entities it controlled during the half year ended 31 December 2017 (together the “**Consolidated Entity**” or the “**Group**”).

### DIRECTORS

The names and details of the Company's directors in office at any time during the half year or since the end of the half year are:

#### Directors

Mr Ian Middlemas	Chairman
Mr Matthew Syme	Chief Executive Officer (CEO)
Mr Bryn Jones	Non-Executive Director
Mr Mark Hohnen	Non-Executive Director (resigned 3 December 2017)
Mr Mark Pearce	Non-Executive Director

Unless otherwise stated, Directors held their office from 1 July 2017 until the date of this report.

### OPERATING AND FINANCIAL REVIEW

The Company's aim is to develop the first salt-lake brine Sulphate of Potash (**SOP**) operation in Australia, starting with a Demonstration Plant producing up to 50,000tpa of SOP, at the Goldfields Salt Lakes Project (**GSLP**) located in the Northern Goldfields of Western Australia. The Company's multi-lake portfolio, and the comprehensive technical achievements to date, highlight the potential for a very economic, large scale and long term project.

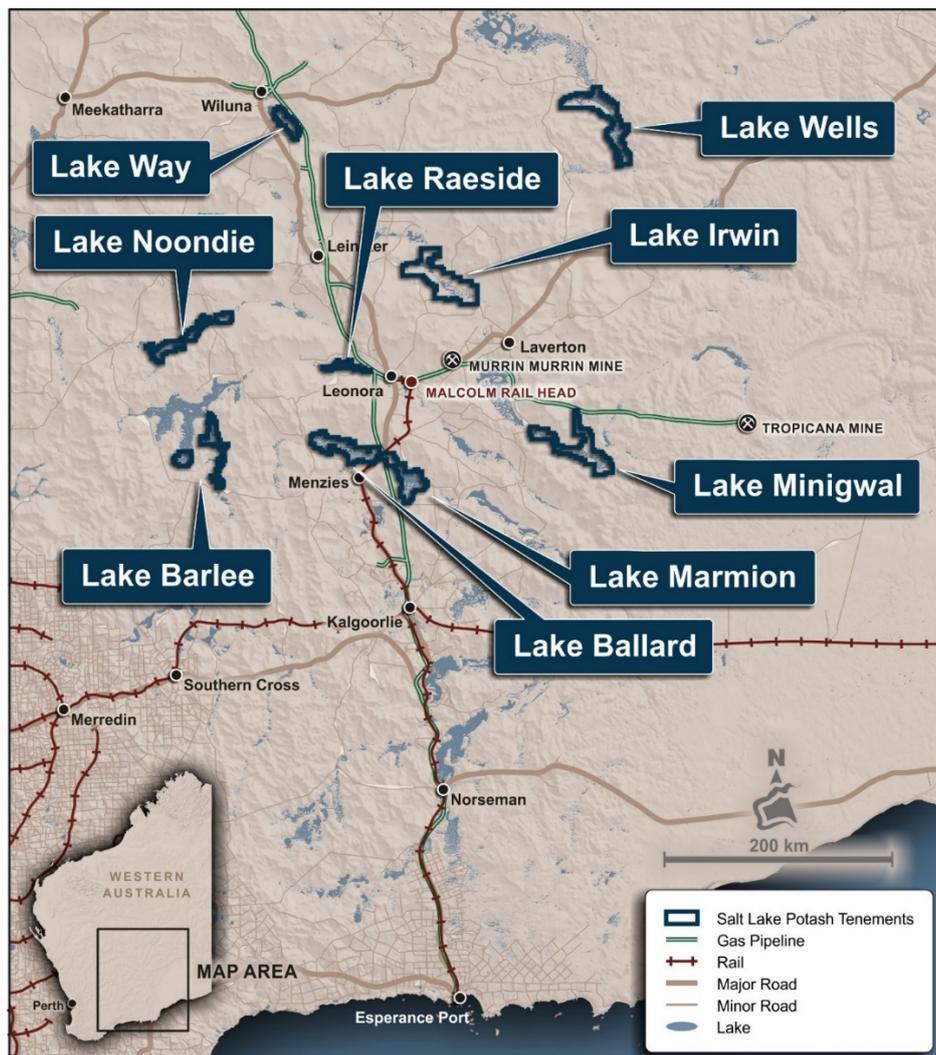


Figure 1: GSLP Project Map

## DIRECTORS' REPORT

(Continued)



### LAKE WAY

- Subsequent to the end of the period, the Company entered a Memorandum of Understanding (**MOU**) with Blackham Resources Limited (**Blackham**) to investigate the potential development of an SOP operation based at Lake Way, near Wiluna. Under the MOU, the Company will acquire Blackham's brine rights and Blackham will acquire gold rights to the Company's Lake Way holdings, with each company retaining a royalty on their respective holdings.

The Company will investigate the development of an SOP operation at Lake Way, including initially a 40-50,000tpa Demonstration Plant.

### LAKE WELLS

#### **Evaporation Pond Testwork**

- The Company successfully completed field trials testing its on-lake, unlined evaporation pond model, which will result in significant capital cost advantages for the GSLP.
- Comprehensive geological and geotechnical investigation confirms the widespread availability of ideal in-situ clay materials ideal for use in evaporation pond construction. Modelling based on geotechnical properties of the clays confirms the potential to build unlined, on-lake ponds with negligible seepage inefficiency.
- Amec Foster Wheeler estimate that comparative costs for 400ha of on-lake ponds are \$1.6m (unlined) and \$42.2m (HDPE lined), highlighting a significant capex advantage for the Project.

#### **Process Testwork**

- The Company completed a comprehensive testwork program at globally recognised potash process consultants, Saskatchewan Research Council (**SRC**) that validated and refined the parameters used in the process plant flowsheet for the GSLP. Importantly, the testwork was conducted on a 60kg representative sample of kainite harvest salt produced on site at Lake Wells.
- SRC will conduct further optimisation tests followed by a continuous locked cycle operation, to produce significant quantities of flotation product and SOP for further testing and marketing.
- The Site Evaporation Trial (**SET**) at Lake Wells has now processed approximately 357 tonnes of brine and produced over 8 tonnes of harvest salts.

#### **Surface Aquifer Characterisation and Deep Aquifer Exploration**

- The Company continued sustained pump tests on test trenches across Lake Wells, providing reliable data for the surface aquifer hydrogeological model for Lake Wells.
- The Company mobilised an on-lake drill rig to test deep aquifer characteristics and identify potential high yield portions of the basal aquifer.

### LAKE BALLARD

- An initial surface aquifer exploration program was completed at Lake Ballard, comprising a total of 160 shallow test pits and 10 test trenches. This work provides preliminary data for the geological and hydrological models for the surface aquifer of the Lake, as well as brine, geological and geotechnical samples.

### LAKE IRWIN

- An initial surface aquifer exploration program was completed at Lake Irwin, comprising a total of 27 shallow test pits and 2 test trenches. This work provides preliminary data for the geological and hydrological models of the surface aquifer of the Lake, as well as brine, geological and geotechnical samples.

### REGIONAL LAKES

- The Company undertook initial surface brine sampling of the near surface aquifer and reconnaissance of access and infrastructure at all remaining Lakes held under the GSLP.

## DIRECTORS' REPORT

(Continued)



### OPERATING AND FINANCIAL REVIEW (Continued)

#### Operations (Continued)

##### Results of Operations

Net loss after tax for the half year ended 31 December 2017 was \$5,354,804 (31 December 2016: \$4,969,027).

- (i) Exploration and evaluation expenses were \$4,549,568 (31 December 2016: \$4,282,810), 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 final investment decision to commence construction for each separate area of interest; and
- (ii) Business development expenses increased to \$374,784 (31 December 2016: \$186,990) which is attributable to additional business development and investor relations activities required to support the growth and development of the Goldfields Salt Lakes Project.

##### Financial Position

At 31 December 2017, the Company had cash reserves of \$10.5 million (30 June 2017: \$15.6 million) and net assets of \$12.3 million (30 June 2017: \$17.0 million). The Company is in a financial position to conduct its current and planned exploration and development activities.

##### SIGNIFICANT POST BALANCE DATE EVENTS

Other than as disclosed below, at the date of this report there were no significant events occurring after balance date requiring disclosure.

- (i) On 12 March 2018, the Company entered a Memorandum of Understanding (**MOU**) with Blackham Resources Limited (**Blackham**) to investigate the potential development of a Sulphate of Potash (**SOP**) operation based at Lake Way, near Wiluna. Under the MOU, the Company will acquire Blackham's brine rights and Blackham will acquire gold rights to the Company's Lake Way holdings, with each company retaining a royalty on their respective holdings.

##### AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the directors of Salt Lake Potash Limited with an Independence Declaration in relation to the review of the half year financial report. This Independence Declaration is attached to and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'M. Syme', is written over a horizontal line.

**MATTHEW SYME**  
CEO

16 March 2018

## DIRECTORS' DECLARATION



In the opinion of the Directors of Salt Lake Potash Limited:

1. the interim consolidated financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and notes set out on pages 9 to 13 are in accordance with the Corporations Act 2001 including:
  1. giving a true and fair view of the financial position of the consolidated entity as at 31 December 2017 and of its performance and cash flows for the six months ended on that date; and
  2. complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors:

A handwritten signature in black ink, appearing to read "M. Syme", written over a horizontal line.

**MATTHEW SYME**  
CEO

16 March 2018

**CONSOLIDATED STATEMENT OF PROFIT  
OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**



	Notes	31 December 2017 \$	31 December 2016 \$
Finance income		145,705	71,955
Research and development rebate		456,709	-
Exploration and evaluation expenses		(4,549,568)	(4,282,810)
Corporate and administrative expenses		(448,894)	(382,760)
Business development expenses		(374,784)	(186,990)
Share based payments expenses		(583,972)	(188,422)
Loss before tax		(5,354,804)	(4,969,027)
Income tax expense		-	-
<b>Loss for the period</b>		<b>(5,354,804)</b>	<b>(4,969,027)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising during the period		-	(120)
<b>Other comprehensive (loss)/ income for the period, net of tax</b>		<b>-</b>	<b>(120)</b>
<b>Total comprehensive loss for the period</b>		<b>(5,354,804)</b>	<b>(4,969,147)</b>
Basic and diluted loss per share attributable to the ordinary equity holders of the company (cents per share)		<b>(3.10)</b>	<b>(3.71)</b>

*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 31 DECEMBER 2017



	Notes	31 December 2017 \$	30 June 2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		10,499,568	15,596,759
Trade and other receivables		221,131	300,058
<b>Total Current Assets</b>		<b>10,720,699</b>	<b>15,896,817</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		353,852	303,511
Exploration and evaluation expenditure	3	2,276,736	2,276,736
<b>Total Non-Current Assets</b>		<b>2,630,588</b>	<b>2,580,247</b>
<b>TOTAL ASSETS</b>		<b>13,351,287</b>	<b>18,477,064</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		973,969	1,348,791
Finance lease		13,011	13,011
Provisions		28,379	19,181
<b>Total Current Liabilities</b>		<b>1,015,359</b>	<b>1,380,983</b>
<b>Non-Current Liabilities</b>			
Finance lease		43,724	49,638
<b>Total Non-Current Liabilities</b>		<b>43,724</b>	<b>49,638</b>
<b>TOTAL LIABILITIES</b>		<b>1,059,083</b>	<b>1,430,621</b>
<b>NET ASSETS</b>		<b>12,292,204</b>	<b>17,046,443</b>
<b>EQUITY</b>			
Contributed equity	4	123,501,153	123,484,561
Reserves	5	1,405,797	821,824
Accumulated losses		(112,614,746)	(107,259,942)
<b>TOTAL EQUITY</b>		<b>12,292,204</b>	<b>17,046,443</b>

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

**CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

CONSOLIDATED	Contributed Equity \$	Share- Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2017</b>	123,484,561	821,824	-	(107,259,942)	17,046,443
Net loss for the period	-	-	-	(5,354,804)	(5,354,804)
<b>Total comprehensive loss for the period</b>				(5,354,804)	(5,354,804)
<b>Transactions with owners, recorded directly in equity</b>					
Shares issued in lieu of fees	18,476	-	-	-	18,476
Share based payment expense	-	583,972	-	-	583,972
Share issue costs	(1,884)	-	-	-	(1,884)
<b>Balance at 31 December 2017</b>	123,501,153	1,405,797	-	(112,614,746)	12,292,204
<b>Balance at 1 July 2016</b>	106,761,669	240,848	454,468	(98,059,433)	9,397,552
Net loss for the period	-	-	-	(4,969,027)	(4,969,027)
Exchange differences on translation of foreign operations	-	-	(120)	-	(120)
<b>Total comprehensive loss for the period</b>	-	-	(120)	(4,969,027)	(4,969,147)
<b>Transactions with owners, recorded directly in equity</b>					
Shares issued in lieu of fees	86,400	-	-	-	86,400
Share based payment expense	-	188,422	-	-	188,422
Share issue costs	(1,794)	-	-	-	(1,794)
<b>Balance at 31 December 2016</b>	106,846,275	429,270	454,348	(103,028,460)	4,701,433

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

**CONSOLIDATED STATEMENT OF  
CASH FLOWS**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017



	31 December 2017 \$	31 December 2016 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(5,594,353)	(4,028,053)
Research and development rebate received	456,709	-
Exploration investment scheme received	30,000	-
Interest received	133,705	70,930
<b>Net cash outflow from operating activities</b>	<b>(4,973,939)</b>	<b>(3,957,123)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(83,030)	(71,664)
<b>Net cash outflow from investing activities</b>	<b>(83,030)</b>	<b>(71,664)</b>
<b>Cash flows from financing activities</b>		
Transaction costs from the issue of shares	(40,222)	-
<b>Net cash inflow from financing activities</b>	<b>(40,222)</b>	<b>-</b>
Net decrease in cash and cash equivalents held	(5,097,191)	(4,028,787)
Net foreign exchange differences	-	15
Cash and cash equivalents at the beginning of the half year	15,596,759	7,498,285
<b>Cash and cash equivalents at the end of the half year</b>	<b>10,499,568</b>	<b>3,469,513</b>

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of Compliance

The interim condensed consolidated financial statements of the Group for the half year ended 31 December 2017 were authorised for issue in accordance with the resolution of the directors on 9 March 2018.

The interim condensed consolidated financial statements for the half year reporting period ended 31 December 2017 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Salt Lake Potash Limited for the year ended 30 June 2017 and any public announcements made by Salt Lake Potash Limited and its controlled entities during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

### (b) Basis of Preparation of Half Year Financial Report

The financial statements have been prepared on an accruals basis and are based on historical cost. All amounts are presented in Australian dollars.

The financial statements for the half-year have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Certain comparatives have been reclassified to conform with current year presentation.

### (c) New Accounting Standards

In the current period, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017.

The adoption of new and revised standards and amendments has not affected the amounts reported for the current or prior half-year periods.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

## 2. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one segment, being mineral exploration. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**  
(Continued)



**3. EXPLORATION AND EVALUATION**

	31 December 2017 \$	30 June 2017 \$
<b>(a) Areas of Interest</b>		
SOP Project	2,276,736	2,276,736
<b>Carrying amount at end of period <sup>1</sup></b>	<b>2,276,736</b>	<b>2,276,736</b>
<b>(b) Reconciliation</b>		
Carrying amount at start of period	2,276,736	2,276,736
Impairment losses	-	-
<b>Carrying amount at end of period <sup>1</sup></b>	<b>2,276,736</b>	<b>2,276,736</b>

**Notes:**

<sup>1</sup> 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.

**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.

**4. CONTRIBUTED EQUITY**

	31 December 2017 \$	30 June 2017 \$
<b>(a) Share Capital</b>		
175,049,596 (30 June 2017:175,007,596) Ordinary Shares	123,501,153	123,484,561
	<b>123,501,153</b>	<b>123,484,561</b>

**(b) Movement in Share Capital during the past six months**

		Number of Ordinary Shares	Issue Price \$	\$
<b>01-Jul-17</b>	<b>Opening Balance</b>	<b>175,007,596</b>	-	<b>123,484,561</b>
19-Aug-17	Share issue <sup>1</sup>	42,000	0.48	18,476
Jul-16 to Jun-17	Share issue costs	-	-	(1,884)
<b>31-Dec-17</b>	<b>Closing balance</b>	<b>175,049,596</b>	-	<b>123,501,153</b>

**Notes:**

1. Issued to an advisor of the Company in lieu of fees.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**  
(Continued)



**5. RESERVES**

	Notes	31 December 2017 \$	30 June 2017 \$
Share-based payment reserve	<b>5(a)</b>	<b>1,405,797</b>	821,824
		<b>1,405,797</b>	821,824

**(a) Movement in share-based payment reserve during the past six months**

Date	Details	Number of Performance Rights	Number of Options	\$
1 Jul 2017	Opening Balance	<b>3,100,000</b>	<b>2,500,000</b>	<b>821,824</b>
22 Nov 2017	Issue of Incentive Options	-	<b>1,100,000</b>	-
15 Dec 2017	Issue of Incentive Options	-	<b>800,000</b>	-
15 Dec 2017	Issue of Performance Rights	<b>2,300,000</b>	-	-
1 Jul – 31 Dec 2017	Share Based Payments Expenses	-	-	<b>583,972</b>
<b>31 Dec 2017</b>	<b>Closing Balance</b>	<b>5,400,000</b>	<b>4,400,000</b>	<b>1,405,797</b>

**6. SHARE-BASED PAYMENTS**

For the six months end 31 December 2017, the Group has recognised \$583,972 of share-based payments expenses in the statement of profit or loss (31 December 2016: \$188,422).

**(a) Options**

The fair value of the equity-settled incentive options 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.

Inputs	Series 1	Series 2	Series 3
Exercise price	\$0.40	\$0.50	\$0.60
Grant date share price	\$0.500	\$0.500	\$0.500
Dividend yield <sup>1</sup>	-	-	-
Volatility <sup>2</sup>	70%	70%	70%
Risk-free interest rate	1.99%	1.99%	1.99%
Grant date	22-Nov-17	22-Nov-17	22-Nov-17
Expiry date	30-Jun-21	30-Jun-21	30-Jun-21
Expected life of option <sup>3</sup>	3.61	3.61	3.61
Fair value at grant date	\$0.228	\$0.207	\$0.188

**Notes:**

<sup>1</sup> The dividend yield reflects the assumption that the current dividend payout will remain unchanged.

<sup>2</sup> The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

<sup>3</sup> 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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**  
(Continued)



**6. SHARE-BASED PAYMENTS (continued)**

Inputs	Series 4	Series 5	Series 6
Exercise price	\$0.50	\$0.60	\$0.70
Grant date share price	\$0.465	\$0.465	\$0.465
Dividend yield <sup>1</sup>	-	-	-
Volatility <sup>2</sup>	70%	70%	70%
Risk-free interest rate	2.13%	2.13%	2.13%
Grant date	15-Dec-17	15-Dec-17	15-Dec-17
Expiry date	30-Jun-21	30-Jun-21	30-Jun-21
Expected life of option <sup>3</sup>	3.54	3.54	3.54
Fair value at grant date	\$0.317	\$0.301	\$0.288

**Notes:**

<sup>1</sup> The dividend yield reflects the assumption that the current dividend payout will remain unchanged.

<sup>2</sup> The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

<sup>3</sup> 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.

**(b) Performance rights**

The fair value of performance rights granted is estimated as at the date of grant based on the underlying share price (being the five day volume weighted average share price prior to granting). The table below lists the inputs to the valuation model used for the performance rights granted by the Group:

Inputs	Series 1	Series 2	Series 3	Series 4
Milestones	Pre-Feasibility Study	Definitive Feasibility Study	Construction	Production
Exercise price	-	-	-	-
Grant date share price	\$0.465	\$0.465	\$0.465	\$0.465
Grant date	15-Dec-17	15-Dec-17	15-Dec-17	15-Dec-17
Expiry date	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21
Expected life	0.5 years	1.5 years	2.5 years	3.5 years
Fair value at grant date	\$0.486	\$0.486	\$0.486	\$0.486

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**  
(Continued)



**7. COMMITMENTS AND CONTINGENCIES**

Management have identified the following material commitments for the consolidated group as at 31 December 2017 and 30 June 2017:

	31 December 2017	30 June 2017
	\$	\$
<b>Finance lease commitments</b>		
Within one year	13,011	13,011
Later than one year but not later than five years	43,724	49,638
	<b>56,735</b>	<b>62,649</b>
<b>Operating lease commitments</b>		
Within one year	67,122	-
Later than one year but not later than five years	134,244	-
	<b>201,366</b>	<b>-</b>
<b>Exploration commitments</b>		
Within one year	652,000	1,061,000
Later than one year but not later than five years	-	-
	<b>652,000</b>	<b>1,061,000</b>

**8. DIVIDENDS PAID OR PROVIDED FOR**

No dividend has been paid or provided for during the half year (31 December 2016: nil).

**9. FINANCIAL INSTRUMENTS**

**Fair Value Measurement**

At 31 December 2017, the Group had no material financial assets and liabilities that are measured at fair value on a recurring basis and at 31 December 2017, the carrying amount of financial assets and financial liabilities for the Group is considered to approximate their fair values.

**10. SUBSEQUENT EVENTS AFTER BALANCE DATE**

Other than as disclosed below, at the date of this report there were no significant events occurring after balance date requiring disclosure.

- (i) On 12 March 2018, the Company entered a Memorandum of Understanding (**MOU**) with Blackham Resources Limited (**Blackham**) to investigate the potential development of a Sulphate of Potash (**SOP**) operation based at Lake Way, near Wiluna. Under the MOU, the Company will acquire Blackham's brine rights and Blackham will acquire gold rights to the Company's Lake Way holdings, with each company retaining a royalty on their respective holdings.

## AUDITOR'S INDEPENDENCE DECLARATION



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### Auditor's Independence Declaration to the Directors of Salt Lake Potash Limited

As lead auditor for the review of Salt Lake Potash Limited for the half-year ended 31 December 2017, 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink that reads "Ernst &amp; Young".

Ernst & Young

A handwritten signature in black ink, appearing to be "T S Hammond".

T S Hammond  
Partner  
16 March 2018



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

### Report on the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of Salt Lake Potash Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

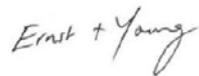
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2017 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "T S Hammond".

T S Hammond  
Partner  
Perth  
16 March 2018