

MARCH 2020 QUARTERLY ACTIVITIES REPORT

Salt Lake Potash Limited (SO4 or the Company) is pleased to present its Quarterly Report for the period ending 31 March 2020. The Company is focussed on rapidly progressing development of its Lake Way SOP Project in Wiluna, Western Australia.

HIGHLIGHTS

On-Lake Construction & Operations: Stage 2 commissioned

- Completed Stage 2 on-lake civil work consisting of 275ha of evaporation pond area, taking total pond area to 400ha with 35km of brine abstraction trenches.
- Potassium grades across the pond network continue to align with model.

Process Plant and Non-Process Infrastructure: Civil earthworks and procurement

- Completed bulk civil earthworks at the process plant and non-process infrastructure (NPI) site.
- Process plant procurement significantly advanced with major components including the crystalliser, centrifuges, attritioners and flotation cells now committed.

Lake Way Village completed

- Construction and installation of the permanent 100 person Lake Way village was completed in April 2020, with workers moving in and first meal served on 24 April.
- Completion of the village has reduced the daily travel time for workers by 90 minutes, further de-risking the Project and improving quality of life for the workforce.

Binding Offtake term sheets: Mitsui added to offtake portfolio

- Announced a binding term-sheet with Mitsui & Co. (Asia Pacific) for the sale of 4kt per annum of premium water soluble SOP over five years.
- SO4 has now secured offtake for 224kt per annum of the 245kt per annum Lake Way production, with the remainder to be sold into spot and local markets.

Paleochannel Development: Bore drilling commenced at Lake Way Paleochannel

- Commenced drilling the Lake Way Paleochannel and installation of brine extraction bores.
- Completed drilling the West Creek water supply borefield.

Institutional Placement

- In April, SO4 received binding commitments to raise A\$20m through the issue of 58.8m shares at A\$0.34 each.
- The funds will enable SO4 to continue to deliver the Lake Way Project and achieve first SOP production in Q1'21.

Covid-19 Business Update

- Operational changes in place to minimise potential impact of Covid-19, with no material impact on schedule expected.
- No current delays expected for delivery of items ordered for process plant and non-process infrastructure.
- Cost saving measures implemented including temporary 40% reduction to Director fees and executive salaries.

Upcoming milestones

- Finalisation of full project funding.
- Commencement of process plant construction.

ENQUIRIES

Tony Swiericzuk | Richard Knights | Telephone: +61 (8) 6559 5800

This announcement has been authorised for release by the Board of Directors.

ON-LAKE CONSTRUCTION

During the quarter SO4 completed the Stage 2 pond network, comprising of 275ha of evaporation pond area and 35km of brine extraction trenches, taking the total pond network size to 400ha. Stage 2 pond construction included the installation of 12,000 sheet piles and 200,000 cubic metres of earthworks to form the walls of the ponds, as well as 20 kilometres of pipework to move the brine from the trenches to the ponds.



Figure 1: Stage 2 Pond network filling with brine



Figure 2: Stage 2 Pond network



Figure 3: Stage 2 Ponds lined with PVC sheet piles

Stage 3 pond construction is scheduled to commence in Q4 2020, with harvest salt availability aligning with process plant ramp up.

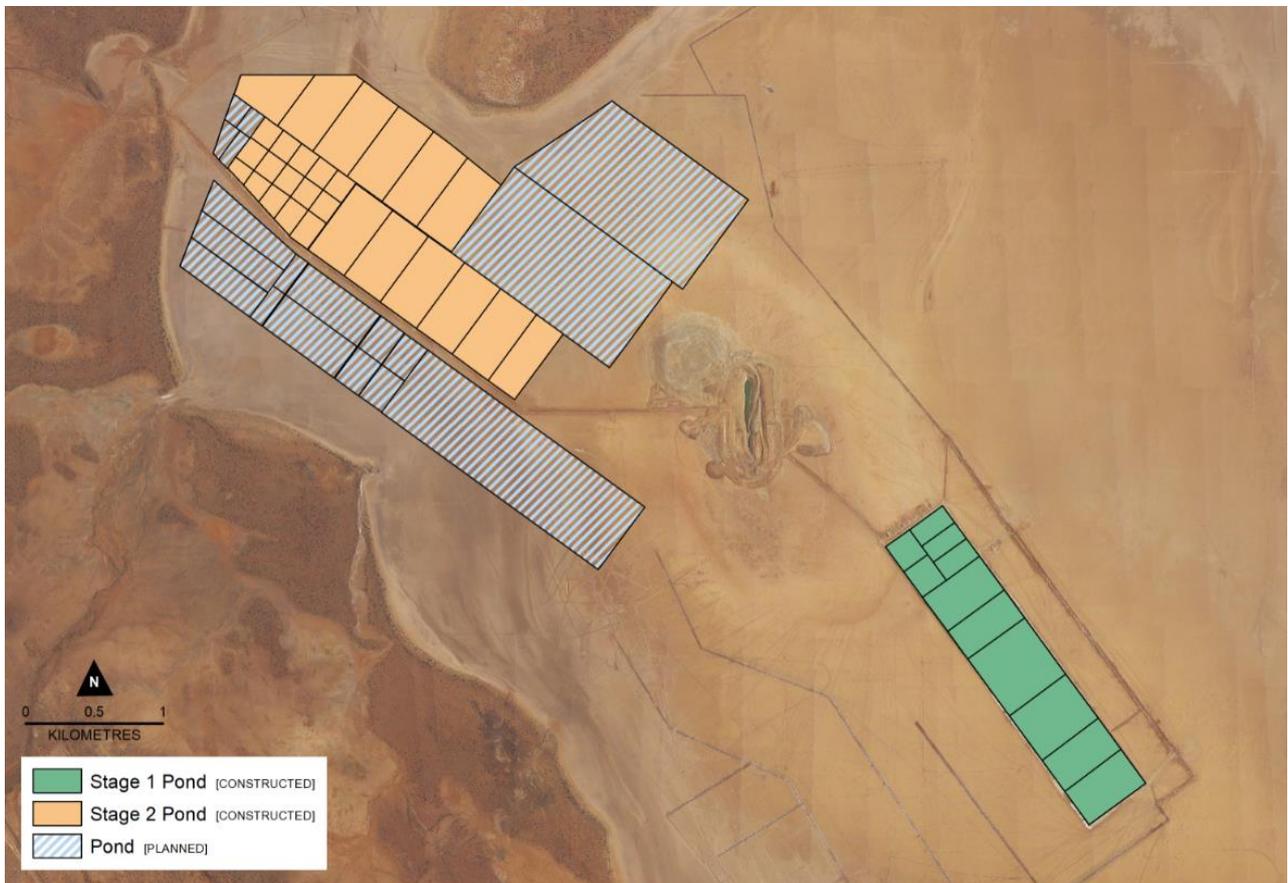


Figure 4: Completed Stage 1 and 2 ponds, with Stage 3 full project pond layout

ON-LAKE OPERATIONS

Potassium grades across the pond network continue to follow the system curve and align with modelled outcomes. The Stage 1 pond system is producing salts from all five harvest cells during the quarter.

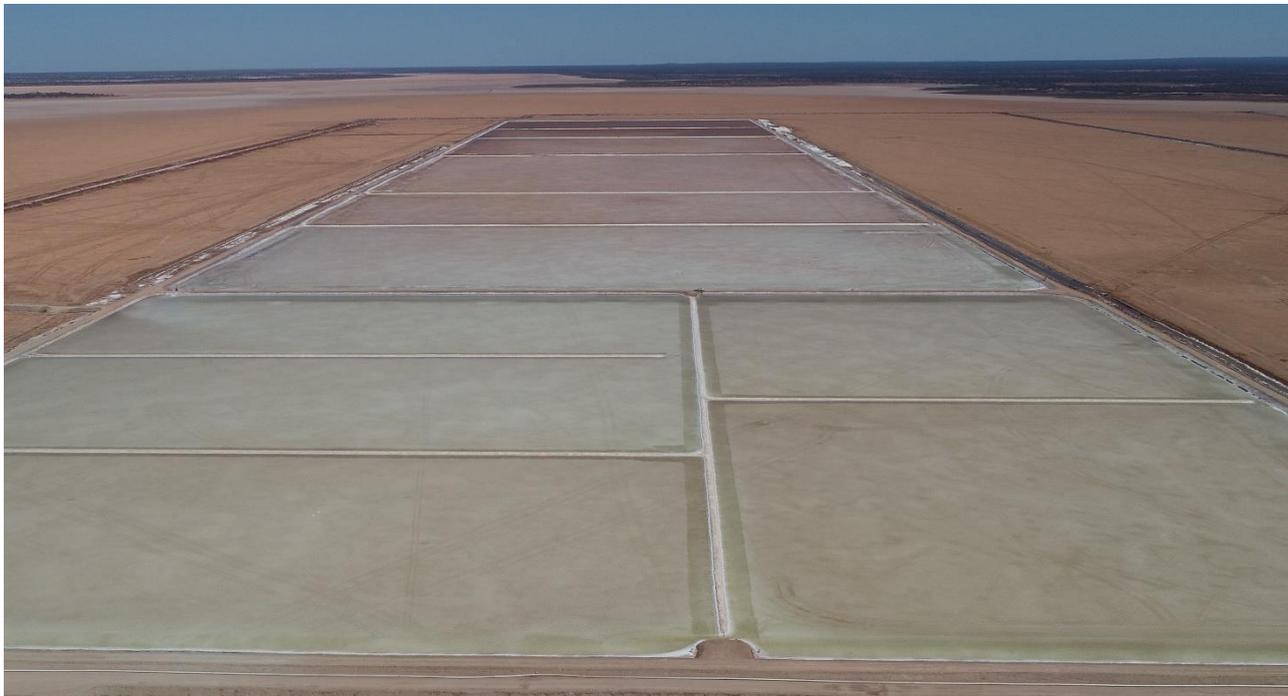


Figure 5: Stage 1 pond network

The Stage 2 pond system is commissioned and is precipitating harvest salts.



Figure 6: Stage 2 Kainite Ponds precipitating harvest salts

To operate the brine abstraction trench network and evaporation pond system, a Brine Transport System (BTS) has been installed. Work on the BTS continued throughout the quarter.

The BTS provides flexibility to pump brine from across the different areas of the trench network and discharge into the various Halite ponds. Brine is drawn from four sumps strategically located across the lake, connected with pumps and pipes to individual cells across the pond network.



Figure 7: Brine pumped from trench network into Stage 2 ponds



Figure 8: Brine abstraction trench leading to Sump 2

PROCESS PLANT CONSTRUCTION

At the process plant site, ground clearing and bulk civil earthworks were completed during the quarter. This work included pad preparation for construction of the process plant, power plant, warehouse, workshop, administration and site village, as well as construction of the raw water pond, runoff settlement ponds and site access roads. Concrete foundations for the process plant and power station have commenced.

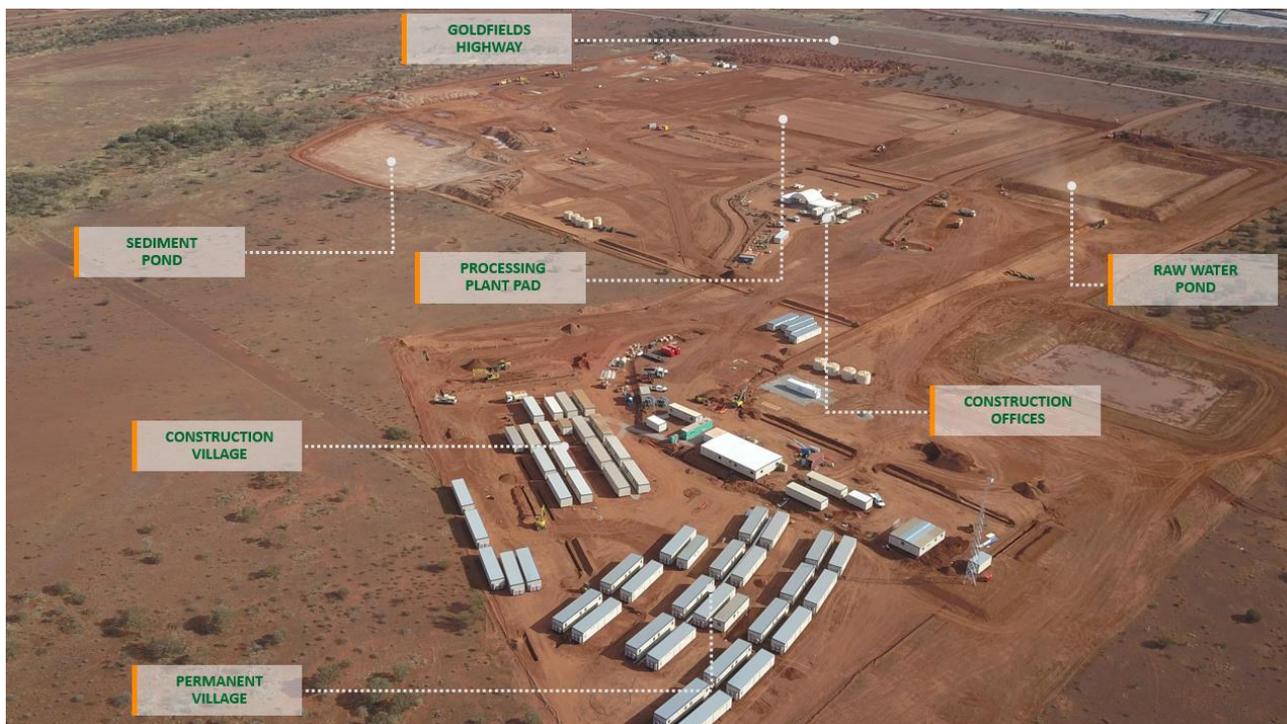


Figure 9: Process plant and NPI site

Procurement activities accelerated during the quarter with a number of major plant components ordered including the centrifuges, attritioners, flotation cells, sizing screens, thickeners, rotary drier, impact crusher, lump breakers and conveyer belts. Associated components including supporting steelwork, motor control centres, switchrooms, transformers, low-voltage and high-voltage cable have also been ordered. In combination these components make-up a material portion of the plant construction capex.

The Company is currently finalising the Engineering Procurement Construction Management (EPCM) and Engineering Procurement Construction (EPC) contracts with GR Engineering Services (GRES), who are operating on site under an early services arrangement.

During the quarter GRES and Wood Group continued to develop the Process Plant design.

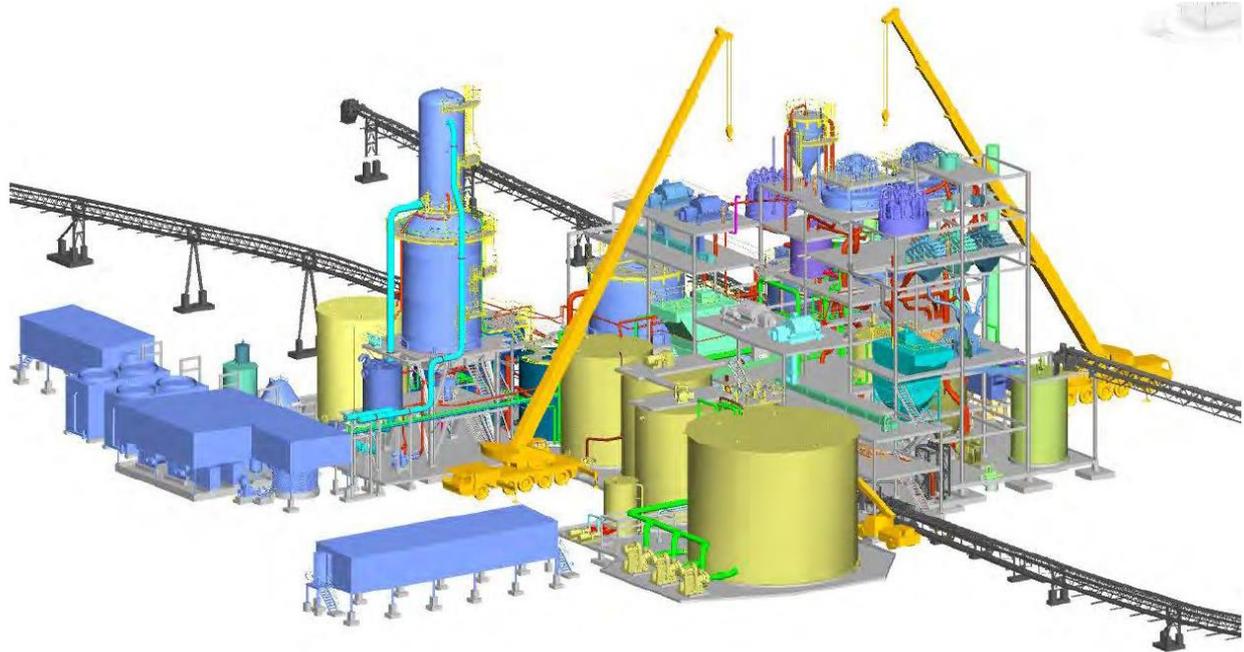


Figure 10: Process Plant model design

LAKE WAY VILLAGE COMPLETED

Following the period-end construction and installation of the permanent infrastructure for the 100 person Lake Way village was completed, with workers moving in and first meal served on 24 April 2020. Completion of the on site village has reduced the daily travel time for workers by 90 minutes between the temporary accommodation and the processing plant site, further de-risking the Project and improving quality of life for the workforce. Work continues on the 200 person construction village designed to house workers during peak construction in the second half of the year.



Figure 11: Excavation of trenches with a Vermeer at the Process Plant & Village site



Figure 12: Installation of services throughout the Village



Figure 13: Areal view of Lake Way village



Figure 14: Completed 100 person Lake Way village

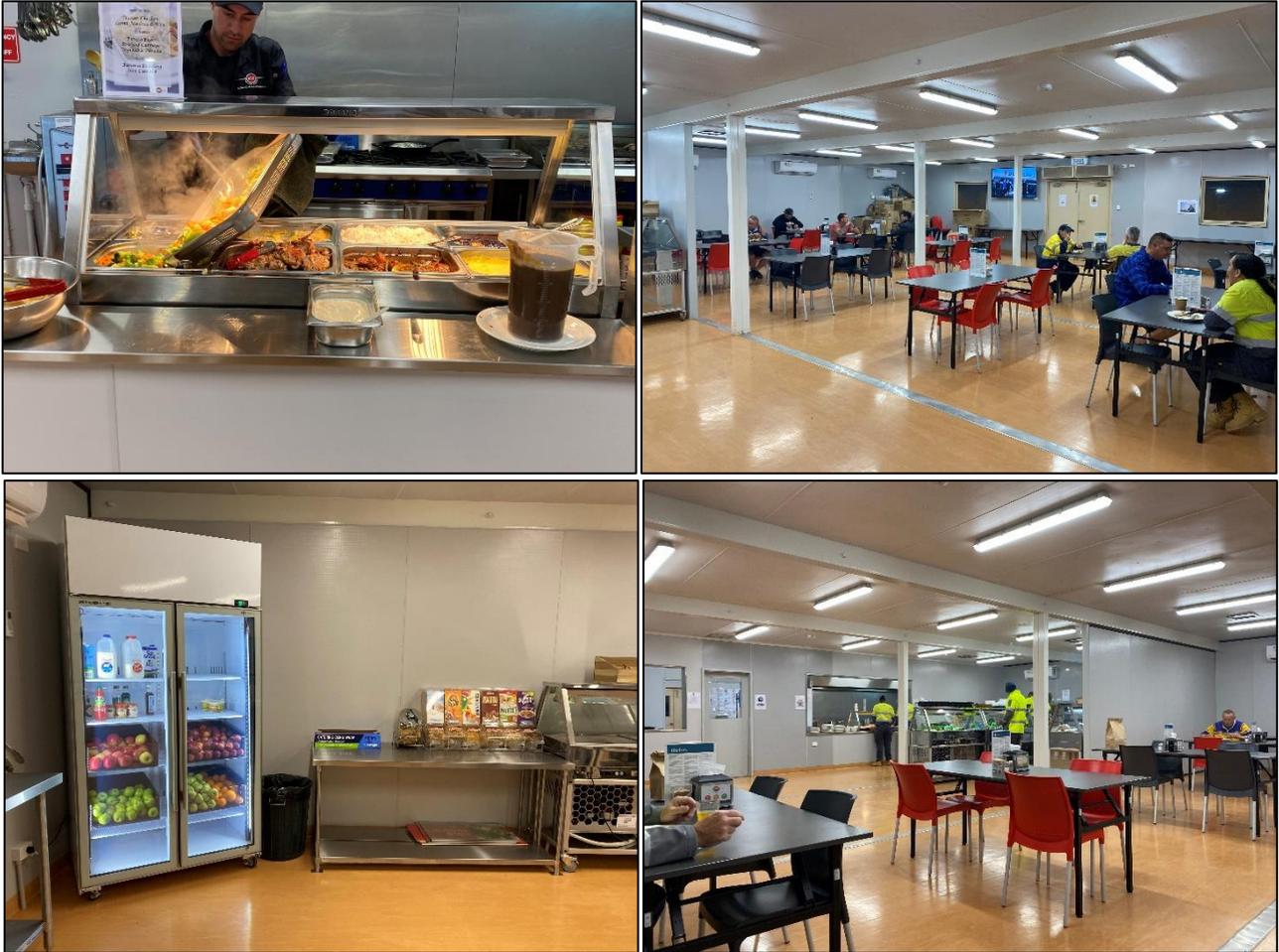


Figure 15: Lake Way village mess



Figure 16: Sunrise over the Lake Way village

LAKE WAY PALEOCHANNEL

During the quarter SO4 commenced drilling on the Lake Way paleochannel. The initial scope of work includes drilling at nine (9) pad locations along the Eastern side of the lake.



Figure 17: Paleochannel resource development – location of existing and proposed drill pads

Installation of the first brine extraction bore was successfully completed in April with strong airlift flows observed.



Figure 18: Airlifting of Monitoring Bore at Pad 17

In addition to the drilling on the Lake Way paleochannel, the Company also completed drilling at West Creek where fresh water supplies for the processing plant and potable water for the village will be sourced.

Water has been extracted from the West Creek area since the 1980's. SO4 secured a groundwater abstraction licence for 0.7GL/ year covering the existing borefield area in mid 2019. During the quarter SO4 drilled a total of seven (7) production bores and two (2) monitoring bores.

OFFTAKE

During the quarter SO4 signed another binding term-sheet for the sale of 4kt per annum of SOP with Mitsui & Co. (Asia Pacific). The agreement has a five year term and is for the sale of premium quality water soluble SOP into select countries in Asia.

The Company has now secured binding term sheets for 224kt per annum of the 245kt per annum Lake Way production, with the remaining tonnes expected to be sold into local and spot markets.

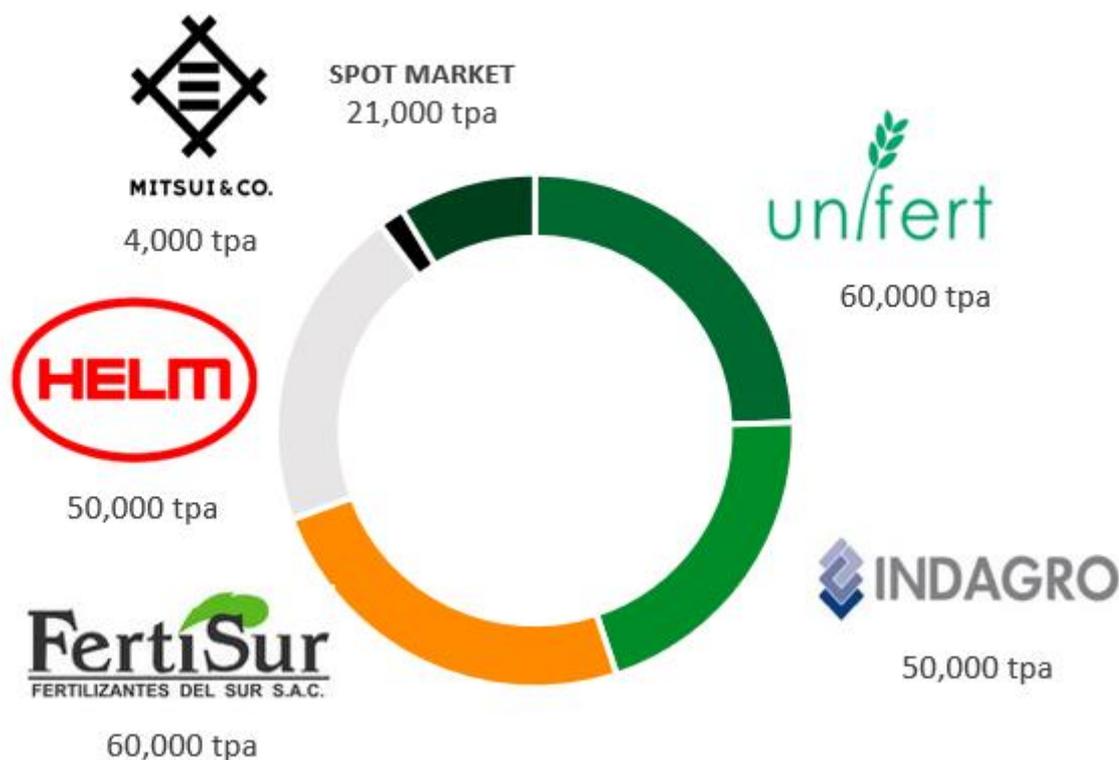


Figure 19: Offtake portfolio of binding term sheets

APPROVALS

SO4 has continued to advance final permitting required to support full-scale operations. Work to date has not identified any social or environmental factors that could constitute fatal flaws or insurmountable obstacles to gaining necessary statutory approvals. The final outstanding approvals for the Lake Way Project are currently being progressed on schedule.

The EPA has determined that the full project scope requires formal assessment with no public review. As part of this assessment the EPA requires an Environmental Review Document to be prepared and submitted.

The seasonal rainfall received at Lake Way in early 2020 created conditions on site to allow meaningful additional environmental studies to be commenced. These surveys will support the Environmental Review Document and include:

- Flora survey. The survey involved targeted searches for priority species, soil profiling around *Tecticornia*, vegetation health monitoring of existing quadrats and installation of additional vegetation health quadrats.
- Fauna survey.
- Stygofauna survey of bores within the SO4 Lake Way production area.
- Shorebird assessment of Lake Way.
- Short range invertebrate assessment.



Figure 20: Digging of soil profile trench next to a *Tecticornia*

In addition to these surveys a number of studies have been continued and/or commenced to support the EPA submission which include:

- Visual impact assessment of the full scale operation.
- Ground water modelling optimisation to include all factors from the proposed paleo channel bores.
- Flood study modelling optimisation. The flood model has been improved as additional knowledge has been gained into the behaviour of lake surface water movement based on the recent rain events.
- Vadoze zone modelling.
- Salt dissipation study.

The studies and surveys will be completed shortly for submission of the ERD in the coming weeks.

The Company has continued to obtain Ministerial consents to use the land under section 18 of the Aboriginal Heritage Act 1972, for additional development as needed to meet ongoing project requirements with a number of applications being approved, including for the paleochannel bore works that have commenced.

In respect of the processing plant and village construction, the Company has received:

- Mining Proposal approval from the Department of Mines, Industry Regulation and Safety (DMIRS) for the construction of the processing plant and village.
- Project Management Plan approval from the Department of Mines, Industry Regulation and Safety (DMIRS) for the construction of the processing plant and village.
- Works Approval from the Department of Water and Environment Regulation (DWER) for the construction of the processing plant and a sewage treatment plant to support the village.

In respect of the initial paleochannel bores, project approvals for the construction of bores to obtain brine from the paleo channel were received from the Department of Mines, Industry Regulation and Safety (DMIRS) to enable this work to commence.

SO4 has obtained the necessary water licences to extract process water from the West Creek borefield and for brine extraction from the lake. Once the studies described above have been completed the final brine extraction licences will be sought.

EXPLORATION AT LAKE MARMION & LAKE BALLARD

The Company is currently progressing resource development work at both Lake Marmion and Lake Ballard as part of a strategic review to prioritise which of SO4's lakes would be next development priority. During the quarter a passive seismic geophysical survey at both Lake Marmion and Lake Ballard were completed.

At Lake Marmion the results will be merged with the data from the 2019 survey to provide a comprehensive picture of the depth and width of the paleochannels beneath the lake surface. Laboratory analysis of the brine samples taken in the December 2019 quarter are ongoing.

At Lake Ballard, the survey was undertaken to further improve on the results of the 2018 gravity survey.

COVID-19 BUSINESS UPDATE

SO4 has responded with changes to its operations as Government advice regarding Covid-19 has evolved in order to minimise potential impacts. Specifically, interstate workers have elected to transit home while non critical movement to and from site has been minimised. All interaction with the local Wiluna community has ceased. Use of the Wiluna airport for travel to/from site has not been impacted and this airport continues to support the SO4 business. These changes to operations in response to Covid-19 are not currently expected to have an impact on the project schedule.

The Company has received no information from suppliers to suggest material delays to any items ordered for the process plant and non-process infrastructure.

As part of the Company's response to Covid-19, SO4 has also implemented a number of efficiencies and cost saving measures to ensure the ongoing success of the Project. These include a temporary 40% reduction to Director fees, executive and management salaries (including the Managing Director) and a 20% reduction to employees and contractors, to be monitored on a monthly basis effective April 2020.

PROJECT FUNDING

Institutional Placement

In April 2020, the Company announced it had received binding commitments to place 58.8 million new ordinary shares at A\$0.34 each to raise gross proceeds of A\$20m. The shares were placed to existing and new institutional investors, confirming ongoing support for SO4 and the Lake Way project.

As part of the placement SO4 Directors and management subscribed for a total of 3.5 million shares. This includes 2,250,000 shares by Chairman, Mr Ian Middlemas and 505,883 shares by Managing Director and CEO, Mr Tony Swiericzuk, that they intend to subscribe for subject to shareholder approval.

The Placement funds will be used primarily on Lake Way Project development, including Process Plant procurement and construction and ongoing operation of Stage 1 & 2 Evaporation Ponds. The funds will enable SO4 to continue to deliver the Lake Way Project to achieve first production in Q1 2021.

Debt Financing

In August 2019, SO4 announced that it had mandated Taurus Funds Management (**Taurus** or the **Lenders**), to provide up to US\$150m project financing for the Lake Way Project.

The Stage 1 Facility (**Facility**) provided initial access to funding for early construction works at the Lake Way Project and enabled completion of the BFS prior to drawdown of the main Project Development Facility (**PDF**). The Facility also funded civil works for the Stage 2 trenches and evaporation ponds, which will provide the initial harvest salt feed for plant commissioning.

To fund the ongoing construction of key infrastructure prior to drawdown of the PDF, the parties agreed to a US\$15m extension to the Facility in December 2019. These funds were drawn down during the quarter and the extended Facility will be refinanced upon drawdown of the PDF.

Following completion of the BFS, SO4 has been working closely with Taurus to complete the PDF documentation, derisk the project and satisfy the conditions precedent to the PDF in the near future. In addition to the PDF, the Company is assessing complimentary funding options to ensure that it is fully funded to complete construction in line with the Project schedule.

APPENDIX A - DISCLOSURES IN ACCORDANCE WITH ASX LISTING RULE 5.3

Summary of Mining Tenements

Project	Status	Type of Change	License Number	Interest (%)	
				31-Dec-19	31-Mar-20
Western Australia					
Lake Way					
Central	Granted	-	E53/1878	100%	100%
East	Granted	-	E53/2057	100%	100%
South	Granted	-	E53/1897	100%	100%
South	Granted	-	E53/2059	100%	100%
South	Granted	-	E53/2060	100%	100%
West	Application	-	L53/208	100%	100%
Central	Application	-	M53/1102	100%	100%
Central	Application	-	M53/1103	100%	100%
Central	Application	-	M53/1104	100%	100%
Central	Application	-	M53/1105	100%	100%
Central	Application	-	M53/1106	100%	100%
Central	Application	-	M53/1107	100%	100%
Central	Granted	-	E53/1862	100%	100%
West	Granted	-	E53/1863	100%	100%
North	Application	-	E53/1905	100%	100%
North	Application	-	E53/1952	100%	100%
West	Application	-	E53/1966	100%	100%
North	Application	-	E53/2049	100%	100%
North	Granted	-	P53/1642	100%	100%
West	Granted	-	P53/1643	100%	100%
West	Granted	-	P53/1644	100%	100%
West	Granted	-	P53/1645	100%	100%
Central	Granted	-	P53/1666	100%	100%
Central	Granted	-	P53/1667	100%	100%
Central	Granted	-	P53/1668	100%	100%
North	Granted	-	M53/121	100%	100%
West	Granted	-	M53/122	100%	100%
West	Granted	-	M53/123	100%	100%
West	Granted	-	M53/147	100%	100%
Central	Granted	-	M53/253	100%	100%
Central	Granted	-	M53/796	100%	100%
Central	Granted	-	M53/797	100%	100%
Central	Granted	-	M53/798	100%	100%
Central	Granted	-	M53/910	100%	100%
West	Granted	-	L53/51	100%	100%
West	Application	-	L53/207	100%	100%
West	Application	-	L53/211	100%	100%
North	Application	-	L53/212	100%	100%
West	Application	-	L53/214	100%	100%
West	Application	-	L53/215	100%	100%
North	Application	-	L53/216	100%	100%
West	Application	-	L53/217	100%	100%
West	Application	-	L53/218	100%	100%
West	Application	-	L53/210	100%	100%
West	Application	-	L53/219	100%	100%
West	Granted	Granted	G53/24	-	100%
West	Application	Application	G53/25	-	100%
Lake Wells					
Central	Granted	-	E38/2710	100%	100%

Project	Status	Type of Change	License Number	Interest (%)	
				31-Dec-19	31-Mar-20
South	Granted	-	E38/2821	100%	100%
North	Granted	-	E38/2824	100%	100%
Outer East	Granted	-	E38/3055	100%	100%
Single Block	Granted	-	E38/3056	100%	100%
Outer West	Granted	-	E38/3057	100%	100%
North West	Granted	-	E38/3124	100%	100%
West	Granted	-	L38/262	100%	100%
East	Granted	-	L38/263	100%	100%
South West	Granted	-	L38/264	100%	100%
South	Granted	-	L38/287	100%	100%
South Western	Granted	-	E38/3247	100%	100%
South	Granted	-	M38/1278	100%	100%
Central	Application	-	E38/3380	100%	100%
North	Application	Application	E38/3469	-	100%
Central	Application	Application	E38/3470	-	100%
Lake Ballard					
West	Granted	-	E29/912	100%	100%
East	Granted	-	E29/913	100%	100%
North	Granted	-	E29/948	100%	100%
South	Granted	-	E29/958	100%	100%
South East	Granted	-	E29/1011	100%	100%
South East	Granted	-	E29/1020	100%	100%
South East	Granted	-	E29/1021	100%	100%
South East	Granted	-	E29/1022	100%	100%
South	Granted	-	E29/1067	100%	100%
South	Granted	-	E29/1068	100%	100%
East	Application	-	E29/1069	100%	100%
North	Granted	-	E29/1070	100%	100%
Lake Irwin					
West	Granted	-	E37/1233	100%	100%
Central	Granted	-	E39/1892	100%	100%
East	Granted	-	E38/3087	100%	100%
North	Granted	-	E37/1261	100%	100%
Central East	Granted	-	E38/3113	100%	100%
South	Granted	-	E39/1955	100%	100%
North West	Granted	-	E37/1260	100%	100%
South West	Granted	-	E39/1956	100%	100%
Lake Minigwal					
West	Granted	-	E39/1893	100%	100%
East	Granted	-	E39/1894	100%	100%
Central	Granted	-	E39/1962	100%	100%
Central East	Granted	-	E39/1963	100%	100%
South	Granted	-	E39/1964	100%	100%
South West	Granted	-	E39/1965	100%	100%
Lake Marmion					
North	Granted	-	E29/1000	100%	100%
Central	Granted	-	E29/1001	100%	100%
South	Granted	-	E29/1002	100%	100%
West	Granted	-	E29/1005	100%	100%
West	Application	-	E29/1069	100%	100%
Lake Noondie					
North	Granted	-	E57/1062	100%	100%
Central	Granted	-	E57/1063	100%	100%
South	Granted	-	E57/1064	100%	100%
West	Granted	-	E57/1065	100%	100%
East	Granted	-	E36/932	100%	100%
Central	Application	-	E36/984	100%	100%
Central	Application	-	E36/985	100%	100%

Project	Status	Type of Change	License Number	Interest (%)	Interest (%)
				31-Dec-19	31-Mar-20
Lake Barlee					
North	Granted	-	E30/495	100%	100%
Central	Granted	-	E30/496	100%	100%
South	Granted	-	E77/2441	100%	100%
Lake Raeside					
North	Granted	-	E37/1305	100%	100%
Lake Austin					
North	Application	-	E21/205	100%	100%
West	Application	-	E21/206	100%	100%
East	Granted	-	E58/529	100%	100%
South	Granted	-	E58/530	100%	100%
South West	Granted	-	E58/531	100%	100%
Lake Moore					
Central	Granted	-	E59/2344	100%	100%
Northern Territory					
Lake Lewis					
South	Granted	-	EL 29787	100%	100%
North	Granted	-	EL 29903	100%	100%

Related Party Payments

During the quarter ended 31 March 2020, the Company made payments of \$114,000 to related parties and their associates. These payments relate to existing remuneration arrangements (executive salaries, director fees and superannuation).

APPENDIX B – COMPETENT PERSON STATEMENT AND DISCLAIMER

Competent Persons Statement

The information in this announcement that relates to Production Targets and Ore Reserves for Lake Way is extracted from the announcement entitled 'Outstanding Bankable Feasibility Results for Lake Way' dated 11 October 2019. This announcement is available to view on www.so4.com.au. The information in the original ASX Announcement that related to Production Targets and Ore Reserves was based on, and fairly represents, information compiled by Mr Ben Jeuken, who is a member of the Australasian Institute of Mining and Metallurgy and a member of the International Association of Hydrogeologists, and Mr Robert Kinnell, who is a member of the Australasian Institute of Mining and Metallurgy and a Fellow of the Geological Society of London. Mr Jeuken is employed by Groundwater Science Pty Ltd, an independent consulting Company. Mr Kinnell is a full time employee of Salt Lake Potash Limited. Mr Jeuken and Mr Kinnell have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are 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'. Salt Lake Potash Limited confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. Salt Lake Potash Limited 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.

Production Target

The Lake Way 245ktpa Production Target stated in this presentation is based on the Company's Bankable Feasibility Study as released to the ASX on 11 October 2019. 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 and 5.17 was included in the Company's ASX Announcement released on 11 October 2019. The Company confirms that the material assumptions underpinning the Production Target referenced in the 11 October 2019 release continue to apply and have not materially changed.

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Salt Lake Potash Limited

ABN

98 117 085 748

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(3,000)	(30,389)
(b) development	-	-
(c) production	-	-
(d) staff costs	(2,286)	(7,573)
(e) administration and corporate costs	(231)	(1,859)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	70	149
1.5 Interest and other costs of finance paid	(3)	(982)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	912	912
1.8 Other (provide details if material)		
- Business Development	(1,042)	(2,523)
- Security Deposits	-	(126)
1.9 Net cash from / (used in) operating activities	(5,580)	(42,391)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	(10,000)
(c) property, plant and equipment	(1,142)	(1,629)
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets – Mine Properties in development	(34,147)	(40,842)
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	35
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(35,289)	(52,436)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	475	30,891
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(122)	(982)
3.5	Proceeds from borrowings	22,555	66,600
3.6	Repayment of borrowings	(198)	(238)
3.7	Transaction costs related to loans and borrowings	(669)	(3,080)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	22,041	93,191
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	36,206	19,304
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,580)	(42,391)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(35,289)	(52,436)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	22,041	93,191
4.5	Effect of movement in exchange rates on cash held	(68)	(358)
4.6	Cash and cash equivalents at end of period	17,310	17,310

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	17,310	36,206
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	17,310	36,206

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

(114)

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	72,784	72,784
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	72,784	72,784

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Company has mandated Taurus Funds Management (as manager of the Taurus Mining Finance Fund L.P., Taurus Mining Finance Annex Fund L.P. and Taurus Mining Finance Fund No. 2 L.P.) to provide up to US\$150m project financing for the Lake Way Project.

The Stage 1 Facility was extended from US\$30 million to US\$45 million as announced to the market on 6 December 2020 and continues to be drawn down. The facility is secured and interest is payable at 9.75% pa.

The Project Development Facility (PDF) for up to US\$150m (A\$214m) will be used to refinancing the Stage 1 Facility and for project development and working capital associated with the development of the Lake Way Project. Draw down of the PDF is subject to a number of Conditions Precedent, The PDF will be secured and interest will be payable at 9.00% pa.

As the loan is denominated in USD, the facility amount and amount drawn down has been converted at an FX rate of \$0.6175 USD/AUD, being the FX cross rate at 31 March 2020.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(5,580)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(5,580)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	17,310
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	17,310
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.1

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

Not applicable. The Company notes however that it expects to have similar levels of total net operating and investing cash flows for the current quarter.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Not applicable. The Company notes however that further to the response above and as detailed in the attached March 2020 Quarterly Activities Report, the Company has raised \$20m in April 2020 from existing and new Institutional investors to enable the Company to continue to deliver the Lake Way Project to schedule. In addition, the Company is working closely with Taurus to complete the PDF documentation, derisk the Project and satisfy the conditions precedent to the PDF (refer 7.6 above) in the near future. The Company is also pursuing complementary funding options to ensure that it is fully funded to complete the Project in accordance with the Project schedule.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Not applicable. Further to the responses above, the Company notes however that it has a reasonable expectation that it will complete project funding in the near future. The Company has an existing mandate with Taurus to provide up to US\$150m in staged project financing (refer 7.6 above). Negotiations with Taurus on the PDF have entered the final stage, satisfaction of conditions precedent will shortly follow allowing completion of the Project in accordance with the Project schedule. As evidenced by the recent \$20m equity raising, Company has a strong institutional shareholder base and support for the Project remains strong. The Company actively managing its cash and commitments to ensure that it can continue its operations and to meet its business objectives of constructing the Lake Way Project.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2020

By the Board

Authorised by:

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

[name of board committee – eg *Audit and Risk Committee*]. If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.