SALT LAKE POTASH LTD

26 April 2018

INITIAL RESULTS CONFIRM LAKE WAY POTENTIAL

*Salt Lake Potash Limited (**SLP** or **the Company**) is pleased to provide an update on the Company's Lake Way project since entering into an MOU with Blackham Resources Limited's (**Blackham**) for potential development of a Sulphate of Potash (**SOP**) operation.*

Highlights of work completed include:

Surface Sampling Program

- *A preliminary surface sampling program on Blackham's tenements confirms the average SOP grade of over 14kg/m^3, making Lake Way one of Australia's highest grade SOP brine sources.*

Geotechnical Investigations

- *An initial geological and geotechnical investigation by the Company and Knight Piesold confirmed the availability of in-situ clays amendable for on-lake evaporation pond construction. A total of 24 auger holes were excavated across Blackham's tenements and laboratory tested.*

Surface Aquifer Exploration

- *Review and modelling of the large volume of historical exploration data for Lake Way confirms the likelihood of a large hypersaline brine pool on both Blackham and SLP's tenements.*
- *The Company is in the process of mobilising a drill rig and an amphibious excavator on the Lake to complete an initial surface aquifer exploration program.*
- *The surface aquifer program will include the construction of test pits and trenches for long-term pump testing.*

Process Testwork

- *The Company has commenced a range of process development testwork including process pathway modelling by international experts, a bulk sample evaporation trial and site-based evaporation trial at Lake Way.*

CEO Matt Syme said "*These initial results are very pleasing and support the Company's view that Lake Way is an ideal site for our SOP Demonstration Plant and subsequent expansions. It appears to have the best combination in Australia of scale, brine chemistry, playa surface, shallow clays for pond construction, permitting pathway and infrastructure access, which should result in substantial time and cost advantages.*"

Enquiries:

Matthew Syme (Perth)
Telephone: +61 (8) 9322 6322

Jo Battershill (London)
Telephone: +44 207 478 3900

LAKE WAY

Lake Way is located in the Goldfields region of Western Australia, less than 15km south of Wiluna. The surface area of the Lake is over 270km^2.

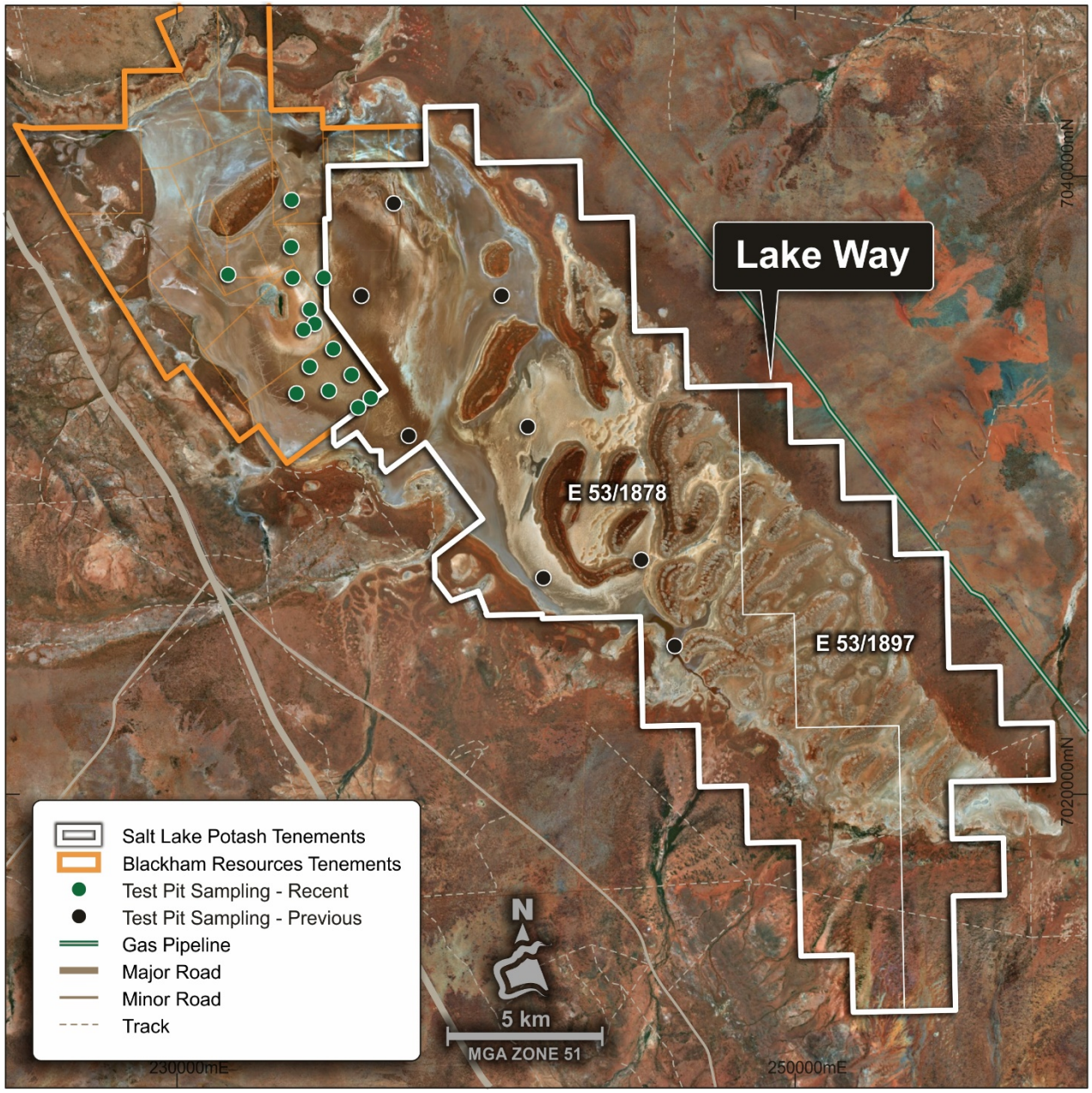

Figure 1: Lake Way Tenement Holdings (delete "Lake Way" label

The Wiluna region is an historic mining precinct dating back to the late 19th century. It has been a prolific nickel and gold mining region and therefore has well developed, high quality infrastructure in place.

The Goldfields Highway is a high quality sealed road permitted to carry quad road trains and passes 2km from the Lake. The Goldfields Gas Pipeline is adjacent to SLP's tenements, running past the eastern side of the Lake.

SLP has entered an MOU with Blackham to investigate the development of an SOP operation on Blackham's existing Mining Leases at Lake Way, including initially a 50,000tpa Demonstration Plant (see announcement dated 12 March 2018).

Lake Way has some compelling advantages which make it potentially an ideal site for an SOP operation, including:

- Substantial likely capital and operating savings from sharing overheads and infrastructure with the Wiluna Gold Mine, including the accommodation camp, flights, power, maintenance, infrastructure and other costs.
- The site has an excellent freight solution, adjacent to the Goldfields Highway, which is permitted for heavy haulage 4 trailer road trains to the railhead at Leonora.
- A Demonstration Plant would likely be built on Blackham's existing Mining Licences, already subject of a Native Title Agreement.
- SLP would dewater the existing Williamson Pit on Lake Way, prior to Blackham mining, planned for early 2019. The pit contains an estimated 1.2GL of brine at the exceptional grade of **25kg/m^3 of SOP**. This brine is potentially the ideal starter feed for evaporation ponds, having already evaporated from the normal Lake Way brine grade, which averages over 14kg/m^3.
- The high grade brines at Lake Way will result in lower capital and operating costs due to lower extraction and evaporation requirements.
- There would be substantial savings to both parties from co-operating on exploration activities on each other's ground.
- The presence of clays in the upper levels of the lake which should be amenable to low cost, on-lake evaporation pond construction.

SLP will complete a Scoping Study for a potential SOP operation at Lake Way, including a Demonstration Plant, by mid-2018, in time to allow a decision on dewatering the Williamson Pit. There is substantial historical data available for Lake Way and, along with the extensive, high quality technical work undertaken at SLP's other lakes, which has substantial application at Lake Way, a Scoping Study can be undertaken in a much shorter timeframe than would normally be the case.

Figure 2: The Williamson Pit atLake Way

Surface Sampling Program

The Company has now completed initial surface sampling program at Lake Way, substantially covering the Lake surface. A total of 23 pit samples have been collected encountering brine at a standing water level generally less than 1 metre from surface.

Figure 3: Surface Sampling at the North West of Lake Way

The average brine chemistry of the samples was:

Program	Location	Total Samples	K (mg/L)	Mg (mg/L)	SO_4 (mg/L)	TDS (mg/L)	SOP* Equivalent (kg/m³)
March 2018	Blackham	15	6,447	6,680	25,613	231,000	14.38
November 2017[1]	SLP	8	6,859	7,734	25,900	243,000	15.25

** Conversion factor of K to SOP (K_2SO_4 equivalent) is 2.23*

The brine chemistry at Lake Way is very consistent over the lake surface. The SOP grades are amongst the highest achieved in Australia to date.

[1] Previously reported in ASX release dated 12/12/2017

Geotechnical Investigations

To gain an understanding of ground conditions for trenching and pond construction, a preliminary geotechnical investigation program was undertaken within the Blackham Mining Tenements, in conjunction with leading international geotechnical consultants, Knight Piesold.

A total of 24 hand auger boreholes were drilled to depths of up to 3.2 metres, and the encountered soils were logged and sampled.

Lake Way ground conditions consists of a thin surface layer of evaporite sands, overlying sandy and silty clays. Firm clays were encountered at 1m to 2m depth, generally increasing in strength with depth, becoming hard from 2m to 3m. Shallow groundwater was encountered on average 0.2m below the lake surface.

Figure 4: Geotechnical Sampling at Lake Way

A testing program was undertaken at a NATA accredited geotechnical laboratory, using specific test methods appropriate for saline conditions, to characterise soils and assess preliminary soil parameters. Summary test results are presented below.

Particle Size Distribution Analysis			
Sample Number	**Lithological Unit**	**Clay and Silt**	**Sand and Gravel**
601	Mixed soils above 1.5m	26%	74%
602	Clay 1.2m to 2.25m depth	71%	29%
603	Mixed soils above 1.5m	47%	53%
604	Mixed soils above 1.5m	47%	53%

Table 2: Particle Size Distribution Analysis

Hydrometer Analysis				
Sample Number	**Lithological Unit**	**Clay**	**Silt**	**Sand**
600	Mixed soils above 1.8m	58%	20%	22%
605	Mixed soils above 0.5m	29%	30%	41%
606	Mixed soils above 1.8m	28%	27%	45%

Table 3: Hydrometer Analysis

Properties of Upper Clays	
Remoulded Permeability (m/s)	$5x10^{-10}$
Maximum Dry Density (t/m3)	1.75
Optimum Water Content (%)	18
Cohesion c' (kPa)	1
Angle of Shear Resistance ф ' (Deg)	37

Table 4: Properties of Upper Clays

Erodibility characteristics were tested and an Emerson class number of 6 was measured for all samples. This indicates non-dispersive soils that are not prone to erosion when used to form embankments.

Based on the preliminary geotechnical work to date, Knight Piesold have concluded that:

- the in-situ clay materials can be expected to provide natural low permeability layers to control seepage of on-lake ponds.
- the clays are suitable for embankment construction purposes, with adequate moisture control and borrow pit dewatering.
- A key advantage of Lake Way is the presence of a drier clay zone surrounding the Williamson Pit, which has the potential to provide borrow materials and construction schedule benefits for the upcoming pond construction programs.

Knight Piesold is now preparing an options study to evaluate design concepts for large-scale pond systems and provide earthworks quantities and costs. Seepage assessments and flood studies are underway. In parallel, design work is being undertaken for a dewatering pond to hold the Williamson Pit brine.

Surface Aquifer Characterisation

Lake Way and its surrounds have been the subject of a substantial amount of historical exploration for gold, nickel, uranium and other minerals, as well as for process water for mining operations. A total of over 2,800 holes have been drilled in and around the Lake previously, providing a very large database of geotechnical information.

SLP have commenced compiling, digitising and interpreting the historical exploration database to extract relevant data and provide initial basement geometry for the Lake area, to assist estimation of an initial JORC compliant resource.

The Company is also in the process of mobilising a small track-mounted drill rig and an amphibious excavator to complete an initial surface aquifer exploration program. This work will provide critical data for the hydrogeological model for the surface aquifer of the Lake, as well as geological and geotechnical information for infrastructure design and construction.

Figure 5: Amphibious Excavator on the edge of Lake Way

The surface aquifer program will include the construction of test pits and trenches for long-term pump testing.

The drill campaign is also intended to sterilise (for gold exploration) sufficient areas for siting brine extraction trenches and evaporation ponds.

Process Testwork

The Company has commenced a range of process development testwork to provide and validate inputs to the Lake Way Scoping Study production model. Naturally, this includes testing brines from the Lake itself, as well as the super-concentrated brines from the Williamson Pit.

The testwork aims to confirm the modelled brine evaporation pathways firstly under laboratory simulated conditions and then from a site-based trial of sufficient scale to test on-lake evaporation conditions.

Initial brine evaporation modelling, conducted by internationally renowned solar pond experts, Ad Infinitum, indicates the salts produced at Lake Way will be comparable to those produced at Lake Wells and therefore suitable for conversion into SOP.

International laboratory and testing company, Bureau Veritas (BV), has commenced a series of laboratory-scale brine evaporation trials at their Perth facility, under simulated average Lake Way climate conditions. The aim of the BV trials is to monitor the chemical composition of the brine and salts produced through the evaporation process to confirm:

- Concentration thresholds in the brine chemistry which can be used to maximise the recovery of potassium in the harvest salts and minimise the quantity of dilutive salts fed to a process plant;
- The quantity and composition of harvest salts which will for the plant feed in commercial production; and
- The potential for any internal evaporation pond recycle streams that may improve harvest salt recovery.

Figure 6: Brine Evaporation Trial at Bureau Veritas

Two tests - one for Williamson Pit brine and one for normal Lake Way brine - are currently underway, each evaporating 150kg of brine on a load cell to monitor evaporative loss. The temperature of the brine and air flow across the brine surface is controlled by using infra-red lamps and fans to simulate Lake Way average weather conditions.

A Site Evaporation Trial (SET), as successfully operated at Lake Wells previously, is under construction at Lake Way and will be filled with first brine over the next week. The SET will gather specific evaporation data on concentrated brines under actual conditions, providing refinements to the commercial scale pond modelling.

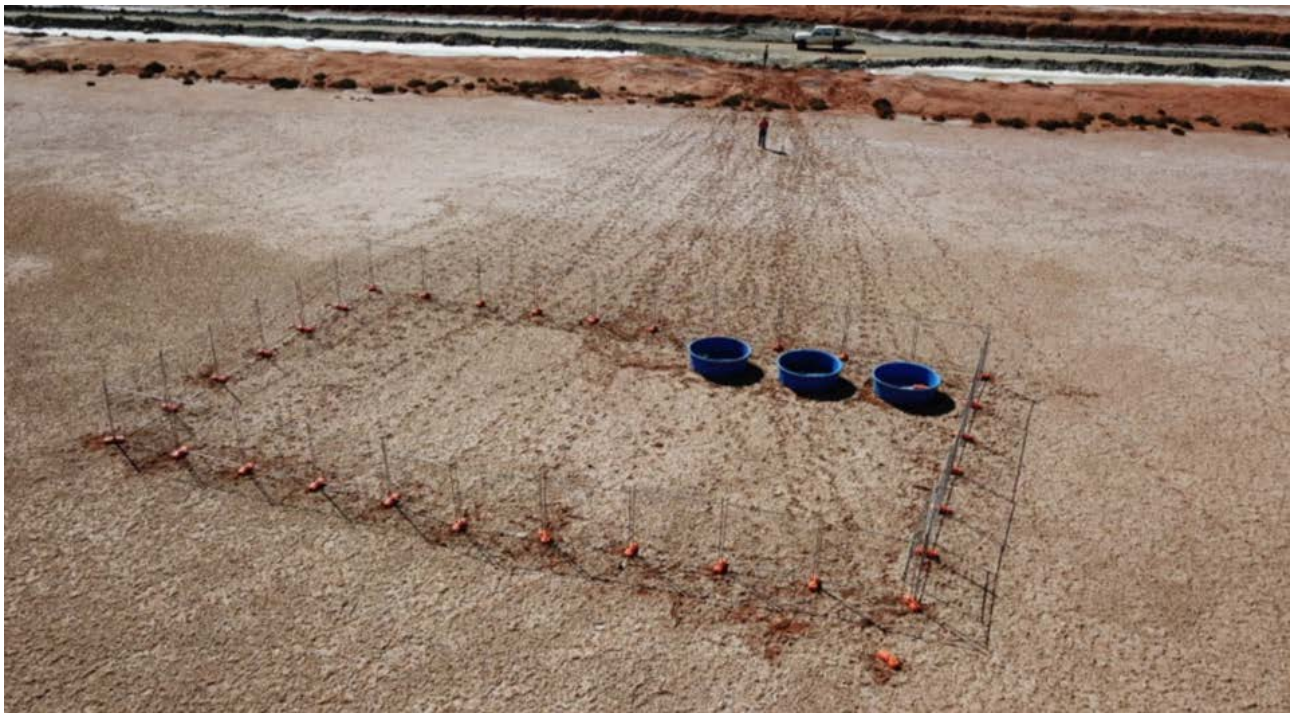

Figure 7: Lake Way SET Under Construction

The Site Evaporation Trial is also designed to produce sufficient harvest salt for confirmatory process testwork and initial customer samples.

Competent Persons Statement

The information in this report that relates to Exploration Results, or Mineral Resources for Lake Way is 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.

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 1 - BRINE CHEMISTRY ANALYSIS

HOLE ID	East	North	K (mg/L)	Cl (mg/L)	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	SO_4 (mg/L)	TDS (mg/L)
HA17	234302	7035685	6,090	101,600	63,100	664	5,450	24,200	202,000
HA14	234458	7035223	6,050	104,250	63,900	666	5,620	23,700	206,000
HA15	234099	7035031	4,770	80,250	48,900	779	4,550	19,600	161,000
HA10	235063	7034408	6,350	112,150	68,100	621	6,180	23,900	221,000
HA12	234299	7033837	6,550	115,700	68,600	574	6,690	25,300	228,000
HA08	234918	7033057	7,280	121,350	73,900	537	6,530	28,200	241,000
HA06	235652	7033571	6,910	128,050	78,600	528	7,000	25,500	249,000
HA03	235863	7032512	7,210	131,450	77,200	499	7,510	26,200	258,650
HA19	234752	7036712	6,030	113,600	67,600	591	7,010	25,700	225,000
HA29	231655	7036814	6,730	131,200	79,500	447	8,070	33,000	263,000
HA24	233715	7039225	6,100	130,850	75,000	536	8,650	25,300	253,000
HA31	233697	7037711	6,690	117,300	71,100	563	6,220	27,100	232,000
HA21	233742	7036709	5,960	110,250	65,000	610	6,150	23,300	216,000
HA02	236273	7032823	7,180	134,900	79,200	482	7,410	26,900	262,000
HA25	233868	7032968	6,810	126,800	76,500	519	7,160	26,300	248,000
Average			***6,447***	***117,313***	***70,413***	***574***	***6,680***	***25,613***	***231,043***

APPENDIX 2 – JORC TABLE ONE

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Brine samples were collected from shallow pits dug into the lake surface to a depth of 0.5 to 0.75m. Brine samples are composite samples from the water that filled the pit after digging. The material in the pit was geologically logged as a composite qualitative description for the entire pit.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Not applicable

Criteria	JORC Code explanation	Commentary
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Not applicable
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	All pits were geologically logged by a qualified geologist, noting colour, induration, moisture content of sediments grain size distribution and lithology.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample bottles are rinsed with brine which is discarded prior to sampling. All brine samples taken in the field are split into two sub-samples: primary and duplicate. Reference samples were analysed at a separate laboratory for QA/QC. Representative chip trays and bulk lithological samples are kept for records.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Primary samples were sent to Bureau Veritas Minerals Laboratory, Perth. Brine samples were analysed using ICP-AES for K, Na, Mg, Ca, with chloride determined by Mohr titration and alkalinity determined volumetrically. Sulphate was calculated from the ICP-AES sulphur analysis.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Data entry is done in the field to minimise transposition errors. Brine assay results are received from the laboratory in digital format, these data sets are subject to the quality control described above. All laboratory results are entered in to the company's database and validation completed. Independent verification of significant intercepts was not considered warranted given the relatively consistent nature of the brine.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Trench co-ordinates were captured using hand held GPS. Coordinates were provided in GDA 94_MGA Zone 51. Topographic control is obtained using Geoscience Australia's 1-second digital elevation product.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Data spacing is very wide and can only be considered to be reconnaissance level work.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a*	Test pits were vertical. Geological structure is considered to be flat lying.

Criteria	JORC Code explanation	Commentary
	sampling bias, this should be assessed and reported if material.	
Sample security	*The measures taken to ensure sample security.*	All brine samples were marked and kept onsite before transport to the laboratory. All remaining sample and duplicates are stored in the Perth office in climate-controlled conditions. Chain of Custody system is maintained.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Data review is summarised in Quality of assay data, laboratory tests and Verification of sampling and assaying. No audits were undertaken.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Tenement sampled 53/1878 in Western Australia. Exploration Licenses are held by Piper Preston Pty Ltd (fully owned subsidiary of ASLP).
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Addressed in the announcement.
Geology	*Deposit type, geological setting and style of mineralisation.*	Salt Lake Brine Deposit
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Hand dug pits as described above and presented in the announcement.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Within the salt lake extent no low grade cut-off or high grade capping has been implemented.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	Not applicable
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Addressed in the announcement.

Criteria	JORC Code explanation	Commentary
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All results have been included.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Addressed in the announcement.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further sampling and drilling to assess the occurrence of brine at depth. Closer spaced, more evenly distribute drilling, particularly to define the thickness of the LPS unit. Hydraulic testing be undertaken, for instance pumping tests from bores and/or trenches to determine, aquifer properties, expected production rates and infrastructure design (trench and bore size and spacing). Lake recharge dynamics be studied to determine the lake water balance and subsequent production water balance. For instance simultaneous data recording of rainfall and subsurface brine level fluctuations to understand the relationship between rainfall and lake recharge, and hence the brine recharge dynamics of the Lake. Study of the potential solid phase soluble or exchangeable potassium resource.