

5 August 2019

## LAKE WAY PROJECT FINANCING SECURED

### Highlights:

- Project financing of USD150m to be provided by Taurus Funds Management for the Lake Way Project
- The financing facility provides up to c.AUD214m, or approximately 90% of the AUD237m capital estimate detailed in the recent Scoping Study
- The debt is a staged facility to enable the rapid development of the Lake Way Project. The funding is intended to be split as follows:
  - Stage 1 Facility – USD30m (c.AUD43m)
  - Project Development Facility – USD150m (c.AUD214m)
- The Stage 1 Facility will be utilised for early construction works and for the completion of the Bankable Feasibility Study, which is due in the September quarter
- Stage 1 Facility agreements executed and first draw down expected to be available Q3, 2019

Salt Lake Potash Limited (**Salt Lake Potash** or the **Company**) is pleased to announce that the Company has mandated Taurus Funds Management (**Taurus** or the **Lenders**), to provide USD150m project financing for the Lake Way Project.

This arrangement with Taurus is an important step in progressing the development and financing of the Lake Way Project. Following recent equity raises totalling AUD27.65m, the staged project financing enables the Company to complete the Bankable Feasibility Study (**BFS**), conclude the acquisition of strategic tenements from Blackham Resources Limited (**Blackham**) and continue early construction works to advance the Lake Way Project prior to the drawdown of the main Project Development Facility (**PDF**).

Salt Lake Potash is rapidly developing the Lake Way Project and has made substantial construction progress over the past few months. Significant milestones for not only the Company but also for the wider SOP industry in Australia have included the completion of the first Commercial Scale on-lake evaporation pond and the commencement of the evaporation process with the dewatering of the super saturated brine from Williamson Pit.

The Stage 1 facility will enable the Company to progress works into the second stage of construction being the continued expansion of the extensive on-lake evaporation pond and trench network.

**Stage 1 Facility of USD30m (c.AUD42m):**

The Stage 1 Facility will provide initial access to funding for early construction works for the Lake Way Project and completion of the BFS. This Facility will partly fund civil works including the construction of key evaporation ponds, which will provide the initial harvest salts to enable the feed for plant commissioning. Given the lead-time required to generate harvest salts, this Facility is a crucial part of accelerating Lake Way's development towards commercial SOP production.

The facility also includes USD5m to partially fund the transaction with Blackham, available upon completion of that transaction.

Taurus has obtained investment committee approval for the Stage 1 Facility and the financing agreements have been executed. Drawing will occur upon satisfaction of conditions precedent typical for financings of this nature, which are well progressed.

**Project Development Facility (PDF) of USD150m (c.AUD214m)**

The PDF will be used for refinancing the Stage 1 Facility and for project development and working capital associated with the development of the Lake Way Project. The PDF will become available upon completion of the BFS and satisfactions of conditions precedent to the Lender's satisfaction. Conditions precedent are customary for a project financing of this nature and include execution of financing agreements, satisfying the equity requirement based upon a Cost to Complete analysis and offtake agreements being agreed.

The Company has been in discussions with potential financiers since the beginning of the year with multiple proposals received, and the superior Taurus proposal ultimately selected. Taurus has completed substantial due diligence on the Lake Way Project and once the Stage 1 Facility is drawn, will work closely with the Company throughout the BFS in order to ensure the PDF documentation and Conditions Precedent are progressed in a timely manner.

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, is a privately-owned mining finance fund manager that provides debt and equity funding to the mining sector globally. Taurus has significant experience in the financing of mining projects globally across the commodity spectrum including the precious metals, base metals, steel making raw materials and industrial metals space.

Argonaut acted as Salt Lake Potash's financial advisor in relation to this debt financing.

**Salt Lake Potash's Chief Executive Office, Tony Swiericzuk, said:**

*"This is an exciting development for Salt Lake Potash and its stakeholders, providing a clear runway for the Company to progress the construction of the Lake Way Project."*

*"Salt Lake Potash is delighted to have entered into this long-term partnership with Taurus and we look forward to working with them through our Bankable Feasibility Study and as we continue the construction at Lake Way. Taurus' commitment is a strong endorsement for the Lake Way Project and the exceptional team that has been built"*

**Taurus' Chief Investment Officer, Michael Davies, said:**

*"Taurus is pleased to be a part of the development of another important Australian mining project, with a well credentialed management team and Board that will seek to deliver benefits to the local communities and people of Western Australian for many years to come."*

**Enquiries:**

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**Summary of Key Terms:****Table 1: Key Stage 1 Facility Terms**

<b>Facility Amount</b>	US\$30m - \$5m conditional upon completion of Blackham Transaction
<b>Tenor</b>	12 months
<b>Interest Rate</b>	9.75% per annum
<b>Options</b>	9,000,000 options
<b>Royalty</b>	0.5% Net Revenue Royalty
<b>Conditions Precedent</b>	Customary CP's for a facility of this kind

**Table 2: Key PDF Terms**

<b>Facility Amount</b>	US\$150m
<b>Tenor</b>	6 years (2-year availability period + 4-year repayment period)
<b>Interest Rate</b>	9.0% per annum on drawn amounts
<b>Options</b>	7,500,000 options
<b>Royalty</b>	1.5% Net Revenue Royalty
<b>Conditions Precedent</b>	Including repayment of Stage 1 Facility, off-take agreements in a form acceptable to Lender and other customary CP's for a facility of this kind

**Institutional Placement to Fund Acquisition**

The Institutional placement of 10.58 million shares to Fidelity International at A\$0.70 each to raise A\$7.4 million before costs is expected to settle today, with completion to occur on 6 August 2019.

**Issue of Remuneration Shares**

The Company will issue 266,258 shares to key executives as part of remuneration entitlements under their service agreements following the expiry of vested performance rights on 31 July 2019. The Company was unable to convert the vested performance rights into shares prior to expiry due to applicable EU restrictions on the executives acquiring shares whilst in possession of inside information. The Company will also seek shareholder approval at the AGM to issue 266,258 shares to Managing Director, Mr Tony Swiericzuk following the expiry of an equivalent number of vested performance rights that have also expired due to the EU restrictions.

**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.*

**Competent Persons Statement**

*The information in this announcement that relates to the Process Plant, Non-Process Infrastructure and Capital and Operating Costs is extracted from the report entitled 'Exceptional Economics of Commercial Scale Development at Lake Way' dated 13 June 2019. This announcement is available to view on [www.so4.com.au](http://www.so4.com.au). The information in the original ASX Announcement that related to Process Plant, Non-Process Infrastructure and Capital and Operating Costs was based on, and fairly represents information compiled by Mr Peter Nofal, who is a fellow of AusIMM. Mr Nofal is employed by Wood, an independent consulting company. Mr Nofal 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'. 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.*

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

SALT LAKE POTASH LIMITED

ABN

98 117 085 748

We (the entity) give ASX the following information.

### Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | (a) Options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | (a) 9,000,000  |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) Unlisted options exercisable at A\$0.702 each on or before 4 August 2024 |

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4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?  If the additional +securities do not rank equally, please state: <ul style="list-style-type: none"><li>• the date from which they do</li><li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li><li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li></ul>	(a) N/A - unlisted
5	Issue price or consideration	(a) Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(a) Options issued in accordance with the terms of the Stage 1 Facility Agreement
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?  If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	9,000,000
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil				
6f	Number of +securities issued under an exception in rule 7.2	Nil				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not Applicable				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not Applicable				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 – 14,089,911 7.1A – 24,403,769				
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	5 August 2019				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>245,137,865</td> <td>Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	245,137,865	Ordinary Shares
Number	+Class					
245,137,865	Ordinary Shares					

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9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	Number	<sup>+</sup> Class
		7,500,000	Class B Performance Shares
		10,000,000	Class C Performance Shares
		750,000	Incentive Options exercise price \$0.50, expiry date 29 April 2020
		1,000,000	Incentive Options exercise price \$0.60, expiry date 29 April 2021
		250,000	Incentive Options exercise price \$0.40, expiry date 30 June 2021
		500,000	Incentive Options exercise price \$0.50, expiry date 30 June 2021
		750,000	Incentive Options exercise price \$0.60, expiry date 30 June 2021
		400,000	Incentive Options exercise price \$0.70, expiry date 30 June 2021
		9,375,000	Unlisted Options exercise price \$0.85, expiry date 30 June 2023
		1,700,000	Incentive Options exercise price \$0.60, expiry date 1 November 2023
		2,750,000	Incentive Options exercise price \$1.00, expiry date 1 November 2023
		3,000,000	Incentive Options exercise price \$1.20, expiry date 1 November 2023
		9,000,000	Unlisted Options exercise price \$0.702, expiry date 4 August 2024
20,412,500 (corrected)	Performance rights which are subject to various performance conditions to be satisfied prior to the relevant expiry dates between 31 December 2019 and 1 November 2023		
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not Applicable	



## Part 2 - Pro rata issue

11	Is security holder approval required?	Not Applicable
12	Is the issue renounceable or non-renounceable?	Not Applicable
13	Ratio in which the +securities will be offered	Not Applicable
14	+Class of +securities to which the offer relates	Not Applicable
15	+Record date to determine entitlements	Not Applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not Applicable
17	Policy for deciding entitlements in relation to fractions	Not Applicable
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	Not Applicable
19	Closing date for receipt of acceptances or renunciations	Not Applicable

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20	Names of any underwriters	Not Applicable
21	Amount of any underwriting fee or commission	Not Applicable
22	Names of any brokers to the issue	Not Applicable
23	Fee or commission payable to the broker to the issue	Not Applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not Applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not Applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not Applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not Applicable
28	Date rights trading will begin (if applicable)	Not Applicable
29	Date rights trading will end (if applicable)	Not Applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not Applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not Applicable

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32 How do security holders dispose of their entitlements (except by sale through a broker)?

33 <sup>+</sup>Issue date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of <sup>+</sup>securities  
(tick one)

(a)  <sup>+</sup>Securities described in Part 1

(b)  All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

37  A copy of any trust deed for the additional <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

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**Entities that have ticked box 34(b)**

38 Number of +securities for which +quotation is sought 

Not Applicable
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39 +Class of +securities for which quotation is sought 

Not Applicable
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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Not Applicable
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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

Not Applicable
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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

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**Quotation agreement**

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ..... Date: 5 August 2019  
(~~Director~~/Company secretary)

Print name: Clint McGhie

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# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	175,049,596
<b>Add</b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	11,530,755 Shares (16 November 2018) 17,504,959 Shares (16 November 2018) 4 Shares (31 December 2018) 1,702,381 Shares (9 January 2019) 750,000 Shares (15 May 2019) 37,500,000 Shares (14 - 18 June 2019)
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	244,037,695

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<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	36,605,654
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>214,286 Shares (20 November 2018)</p> <p>268,600 Shares (31 December 2018)</p> <p>2,450,000 Options (31 December 2018)</p> <p>9,000,000 Options (5 August 2019)</p> <p>10,582,857 Shares (Agreed to be issued)</p>
“C”	22,515,743
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	36,605,654
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	22,515,743
<p><b>Total</b> [“A” x 0.15] – “C”</p>	<p>14,089,911</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

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## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	244,037,695
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	24,403,769
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>“E”</b>	Nil

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<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	24,403,769
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	Nil
<b>Total</b> [“A” x 0.10] – “E”	24,403,769 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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