

PRODUCTION OFFTAKES SECURED FOR 170ktpa OF LAKE WAY PREMIUM SOP PRODUCT

Salt Lake Potash Limited (SO4 or Company) is pleased to advise that it has signed three binding term sheets for the sale of premium Sulphate of Potash (SOP) from the Lake Way Project. SO4 has implemented a diversified marketing strategy using multiple strategic counterparties to undertake sales and distribution across a mix of geographical regions.

HIGHLIGHTS

- Binding term sheets signed with three leading fertiliser distributors for the sale of premium grade Lake Way SOP with a total volume commitment of 170,000t per annum:
 - **Unifert** - 60,000t per annum in the Middle East and Africa
 - **Indagro** - 50,000t per annum in North America and Europe
 - **Fertisur** - 60,000t per annum in South America
- 70% of total planned production committed for a five year term from commencement of shipping in 2021 with take or pay arrangement on product resale
- Discussions substantially advanced with an additional Tier-1 fertiliser group for sale of material quantity of production from the Lake Way Project
- Binding agreements support SO4's strategy of diversifying distribution across key global premium SOP seaborne markets

TONY SWIERICZUK **SO4 Chief Executive Officer**

"We are delighted to have finalised these offtakes for the sale and distribution of premium SOP product that will be produced at our Lake Way Project. Binding agreements with industry leaders, Unifert, Indagro and Fertisur support SO4's marketing strategy of targeting geographical markets with strong growth in crops that benefit most from SOP fertilisers. SO4 continues to progress discussions with other leading fertiliser companies for the sale of our remaining SOP production"

ENQUIRIES

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LAKE WAY PROJECT

Lake Way is located in the Northern Goldfields Region of Western Australia, less than 15km south of the Wiluna township. In October 2019, the Company reported the results of its Bankable Feasibility Study (**BFS**) for the commercial scale development of its 245,000t per annum SOP project at Lake Way (**Project**).

The Company is rapidly progressing the development of the Lake Way Project with Stage 2 civils construction of additional evaporation ponds and brine extraction infrastructure commencing imminently. The Company is targeting first SOP production in Q4, 2020.

SO4 has demonstrated that it can produce a premium SOP product that is highly water soluble with a >53% K₂O grade (Standard Grade 50% K₂O).

Table 1: Lake Way Pilot Plant 2 Specifications

		Specification
Potassium	K ₂ O	>53%
Sulphate	SO ₄	>55%
Chloride	Cl	<0.1%
Insolubles		<0.1%
Total Solubility	(g/100g H ₂ O)	11.8
Dissolution Rate	% in 1 minute	>95%

These outstanding test results indicate that the product is comparable with other premium grade water soluble products on the market and supports SO4's marketing strategy to supply into the premium SOP markets. The price achievable for soluble grade SOP can be up to 20%¹ above the standard SOP pricing.

MARKETING STRATEGY

Supported by the extensive test work and samples produced to date from Lake Way harvested salts, SO4 is planning to deliver a high quality, premium grade SOP to the market. Initially the Project will produce two products, (i) a high potassium content standard powder SOP (SSOP) and (ii) fertigation grade water soluble SOP (WSSOP). SO4 intends to increase the product offering to include a granular grade after production has commenced.

SO4's marketing strategy for the sale and distribution of its premium grade SOP is to work with selected industry leading partners targeting high growth markets and focussing on geographical areas with the highest concentration of crops which benefit from SOP fertilisers.

¹ CRU SOP Market Study May 2019

OFFTAKE TERM SHEETS

SO4 has signed three binding agreements with industry leading partners for the sale of 170,000t per annum into key geographical markets, as follows:

- **Unifert** - 60,000t per annum in the Middle East and Africa
- **Indagro** - 50,000t per annum in North America and Europe
- **Fertisur** - 60,000t per annum in South America

Each have global distribution networks and established logistics infrastructure to support the efficient delivery of SO4's premium quality SOP to end customers. These agreements are an important step in derisking the Project in the years following commissioning of the Lake Way Project.

SO4 is now progressing to execution of final purchase agreements, based upon the binding terms sheets, with each of these offtake counterparties.

Unifert

Unifert has been a leader in its field for over 50 years, providing comprehensive solutions to the agricultural industry in Europe, the Middle East and Africa by distributing a broad range of agricultural inputs such as seeds, crop protection chemicals, specialty and traditional fertilizers. Unifert participates in the international trading and European distribution of traditional fertilizers sold either through public tenders or directly to wholesalers.

Table 2: Unifert Term Sheet – Key Terms

Terms	
Counterparty	Unifert International SAL
Conditions Precedent	Effective upon Lake Way Project becoming operational on or before 31 December 2021 Entry into detailed purchase agreement before 31 December 2020
Product	Lake Way SOP representative of the typical values in the following specifications: <ul style="list-style-type: none"> - High grade potassium <ul style="list-style-type: none"> o K 44% o K₂O 53% o Cl <1.0% - Fertigation Grade – Water soluble SOP <ul style="list-style-type: none"> o K 44% o K₂O 53% o Cl <0.1% o Insolubles <0.09% o Solubility 11.9g/100gH₂O o Dissolution >95% in 1 minute
Term	5 years from commencement of production
Territory	Middle East and Africa (specified by country)
Quantity	20% of production during CY2021 and 60,000t per annum 2022-2025 with effective take or pay arrangement on product resale
Price	Quarterly negotiation with resolution mechanism

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Indagro

Indagro is an international trading firm established in Geneva, Switzerland in the early 1980's. The company specializes in the global marketing of chemical fertilizers and their raw materials. Through its network of 16 representative offices around the globe, Indagro adds value to the fertilizer supply chain by offering proprietary risk management services to producers, distributors and importers alike.

Table 3: Indagro Term Sheet – Key Terms

Terms	
Counterparty	Indagro SA
Conditions Precedent	Effective upon Lake Way Project becoming operational
Product	<p>Lake Way SOP representative of the typical values in the following specifications:</p> <ul style="list-style-type: none"> - High grade potassium <ul style="list-style-type: none"> o K 44% o K₂O 53% o Cl <1.0% - Fertigation Grade – Water soluble SOP <ul style="list-style-type: none"> o K 44% o K₂O 53% o Cl <0.1% o Insolubles <0.09% o Solubility 11.9g/100gH₂O o Dissolution >95%
Term	5 years from first production
Territory	North America, Europe and Africa (specified by country)
Quantity	50,000t per annum with effective take or pay arrangement on product resale
Price	Quarterly negotiation on market basis with resolution mechanism

Fertisur

Fertisur is a Peruvian company distributing fertilizers throughout South America, focussing on products designed to offer crop solutions through drip fertilization, fertigation and foliar feeding for greenhouses. The market for SOP in Latin America is forecast to grow with significant agricultural areas dedicated to high-value crops and historical low application rates.

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Table 4: Fertilisur Term Sheet – Key Terms

Terms	
Counterparty	Fertilizantes Del Sur S.A.C. (Fertilisur)
Conditions Precedent	Effective upon Lake Way Project becoming operational
Product	Lake Way SOP in the following specifications: <ul style="list-style-type: none"> - Fertiligation Grade – Water soluble SOP <ul style="list-style-type: none"> o K 44% o K₂O 53% o Cl <0.1% o Insolubles <0.09% o Solubility 11.9g/100gH₂O o Dissolution >95%
Term	5 years from first production
Territory	South America
Quantity	30,000t of production during CY2021 and 60,000t per annum 2022-2025 with effective take or pay arrangement on product resale
Price	Quarterly negotiation on market basis with resolution mechanism

Ongoing discussions

Discussions are substantially advanced with an additional Tier-1 fertiliser company for the sale of premium SOP from the Lake Way Project. In addition, the Company continues to engage with a number of other potential customers.

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APPENDIX A – 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.

The information in this announcement that relates to Process Testwork Results is extracted from the announcement entitled 'Premium Grade Water Soluble Sulphate of Potash Produced from Lake Way Salts' dated 18 September 2019. This announcement is available to view on www.so4.com.au. The information in the original ASX Announcement that related to Process Testwork Results was based on, and fairly represents, information compiled by Mr Bryn Jones, BAppSc (Chem), MEng (Mining) who is a Fellow of the AusIMM. Mr Jones is a Director of Salt Lake Potash Limited. Mr Jones 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.

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.