

AUSTRALIAN INSTITUTIONAL PLACEMENT AND DEBT FACILITY EXTENSION

Salt Lake Potash Limited (SO4 or Company) is pleased to advise that it has received binding commitments from a number of new Australian institutional investors and existing institutional shareholders for a placement to raise A\$23.5 million for the ongoing development of the Lake Way Project (Project).

Taurus Funds Management (Taurus or the Lenders) have continued their support of the Project by extending the Stage 1 Debt Facility by a further US\$15 million (A\$22 million).

HIGHLIGHTS

- SO4 has secured further funding for the Project via a placement and debt facility extension for total A\$45.5 million in available funding
- SO4 will issue 33.6 million new ordinary shares at A\$0.70 each to raise gross proceeds of A\$23.5 million (**Placement**)
- The Placement further strengthens SO4's share register with strong demand from a number of new and existing institutional investors
- Taurus has continued their support of the Project by agreeing to extend the Stage 1 Facility by US\$15 million (A\$22 million) to US\$45 million ahead of the main Project Development Facility.
- The combined additional funding ensures the Company is well placed to continue with the rapid development of the Lake Way Project, including the Stage 2 On-lake construction which is underway and commencement of Process Plant construction in early 2020.

TONY SWIERICZUK SO4 Chief Executive Officer

"We are very pleased to complete the next stage of our funding, having attracted such strong interest from a number of new Institutional investors and ongoing support of our existing Institutional shareholders. Our close working relationship with Taurus has enabled SO4 to extend the Stage 1 Debt Facility whilst we complete documentation and satisfaction of conditions precedent for the main Project Development Facility. Along with the Placement funds, the extension to the debt facility enables us to continue the rapid construction at Lake Way in line with our project schedule."

This ASX announcement has been approved and authorised for release by the Company's Board of Directors.

ENQUIRIES

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

PLACEMENT

The Company has agreed to place approximately 33.6 million shares to a number of new Australian institutional investors and existing institutional shareholders at A\$0.70 each to raise A\$23.5 million before costs, further confirming the continued support for SO4 and the Lake Way Project.

The Placement under the Company's existing Listing Rule 7.1 and 7.1A placement capacity will contribute to the continued rapid development of the Lake Way Project, including construction of Stage 2 on-lake infrastructure and commencement of site works for the process plant in early 2020, along with ongoing exploration of other lakes and general working capital.

SO4 Directors and management intend to subscribe for a total of 1.3 million shares in the Placement, including 428,571 shares by Managing Director and CEO, Mr Tony Swiericzuk and 275,000 shares by Chairman, Mr Ian Middlemas, subject to shareholder approval.

Euroz Securities Limited and Canaccord Genuity (Australia) Limited acted as Joint Lead Managers to the Placement.

The issue price of A\$0.70 represents a 10.3% discount to the last closing price of \$0.78 on ASX.

The Placement will be completed in two tranches as follows:

- (a) 32,867,858 shares will be issued on 13 December 2019 under Listing Rule 7.1 (7,248,770 shares) and Listing Rule 7.1A (25,619,088 shares). Following the issue of these shares the Company will have 29,627,369 remaining issue capacity under Listing Rule 7.1 and no remaining issue capacity under Listing Rule 7.1A.
- (b) 703,571 shares to be subscribed for by Directors will be issued on or about 17 January 2020 following shareholder approval. A notice of general meeting will be sent to shareholders shortly.

STAGE 1 FACILITY EXTENSION

In August 2019, SO4 announced that it had mandated Taurus Funds Management 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 for the Lake Way Project and enabled completion of the BFS prior to drawdown of the main Project Development Facility (**PDF**). The Facility is also funding civil works including the second stage of trenches and key evaporation ponds currently under construction, which will provide the initial harvest salts to enable the feed for plant commissioning. Given the lead-time required to generate harvest salts, the Facility is a crucial part of accelerating Lake Way's development towards commercial SOP production.

Following completion of the BFS, SO4 has been working with Taurus to complete documentation and satisfy the conditions precedent to the PDF. To fund the ongoing construction of key infrastructure prior to drawdown of the PDF, the parties have agreed to a US\$15m extension to the Facility. Terms and conditions of the extension to the Facility are consistent with the original terms, and the extended Facility will be refinanced upon drawdown of the PDF.

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.

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