



Lake Way Project nearing completion – Process Plant and NPI well advanced

Salt Lake Potash Limited (SO4 or the Company) is pleased to provide an update on progress at its Lake Way Project at Wiluna in Western Australia.

Highlights

- The Process Plant was 88% complete on 31 December 2020 (on an earned value basis). The overall project, including all on-lake infrastructure, was 81% complete.
- Major items now installed include the SOP and schoenite crystallisers, centrifuges, attritioners, drag feeders and conveyors, with most of the remaining works comprising piping, cabling and valves installation.
- Non-Process Infrastructure is well advanced with process water borefields and storage ponds commissioned, construction of gas pipeline substantially advanced, and installation of power station commenced.
- Approximately 27kt of potassium rich kainite and schoenite salts have been harvested for commissioning plant feed from the Train 1 cells. Harvesting activities will re-commence in March ahead of plant commissioning.
- Process Plant commissioning expected to commence in February with introduction of first feed salts to the plant in March. The project capital budget remains unchanged at A\$264m.
- In January 2021 the Organic Farmers & Growers association in the UK (OF&G) approved the Lake Way SOP product for use in organic farming in the UK.
- In December 2020, SO4 received the Community Contribution Award at the Association of Mining and Exploration Company (AMEC) annual awards.

CEO Statement

"I am extremely proud of the way the GRES and SO4 teams have worked to safely and efficiently deliver the Lake Way project. Significant progress was made in a challenging environment in 2020 with minimal impact on the project and we now look forward to supplying the domestic and global agricultural industries with premium SOP in the second quarter of 2021."

Tony Swiericzuk Chief Executive Officer

Enquiries

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This announcement has been authorised for release by the Managing Director, Mr Tony Swiericzuk.

Process Plant reaches 88% completion (value earned basis)

At December 31st, 2020 the Process Plant was 88% complete on a value earned basis with site concrete work (including additional NPI and bagging infrastructure) 94% complete, structural steel 80% complete and tanks/vessels 81% complete.

Figure 1: Aerial view of process plant site



Major items now installed include the SOP and schoenite crystallisers, attritioners, drag feeder, conveyors, lump breaker, various tanks and agitators, chillers, transformers, utilities switch room and various pumps, hoppers and launders.

Associated piping, cabling and valves installation now comprise most of the remaining work on an earned value basis.

Figure 2: Process Plant structural steel erected to the 6th floor



Figure 3: First tank installed onto 4th floor and rotary drier awaiting install



Figure 4: Internal fit-out of the process plant is well advanced



Figure 5: Pipe installation now 20% complete



Figure 6: Brine recovery pond feed pumps 1-4



The four primary conveyor structures that feed the plant and discharge waste NaCl have been fully erected. They will be commissioned in the next few weeks.

Figure 7: CV01 primary feed conveyor awaits belt fitting



The Company expects Process Plant commissioning to commence in February with the introduction of first feed salts to the plant occurring in March.

Non-Process Infrastructure advances

The raw water pond has been lined and commissioned, and both the Southern and West Creek Raw Water Borefields supplying the plant and village have been commissioned.

Figure 8: Raw water pond filling and commissioning has been completed



Construction of the 27km APA gas pipeline that connects with the Goldfields Gas Pipeline commenced in November 2020. The pipeline is currently 99% welded and 67% placed and backfilled. Full installation is expected to be completed in late January.

Figure 9: APA gas pipeline 27km lateral to site



Concrete footings for the gas generators have been completed. The units are in Perth and will arrive on site this week for installation.

Figure 10: Concrete footings for 5x gas generator units and 2x additional footings for expansion activities



Procurement

Total procurement for the Process Plant reached 96% on December 31st, 2020. Recently a small number of items have experienced minor delays due to dynamics in the COVID effected global shipping markets. Specifically, consignments including flooring grid mesh, cage crusher, and some valves and pumps have been delayed by a few weeks. The Company is working closely with GRES and its suppliers to minimise the impact of any potential delays caused by shipping. At this stage, the delays in shipping will not impact commissioning.

Plant feed salt harvesting commenced

Harvesting of potassium rich kainite and schoenite salts from Train 1 was undertaken with approximately 27kt of salts now stockpiled ahead of plant commissioning. Salts have been harvested successfully using a tractor and scraper methodology. Assays from the harvest salt stockpiles have returned grades in-line with the system curve and planning models.

Figure 11: Train 1 Cell post-harvest



Figure 12: Harvest salt stockpile



Figure 13: Train 1 salt harvesting



AMEC community contribution award

In December 2020 SO4 received the Community Contribution Award at the 2020 Association of Mining and Exploration Company (AMEC) annual awards.

The award recognised the Company's efforts to deliver sustainable and long-lasting social and economic benefits to the Wiluna region through strategic partnerships, community investment and opportunities in employment and training.

Figure 14: SO4 team at AMEC Awards



Certification for organic use granted in the UK

In January 2021 the Organic Farmers & Growers association in the UK (OF&G) approved the Lake Way SOP product for use in organic farming in the UK. Use is restricted to growers who have made an application with OF&G, with approval normally given on receipt of a representative soil analysis for each field indicating a K20 index of 2- or less and a professional recommendation for use.

OF&G certifies more than half of organic land in the UK and ensure that the European Organic standards are carried out on organic farms and businesses across the UK. The OF&G certification is the first organic certification received for the Lake Way SOP product and confirms its use as described above for organic markets in the UK.

In addition to the OF&G certification, SO4 is also seeking Organic Certification from several other domestic and international bodies, including EU Ecological Certification, the Organic Materials Review Institute (OMRI) the ACO (Australian Certified Organic) and UK Soil Association. SO4 will update the market on progress with these certifications in the months ahead.

Grant Coyle appointed Interim CFO

Grant is an experienced corporate finance executive having been appointed as SO4's Head of Corporate Development in July 2018 and playing a lead role in delivering the US\$138m Taurus / CEFC funding package. Prior to SO4 Grant held an executive position at Rio Tinto working across the business analysis and business development areas within the Iron Ore division. He is a former investment banker at Macquarie Bank and corporate tax accountant for an international accounting firm.

Grant has extensive experience in finance, budgeting, project evaluation, commercial negotiations and strategic planning.

The Company is undertaking an external search ahead of the appointment of a permanent CFO.

**Forward Looking
Statements**

This announcement includes forward-looking statements. These forward-looking statements are based on the Company'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 the Company, which could cause actual results to differ materially from such statements. Although the Company believes that its forward-looking statements have reasonable grounds, can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the Company's business (including those described in pages 25 to 29 (inclusive) of the Presentation released to ASX on 11 December 2020), which cause actual results to differ materially from those expressed herein. The Company 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 this announcement.