

Salt Lake Potash Ltd

12:12 16 Oct 2020

Salt Lake Potash on track with Lake Way SOP Project development and funding package

Salt Lake Potash Ltd (ASX:SO4) (LON:SO4) (OTCMKTS:WHELP) is continuing the development of the Lake Way Sulphate of Potash (SOP) Project in Western Australia with on-lake and off-lake operations progressing on schedule.

The company has also delivered the funding package for the project which includes two components:

- A US\$138 million (A\$203 million) Syndicated Facility Agreement (SFA) with Taurus Mining Finance Fund No2 LP and the Clean Energy Finance Corporation (CEFC); and
- A fully underwritten A\$98.5 million placement and accelerated non-renounceable entitlement offer (ANREO) at 50 cents per share completed in September 2020.

In combination, these funds will enable the company to complete the funding and deliver the project on schedule, with first SOP production expected in the March quarter of 2021.

Working towards financial close

The incorporation of the CEFC into the Taurus SFA provides a strong endorsement of the company's contribution towards reducing carbon emissions from the global fertiliser and agriculture industries and follows the grant of 'Green Label' certification for debt issued to develop the project.

The company is working closely with its debt partners to achieve financial close in the near-term and is substantially advanced in satisfying remaining conditions precedent, with initial drawdown and repayment of Bridge facility expected in November 2020.

On-lake operations

The development of on-lake infrastructure continues to progress, with work having started on the fourth pond train and 62 kilometres of trenches now completed.

The Stage 1 and 2 pond networks (Trains 1, 2 and 3) both continued to operate at steady state during the September quarter.

During the quarter, paleochannel exploration drilling continued, with brine abstraction bores drilled into the paleochannel basal sand at pads 12, 14 and 23.

Test pumping of the abstraction bores will continue in the current quarter.

Price: 32.5

Market Cap: £189.82 m

1 Year Share Price Graph



October 2019 April 2020 October 2020

Share Information

Code: SO4

Listing: AIM

52 week	High	Low
	43.7379	14.356

Sector: General mining & base metals

Website: www.saltlakepotash.com.au

Company Synopsis:

Salt Lake Potash is developing the Goldfields Salt Lakes Project, which we plan to be the most sustainable, most rewarding fertiliser project in the world. An initial 50,000tpa Demonstration Plant will provide the template for a very large scale, very long life and very economic project across a number of salt lakes, delivering premium, organic nutrients to the world's farmers.

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Construction progressed on the fourth pond train and commissioning commenced during the quarter.

Potential production upside

Notably, brine grade in the weathered basement aquifer at pad 30 located outside the paleochannel and outside the currently defined mineral resource was 5,170 mg/L potassium.

This presents an additional source of brine that was not incorporated in the resource estimate and not incorporated in the production plan underpinning the ore reserve.

The results from the paleochannel exploration drilling campaign continue to validate and indicate potential upside to SO4's BFS brine production model in terms of the location, continuity and depth of the paleochannel basal sands and brine grades.

Off-lake operations

Progress at the process plant and non-process infrastructure site accelerated during the September quarter.

Concrete installation to all wet areas of the process plant including the dryer foundations was completed, with installed concrete 97% complete at quarter end.

It is anticipated that the remaining primary concrete will be completed during October, enabling the contractor to

complete concreting for product handling and storage infrastructure and the power station slab and footings.

The bulk of the underground trenched services are now more than 50% complete including process plant and utilities area, workshop, laboratories and administration buildings.

Structural steel supports

Structural steel erection is underway with 19% completion at the end of the quarter.

The steel erection for the SOP Crystalliser and Schoenite Crystalliser support structures including fit out of all grid mesh and hand railing was completed and the erection of the conveyor truss sections began with preliminary fit out of stringers and take up towers now well advanced.

Assembly and welding of the stainless steel crystallisers and leach tank continued, and the assembly and welding of the carbon steel tanks started during the period with 22% completion at the end of the quarter.



Long lead procurement items have started arriving on site for assembly this quarter.

Procurement 93% committed

Procurement advanced during the quarter with the project now over 93% procured for major packages and all key

vendor contracts executed.

Long lead procurement items have started arriving on site for assembly this quarter, including the Veolia crystallisers with associated components and tanks, and transformers from Wilson.

Vendor packages in transit to site include lump breaker, flotation cells, attritioners, wet screens and centrifuges while smaller packages including conveyor equipment and weighing systems are now on site.

In addition, the design and procurement of the gas-fired power plant continued during the September quarter with a gas transport agreement, development agreement and licence agreement executed with APA.

Approvals advance

SO4 continued the advancement of the remaining permitting required to support full-scale operations with ongoing liaison around the Environmental Review Document (ERD) submitted.

The EPA has determined that the full project scope requires formal assessment with no public review.

Board members of the EPA visited the site during the quarter and the company received advice from EPA services.

A revised ERD in response to these comments was submitted with surveys, studies and management plans updated, including:

- Flood study modelling;
- Salt dissipation study;
- Mine closure plan; and
- Tecticornia monitoring and management plan.

In addition to the EPA submission, the company continues to seek other project approvals as required.

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