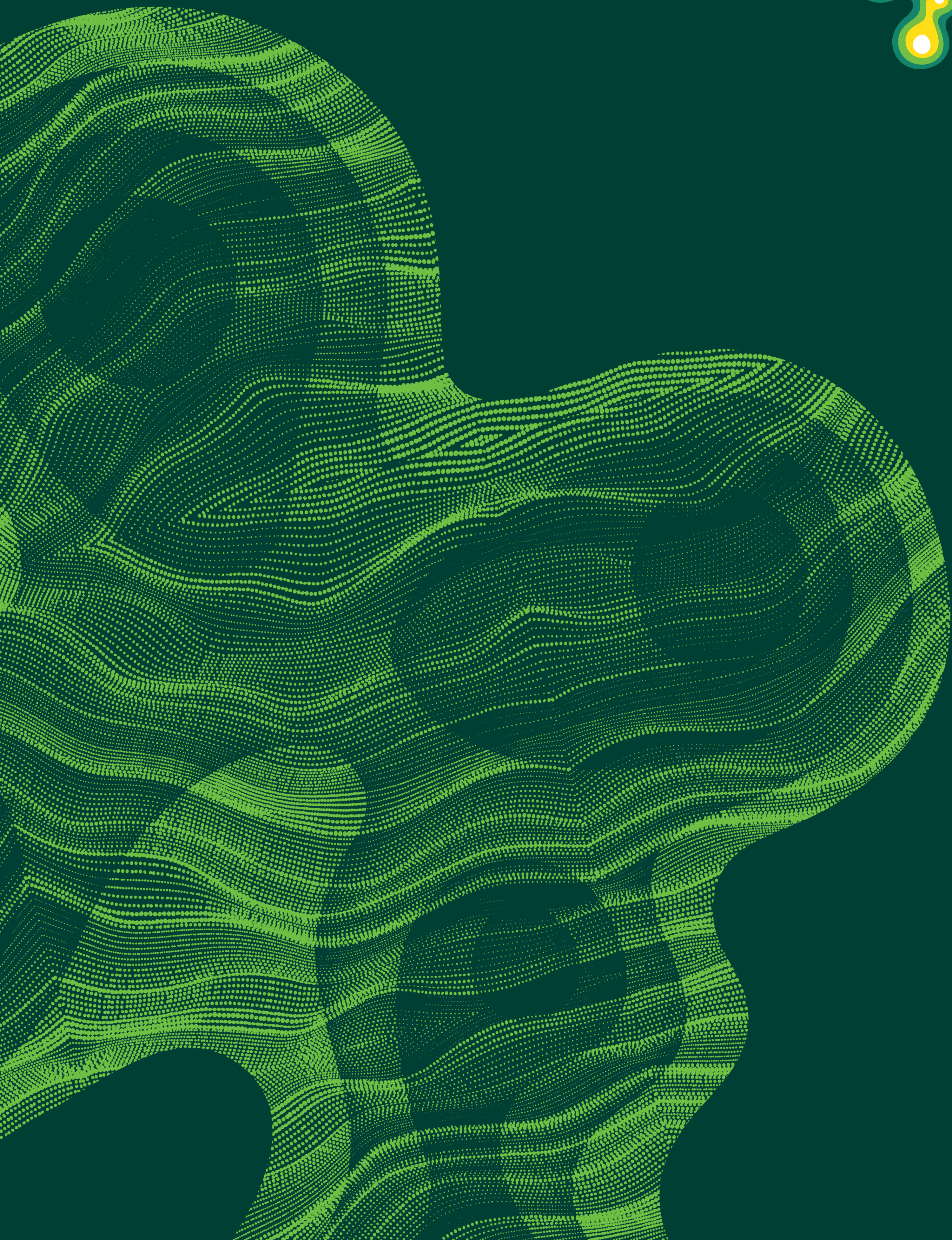
2020 Annual Report

Salt Lake Potash Limited ABN 98 117 085 748



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Corporate Directory

Directors
Mr Ian Middlemas
Chairman

Mr Tony Swiericzuk
Managing Director and CEO

Mr Matthew Bungey
Non-Executive Director

Mr Bryn Jones
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Securities Exchange Listing
Australian Securities Exchange
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AIM Code: SO4 – Ordinary Shares

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Message from the CEO

I am pleased to reflect on what was a momentous year of development for your Company. We are now less than six months from first SOP production at Lake Way, a milestone that will herald the beginning of a significant new export industry for Australia and bring substantial benefits to shareholders and local communities.

Mr Tony Swiericzuk
Chief Executive Officer

Message from the CEO

The pace of development at Lake Way has been rapid and will remain elevated in the months ahead as we finalise construction of the processing plant and complete the remaining evaporation ponds. I am immensely proud of the way our team has executed this project with first production remaining firmly on track for the March quarter of 2021.

Shortly after commencing production we expect to be in positive cash flow enabling the Company to rapidly deleverage and invest in the development of other SOP projects within our portfolio.

Financial Year 2020 was a transformative period for SO4, some of our major milestones included:

- Construction and completion of Stage 2 on-lake civil work consisting of 275ha of evaporation ponds, taking total pond area to 400ha. The Stage 1 and 2 evaporation ponds are precipitating harvest salts with our first bulk sample reporting average potassium grades of 7.5%, comfortably above the average plant feed of 6.8% assumed in the BFS.
- Commencement of the paleochannel borefield development with the drilling and test-pumping of brine extraction bores and results confirming the BFS model for both aquifer parameters and brine grades.
- The award of EPC and EPCM contracts for the construction of the Lake Way processing plant and non-process infrastructure to GR Engineering Services.
- Significant progress at the process plant and non-process infrastructure site with the completion of the 260 room Lake Way village, bulk civil earthworks and procurement of approximately 90% of major vendor packages.
- Signed 224kt per annum in offtake contracts to major global distributors including Indagro, Unifert, Helm, Fertisur, WeGrow and Mitsui. Product testwork confirmed Lake Way will produce highly soluble, high grade (>53% K_2O) and ultra-low chloride (<0.1% Cl) SOP.
- Subsequent to year-end, the Company delivered full funding for Lake Way, signing the US$138m Syndicated Facility Agreement with Taurus and the Clean Energy Finance Corporation alongside an equity raising of A$98.5m.

Lake Way has been developed quickly, but not without consideration of the local community. We are proud to be providing employment opportunities, including initiatives such as the Solid Opportunities Pathway Programme, establishing and investing in the Wiluna community centre and providing funding for our local Native Title partners, TMPAC.

We have also made environmental performance a cornerstone of our business. Evaporating Salt Lake brine under the Australian sun is a naturally low emission way of producing SOP, but we have further reduced our carbon footprint with a commitment to produce around half of the site's power requirement through the installation of a 5MW solar facility. The green credentials of the Lake Way project have been recognised by the addition of the Australian Government's Clean Energy Finance Corporation (CEFC) to the project's lending syndicate. In addition, the debt component of our financing package was awarded a 'green label', endorsed by the Loan Markets Association (LMA) and the Asia Pacific Loan Market Association (APLMA).

The market for SOP has remained extremely resilient over the course of 2020 despite the economic uncertainty caused by COVID-19. Benchmark prices in North-West Europe have remained stable and premiums for higher quality and water soluble product remain strong. We expect premiums for our highly soluble, high potassium and ultra low chloride product to reflect this strength.

While we remain steadfast in our focus on delivering Lake Way, we have a small team running internal trade-off studies to determine our next development. The Company has a number of potential development projects within its portfolio, including Lake Wells, Lake Marmion, Lake Ballard and Lake Irwin. These projects all potentially possess characteristics that would make for an attractive development – principally the ability to fast-track production at a low level of capital intensity.

The next 12 months promises to be another transformational year in your Company's evolution and I would like to extend my gratitude again to all of our shareholders for the tremendous support we have received. I look forward to sharing in the further future success of the Company.

Yours sincerely

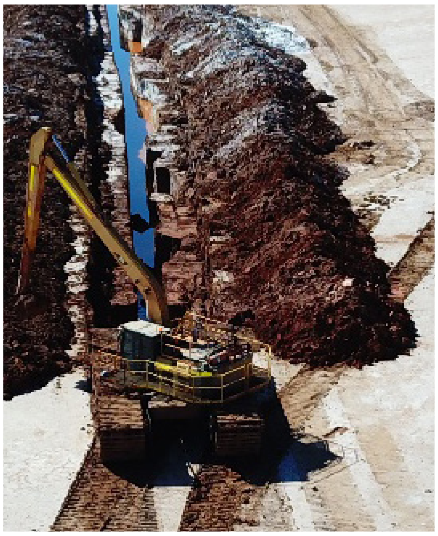
Tony Swiericzuk
Chief Executive Officer

Directors' Report

The Directors of Salt Lake Potash Limited present their report on the Consolidated Entity consisting of Salt Lake Potash Limited (Company or Salt Lake Potash or SO4) and the entities it controlled at the end of, or during, the year ended 30 June 2020 (Consolidated Entity or Group).

During 2020 SO4's primary activities related to the development of the Lake Way project in the Goldfields district of Western Australia.

On-Lake Operations



Brine extraction trenches

48km of brine extraction trenches were constructed during the year at Lake Way, delivering the majority of brine to the evaporation pond network. The trenches were excavated to an average depth of around four metres. To move brine from the trench network to the evaporation pond system, a specialised pipe network and pumping system was designed to suit the site environment.

Paleochannel bores

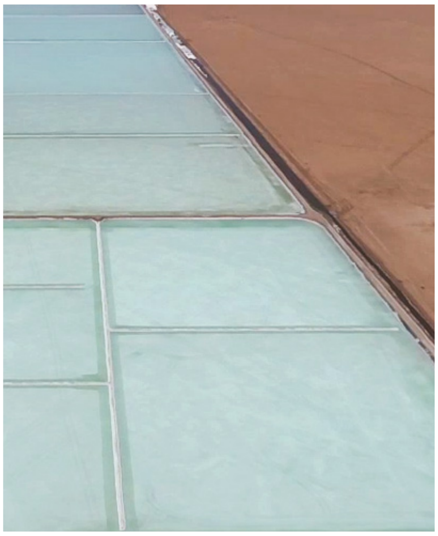
During the second half of the financial year SO4 commenced development of the Lake Way paleochannel, drilling the first four brine abstraction bores into the paleochannel basal sands at pads 8, 17, 18 and 21. The results from the test-pumping confirmed the BFS model for both aquifer parameters, brine grade and flow rates.

Bores 8, 17, 18 and 21

Two of the four completed brine abstraction bores were test-pumped (Pad 8 and 17) with results pending for pads 18 and 21. Test pumping at pads 8 and 17 was conducted at flow rates ranging from 10-18 l/s with the grades observed during testing ranging from 7,240mg/l to 5,370mg/l.

Pond Operation

In the March 2020 quarter the Company completed the Stage 2 pond network consisting of 275ha of evaporation pond area, taking total pond evaporation area to 400ha.



Stage 1 Pond Network

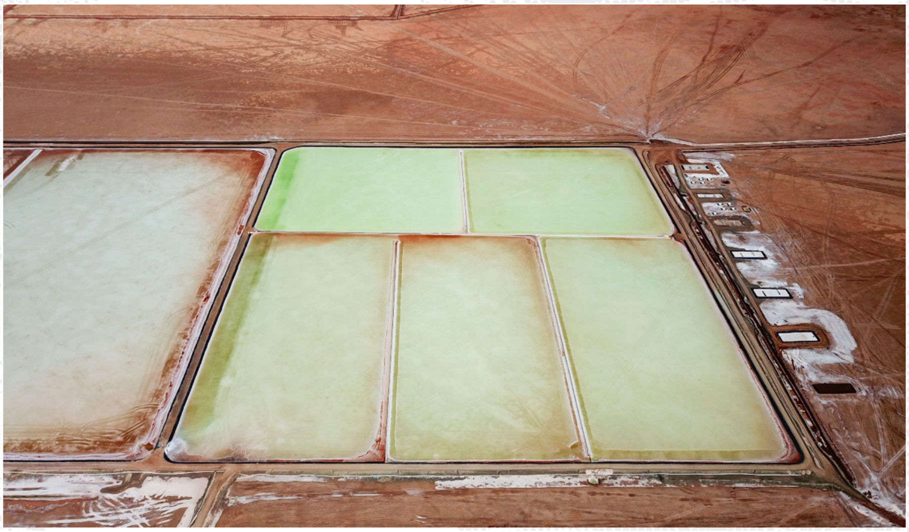
The Stage 1 pond network spans approximately 125ha and was commissioned in the June quarter of 2019. The Stage 1 ponds were initially filled with high grade brine (25kg/m^3 SOP) from the Williamson Pit.

Stage 2 Pond Network

The Stage 2 pond network spans approximately 275ha and commenced commissioning in the June quarter of 2020. The Stage 2 pond construction included the installation of 12,000 sheet piles and 200,000 cubic metres of earthworks to form the walls of the ponds.

Brine Chemistry

Across the pond network brine chemistry was monitored continuously and aligned with modelled outcomes. In March 2020, a 277kg bulk sample taken from Kainite Pond 1, Cell C4 was analysed and reported a potassium grade of 7.5%, ahead of the average modelled harvest salt grade in the BFS of 6.8%.



Stage 1 Harvest Cells

Halite salts form in the initial cells in the pond train, after which the more concentrated brine is pumped into the harvest cells for the precipitation of the potassium rich harvest salts schoenite and kainite.

Harvest salts extracted from Cell C4

Over the course of FY 20 the harvest salt pavement in the Stage 1 harvest cells accumulated to heights of up to 330mm.

Off-Lake Operations

Process Plant Construction and Procurement

Early works at the process plant site commenced in earnest in the first calendar quarter of 2020 and by the end of the financial year the Company had completed bulk civil earthworks and commenced pouring concrete foundations.

In June 2020 SO4 awarded the Engineering, Procurement and Construction (EPC) and Engineering, Procurement and Construction Management (EPCM) contracts for construction of the processing facility to GR Engineering Services (ASX:GNG) The EPC contract encompassed the provision of plant, labour, materials and construction services for the process plant and Non-Process Infrastructure (NPI) valued at A$85m. The EPCM contract encompassed the provision of services for the engineering, procurement and construction management for areas of the process plant and NPI, valued at A$22m.

By the end of the financial year the project was 90% procured for major packages with all key vendor contracts executed. The largest procurement package, the process plant crystalliser, arrived at site in July 2020, several weeks ahead of schedule. Other major plant components including centrifuges, attritioners, flotation cells, sizing screens, thickeners, rotary drier, impact crushers, lump breakers and conveyor belts were procured and expected to arrive at site towards the end of the 2020 calendar year.

Crystalliser partially assembled at site

The crystalliser was manufactured by Veolia in China and is the largest single component of the processing plant.

Non-process Infrastructure Construction

Construction of Non-Process Infrastructure commenced in the first calendar quarter with bulk civil earthworks. By financial year-end the Lake Way village had been constructed with 100 permanent and 160 temporary rooms.

Lake Way village

Bulk civil earthworks were finalised including pad preparation for construction of the power plant, warehouse, workshop, administration and site village, as well as construction of the raw water pond, runoff settlement ponds and site access roads.

Process plant and NPI site June 2020

At the West Creek process water borefield the Company drilled a total of seven production bores and two monitoring bores, that will supply the RO Plant (potable water) and water for the process plant. The production bores have been test-pumped and the steady state operation pumping philosophy finalised.

Approvals

In November 2019, the Company executed the Native Title Land Access Agreement (LAA) with Tarlka Matuwa Piarku (Aboriginal Corporation) RNTBC (TMPAC) for the whole of the Lake Way Project.

The landmark LAA provides for the continuing development of the Lake Way Project and significant benefits to TMPAC and the broader community. TMPAC entered into the LAA with SO4 on behalf of the Wiluna People who are the recognised Native Title Holders of the land covering the Lake Way Project area.

The LAA provides tenure and native title approval security to SO4 for the duration of the Project and covers the whole of the Lake Way Project area. In line with customary industry standards, TMPAC and the broader Wiluna Community will receive significant economic, social and environmental benefits, including:

- Royalty payments;
- Community support programs;
- Employment and training;
- Aboriginal business development and contracting opportunities;
- Heritage protection and land management opportunities.

Signing of LAA

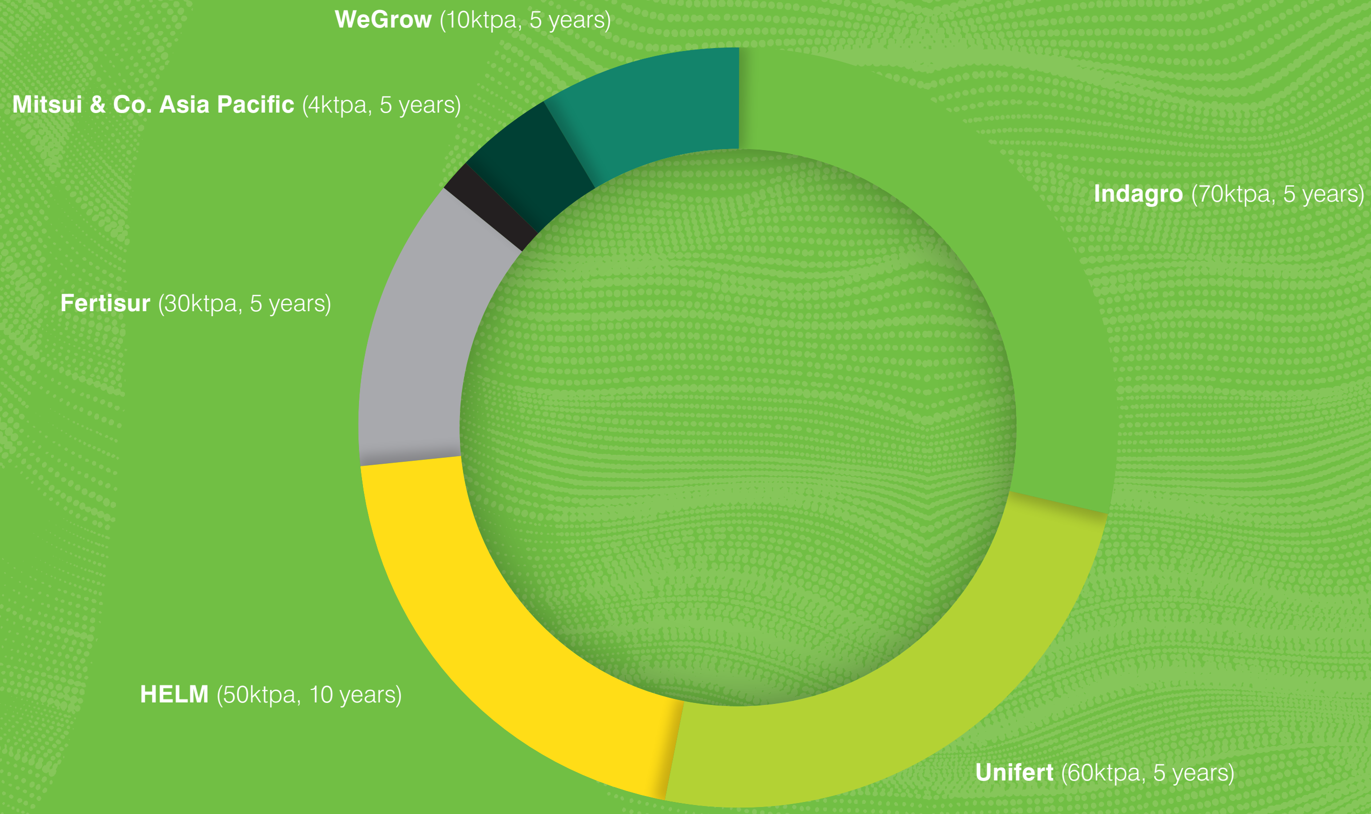
The primary remaining environmental approval to support sustained full-scale operations is the Environmental Protection Authority (EPA) approval. The Environmental Review Document was submitted to the EPA during the June quarter and contained detailed surveys, studies, ground and surface water modelling, management plans and assessments. SO4's comprehensive work did not identify any environmental factors that could constitute insurmountable obstacles to gaining necessary statutory approvals.

Marketing

The Company executed purchase agreements with six offtake partners during the year, accounting for 224kt per annum of Lake Way's 245kt per annum capacity. In combination these agreements geographically diversify SO4's marketing portfolio with six reputable partners supplying SOP to six continents.

The offtake agreements and partners can be summarised as follows:

- **Indagro (70ktpa, 5 years)**
  Indagro is an international trading firm established in Geneva, Switzerland in the early 1980's. Indagro specializes in the global marketing of chemical fertilisers and their raw materials. Through its network of 16 representative offices around the globe, Indagro adds value to the fertiliser supply chain by offering proprietary risk management services to producers, distributors and importers alike. The agreement is for the sale of premium standard, granular and water soluble fertigation grade SOP over five years, for distribution in North and South America, Europe and Africa.
- **Unifert (60ktpa, 5 years)**
  Unifert is a leading comprehensive solutions provider to the agricultural industry in Europe, the Middle East and Africa. It distributes a broad range of agricultural inputs such as specialty and traditional fertilisers, seeds and crop protection chemicals. The agreement is for the sale of premium standard, granular and water soluble fertigation grade SOP over five years, with an option to extend, for distribution to the Middle East and Africa.
- **HELM (50ktpa, 10 years)**
  HELM is a Hamburg, Germany, based family-owned company established in 1900. HELM is one of the world's largest chemicals marketing companies. HELM secures access to the world's key markets through its specific regional knowledge as well as its subsidiaries, sales offices and participations in over 30 countries. As a multifunctional marketing organization HELM is active in the chemicals industry, in the crop protection industry, in pharmaceuticals and in the fertiliser industry. The agreement is for the sale of premium standard, granular and water soluble fertigation grade SOP over ten years, for distribution into Asia and the Middle East.
- **Fertisur (30ktpa, 5 years)**
  Fertisur is a Peruvian company distributing fertilisers throughout South America, focussing on products designed to offer crop solutions through drip fertilisation, fertigation and foliar feeding for greenhouses. The agreement is for the sale of premium standard, granular and water soluble fertigation grade SOP over five years, for distribution in South America.
- **WeGrow (10ktpa, 5 years)**
  WeGrow is a subsidiary of Keytrade AG, responsible for controlled and precision agriculture and marketing the highest quality soluble fertilisers. The WeGrow offtake agreement is for a 10ktpa over a term of five years and covers North, Central and South America.
- **Mitsui & Co. Asia Pacific (4ktpa, 5 years)**
  Mitsui & Co., Ltd. is one of the largest trading and investment companies in the world with over 42,000 employees (consolidated). Its Nutrition & Agriculture Business Unit is involved in the manufacture and sales of agrochemicals and fertilisers, as well as providing global logistics services for fertiliser resources and raw materials, alongside animal and human nutrition business lines.


WeGrow (10ktpa, 5 years)
Mitsui & Co. Asia Pacific (4ktpa, 5 years)
Indagro (70ktpa, 5 years)
Fertisur (30ktpa, 5 years)
HELM (50ktpa, 10 years)
Unifert (60ktpa, 5 years)

Corporate

Equity Financing

The Company conducted three separate equity capital raisings in the year to June 2020.

- August 2019: A$7.4m placement to Fidelity at A$0.70/share to fund costs in the acquisition of a package of tenements and other key assets from Wiluna Mining Corporation (formerly Blackham Resources).
- December 2019: A$23.5m placement at A$0.70/share to institutional and high net worth investors.
- April 2020: A$20m placement at A$0.34/share to institutional and high net worth investors.

Post year end the Company raised a further A$15m via zero-coupon convertible notes, structured as deferred equity. As part of funding, the Company completed a A$98.5m placement and an accelerated non-renounceable entitlement offer at A$0.50/share.

Debt Financing

In addition to equity finance, the Company drew down a US$45m Stage 1 Funding Facility from Taurus Funds Management (Taurus) over two tranches. The initial US$30m facility was announced in August 2019, with a further US$15m extension announced in December 2019.

The Stage 1 Funding Facility provided initial access to funding for early construction works and enabled completion of the BFS prior to completion of the Syndicated Facility Agreement.

Following the end of the financial year the Company achieved full financing for the Lake Way project with the signing of a US$138m Syndicated Facility Agreement with Taurus and the Australian Government's Clean Energy Finance Corporation in conjunction with the equity placement.

Director Appointment

The Company appointed Mr Matthew Bungey to the board in May 2020. Mr Bungey is a Chemical Engineer with over 20 years experience in natural resources, most recently as Managing Director and Head of Mining and Metals with Barclays Investment Bank in London.

Green Label Certification

SO4 was granted 'Green label' certification for debt issued to develop its Lake Way Project. The 'Green label' provides assurance to all stakeholders of the positive environmental contribution of solar brine fertiliser production.

The 'Green label' loan is set out by the LMA and APLMA green loan principles and eligibility was assessed by DNV GL. As part of the review, Wood Canada Limited conducted a technical assessment of greenhouse gas emissions of SOP production at Lake Way, relative to Mannheim SOP production in other locations. The assessment concluded that a Mannheim process plant of comparable capacity would have around 60% higher CO_2 emissions than the Lake Way Project.

SO4 is committed to ensure that its business has a sustainable future for all its stakeholders. The Company is driven by our core values to create positive multi-operational benefits through responsible environmental, social, cultural and economic behaviours. SO4 has developed a sustainability framework which is intended for release in the December 2020 quarter.

Results of Operations

The net loss of the Consolidated Entity for the year ended 30 June 2020 was $15,610,002 (2019: net loss of $26,896,121). This loss is mainly attributable to:

(i) The recognition of $4,459,520 in research and development rebate incentives income (2019: $1,652,110) pertaining to the 2018 and 2019 financial periods. The research and development incentive is a jointly administered program between AusIndustry and the Australian Taxation Office;

(ii) Exploration and evaluation expenses of $12,554,091 (2019: $13,745,503) which is attributable to the Group's accounting policy of expensing exploration and development expenditure incurred by the Group subsequent to the acquisition of the rights to explore and up to the successful completion of bankable feasibility studies (BFS) for each separate area of interest. The Lake Way BFS was released to market in October 2019 and, as such, it is anticipated that Exploration and Evaluation expenditure will significantly drop in the 2021 Financial Year as the predominant focus of the Company will be completing the Lake Way Project on time and budget;

(iii) Pre-Development expenses of $13,017,398 (2019: $8,513,913) relating to the construction of the first phase of the commercial scale SOP brine evaporation ponds and dewatering of the Williamson Pit. These pre-development costs have been expensed in accordance with the Group's accounting policy of expensing exploration and pre-development expenditure incurred by the Group up to the successful completion of a BFS;

Following completion of the BFS for the Lake Way Project in October 2019, the Group has recognised a mine development asset and commenced capitalising mine development expenditure with effect from 1 November 2019;

(iv) Corporate and administrative expenses of $3,574,369 (2019: $3,257,046) attributable to the administration of the Company and its operations, as well as corporate expenses including the Company's dual listing on ASX and AIM together with investor relations activities. The Group's administrative expenses have increased in 2020 to support the rapidly progressing development activities at Lake Way;

(v) Non-cash share-based payment expenses of $6,504,826 (2019: $2,302,381) which are attributable to the Group's accounting policy of expensing the value (estimated using an option pricing model, and performance rights valued using the underlying share price) of Incentive Securities issued to key employees and consultants. The value is measured at grant date and recognised over the period during which the option/rights holders become unconditionally entitled to the options and/or rights;

(vi) Business development expenses of $4,712,057 (2019: $865,860) which are attributable to additional activities required to support the growth and development of the Lake Way Project including indirect project funding costs and offtake activities; and

(vii) An income tax benefit of $19,657,371 (2019: $Nil) due to the Group recognising previous tax losses for the first time as the Company is anticipated to make future profits from the Lake Way Project.

Impact of COVID-19

These financial results were partly incurred during the COVID-19 pandemic. In order to minimise any financial or operational impact, the Company took immediate action to protect the integrity of the Company's business interests and the safety and well-being of its employees and stakeholders.

Salt Lake operates in the isolated and remote mining area of Wiluna and fortunately with the positive protection measures and support of governments and employees the Lake Way Project continued to function close to normal levels. Prompt implementation and affirmative compliance with government and health bodies regulations and recommendations forced quick change to operating processes including strict social distancing and isolation practices. The demographic regions of our remote workforce also required changes to rosters and transport to comply with Government restrictions. The closure of borders required immediate action to manage the impact on the outputs, inputs, employees and communities that Salt Lake operates in.

To protect the local community the Company applied restrictions on staff entering the town of Wiluna or local communities.

The Company provided additional support to local communities by providing fresh food at a time when the normal supply chain for goods into Wiluna was under pressure from the impact of COVID-19.

Social and mental health impact were a possible outcome from roster changes, changed travel, commuting, dining and enhanced hygiene practices. Salt Lake Potash has taken a considerate approach to the hidden consequences of such changes and continues to work with its employees to lessen the impact. The over-arching objective of the Company has been to keep all its employees and stakeholders safe and free from infection and/or spread, and importantly to keep people employed during these uncertain times.

In addition, the Company acted to preserve its cash position and allocate more existing cash reserves to the Lake Way Project with Executives taking a temporary 40% reductions from April to June 2020 and general staff taking a temporary 20% pay reduction during this period.

Due to the concerted and quick action of the Company, the overall financial impact of COVID-19 has been minimal.

Financial Position

At 30 June 2020, the Group had cash reserves of $7,030,418 (2019: $19,304,075) and net assets of $59,522,349 (2019: $14,708,374), an increase of 305% compared with the previous year. The increase in net assets is largely a result of raising over $49,108,876 (net of costs) throughout the 12 month period and directly applying those funds to the construction and ongoing development of the Lake Way Project.

Business Strategies and Prospects for Future Financial Years

The objective of the Group is to create long-term shareholder value through the exploitation of its SOP projects. To achieve its objective, the Group currently has the following business strategies and prospects:

(i) Complete construction of on-lake infrastructure and process plant for the Lake Way Project with a view to commencing commissioning in December 2020 and first production by March 2021;

(ii) Complete first sales of product to key offtakers to receive first revenues in 2021;

(iii) Progress to nameplate capacity of 245,000t per annum of SOP at Lake Way by FY 22; and

(iv) Continue assessment and exploration across the Company's multi lake portfolio.

All of these activities have inherent risk and the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely activities will be achieved. The material business risks faced by the Group that could have an effect on the Group's future prospects, and how the Group manages these risks, include:

Development risks

As a result of the substantial expenditures involved in mine development projects, mine developments are prone to material cost overruns versus budget. The capital expenditures and time required to develop new mines are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the mine;

Operational risks

The planned schedule for production of harvest salts for the commissioning and ramp up of the process plant are subject to operating risks that could impact the amount of harvest salts produced at its SOP operations, delay availability of harvest salts or increase the cost of production for varying lengths of time. Such difficulties include: changes or variations in hydrogeological conditions, weather conditions effecting evaporation and/or recharge, or other conditions; mining, processing and loading equipment failures and unexpected maintenance problems; limited availability or increased costs of mining, processing and loading equipment and parts and other materials from suppliers; mine safety accidents; adverse weather and natural disasters; and a shortage of skilled labour. If any of these or other conditions or events occur in the future, they may increase the cost of mining or delay or halt planned commissioning, ramp up and production, which could adversely affect our results of operations or decrease the value of our assets. The Group has in place a framework for the management of operational risks and an insurance program which provides coverage for a number of these operating risks;

Sulphate of Potash prices and foreign exchange

The price of potash and other commodities fluctuate and are affected by numerous factors beyond the control of the Company. Potential future production from the Company's mineral properties will be dependent upon the price of potash and other commodities being adequate to make these properties economic. The Company is engaging with potential customers with a view to finalising binding offtake or distribution or tolling agreements.

Project financing facilities with Taurus Funds Management are denominated in US dollars whilst many of the planned development and operational activities are denominated in Australian dollars. The Company's ability to fund these activities maybe adversely affected if the Australian dollar rises against the US dollar;

The Company's activities may require further capital

The development of the Company's projects may require additional funding. The Company has recently executed a US$138m (A$203m) debt financing package and a fully underwritten equity placement and accelerated non-renounceable offer for A$98.5m to complete the construction of the Lake Way Project on schedule. Whilst current forecasts of cost to complete are in line with expectations, there can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company;

Native title and Aboriginal Heritage

There are areas of the Company's projects, including Lake Way, over which legitimate common law and/or statutory Native Title rights of Aboriginal Australians exist. Where Native Title rights do exist, the Company must obtain consent of the relevant landowner to progress the exploration, development and mining phases of its operations. Where there is an Aboriginal Site for the purposes of the Aboriginal Heritage Act 1972, the Company must obtain consents in accordance with the Act. The Company has executed a Native Title Land Access Agreement with the Native Title Owners, and established a framework for obtaining required consents for the continuity of works, but in the event that it is unable to obtain these consents, its activities may be adversely affected;

The Company's activities are subject to Government regulations and approvals

The development of the Lake Way Project is subject to obtaining further key approvals from relevant government authorities. The Company has an approvals schedule and a management team with significant experience in approvals required for mining projects in Western Australia. A delay or failure to obtain required permits may affect the Company's schedule or ability to develop the project.

Any material adverse changes in government policies or legislation in Western Australia and Australia that affect mining, processing, development and mineral exploration activities, income tax laws, royalty regulations, government subsidies and environmental issues may affect the viability and profitability of any planned development the Lake Way Project and other lakes in the Company's portfolio. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could adversely impact the Group's mineral properties; and

Global financial conditions may adversely affect the Company's growth and profitability

Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil caused by the COVID-19 pandemic include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. Due to the current nature of the Company's activities, a slowdown in the financial markets or other economic conditions may adversely affect the Company's growth and ability to finance its activities. If these increased levels of volatility and market turmoil continue, the Company's activities could be adversely impacted and the trading price of the Company's shares could be adversely affected.

Earnings Per Share

	2020 cents	2019 cents
Basic and diluted loss per share	(5.46)	(13.74)

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the Consolidated Entity during the 2020 financial year were as follows:

(i) On 5 August 2019, the Company announced that it had mandated Taurus Funds Management to provide up to US$150m staged project financing for the Lake Way Project;

(ii) On 6 August 2019, Salt Lake Potash announced the completion of a A$7.4m placement to Fidelity International to assist with the acquisition costs of a portfolio of strategic Lake Way tenements and assets from Blackham Resources Ltd. This transaction was completed on 8 October 2019;

(iii) On 11 October 2019, the Company announced the outstanding results of its Lake Way Bankable Feasibility Study which demonstrated a highly compelling and long life asset;

(iv) On 18 November 2019, the Company secured 170ktpa in binding offtakes with Unifert, Indagro and Fertisur, representing Salt Lake Potash's diversified marketing strategy using multiple strategic counterparties to undertake sales and distribution across a mix of geographic regions;

(v) On 21 November 2019, Salt Lake Potash and Tarlka Matuwa Piarku (Aboriginal Corporation) RNTBC advised of the execution of the Native Title Land Access Agreement for the whole of the Lake Way Project being a significant de-risking event for the Company;

(vi) On 6 December 2019, the Company announced a A$23.5m placement at A$0.70 and extended its Stage 1 debt facility with Taurus Funds Management by a further US$15m;

(vii) On 18 December 2019, the Company secured an additional 50ktpa offtake agreement with HELM AG, a world leading chemical and fertiliser company. Following execution of this binding offer the Company had secured offtake agreements representing 90% of the total planned production of the Lake Way Project; and

(viii) On 15 June 2020, the Company announced it had awarded the Engineering, Procurement and Construction (EPC) contract involving the provision of plant, labour, materials and construction services for the Process Plant and Non-Process Infrastructure (NPI) valued at A$85m. The Engineering, Procurement and Construction Management (EPCM) contract was also awarded for the process plant and NPI to the value of A$22m.

Significant Events after Balance Date

i) On 2 July 2020, Salt Lake Potash announced it had received commitments to raise A$15m through the placement of unsecured zero-coupon Convertible Notes to corporate and institutional investors. The Convertible Notes are structured as deferred equity with zero coupon and mandatory conversion into equity at the lower of $0.45c per share or a 5% discount to any future equity raising of at least A$10m. Convertible Notes raising A$5m have since been converted at $0.45c per share.

ii) On 5 August 2020, the Company announced it had fully funded the Lake Way Project via the execution of a US$138m (A$203m) debt financing package and a fully underwritten equity placement and accelerated non-renounceable offer for A$98.5m to complete the construction of the Lake Way Project on schedule. The debt financing package is via a Syndicated Facility Agreement with Taurus Mining Finance Fund No.2 L.P. and the Clean Energy Finance Corporation.

Other than as noted above, as at the date of this report there are no matters or circumstances which have arisen since 30 June 2020 that have significantly affected or may significantly affect:

- The operations, in financial years subsequent to 30 June 2020, of the Consolidated Entity;
- The results of those operations, in financial years subsequent to 30 June 2020, of the Consolidated Entity; or
- The state of affairs, in financial years subsequent to 30 June 2020, of the Consolidated Entity.

Directors' Report

Principal Activities

The principal activities of the Group during the financial year consisted of the exploration and development of resource projects. No significant change in nature of these activities occurred during the year.

Directors

The names of the Group's Directors in office at any time during the financial year or since the end of the financial year are:

Current Directors

Mr Ian Middlemas	Chairman
Mr Tony Swiericzuk	Chief Executive Officer (CEO) and Managing Director
Mr Mark Pearce	Non-Executive Director
Mr Bryn Jones	Non-Executive Director
Mr Matthew Bungey	Non-Executive Director (Appointed 14 May 2020)

Former Directors

Mr Matthew Syme	Non-Executive Director (Resigned 23 July 2019)

Unless otherwise stated, Directors held their office from 1 July 2019 until the date of this report.

Directors and Officers

Mr Ian Middlemas B.Com, CA
Chairman

Mr Middlemas is a Chartered Accountant, a member of the Australian Institute of Company Directors and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a Director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed a Director of the Company on 21 January 2010 and Chairman on 29 August 2014. During the three year period to the end of the financial year, Mr Middlemas has held directorships in Constellation Resources Limited (November 2017 – present), Apollo Minerals Limited (July 2016 – present), Paringa Resources Limited (October 2013 – present), Berkeley Energia Limited (April 2012 – present), Prairie Mining Limited (August 2011 – present), Equatorial Resources Limited (November 2009 – present), Piedmont Lithium Limited (September 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present) and Cradle Resources Limited (May 2016 – July 2019).

Mr Tony Swiericzuk BEng (Hons), MBA, GAICD
CEO and Managing Director

Mr Swiericzuk is a Mining Engineer with outstanding credentials as a builder and operator of mining projects, having recently been General Manager of the Fortescue Christmas Creek Mine from 2012 to 2017. He oversaw the construction, commissioning and ramp-up of this project from 15Mtpa to 60Mtpa in his initial 2 year period, then proceeded to optimise the operation and help drive Fortescue Metals Group Limited (FMG) to become the world's lowest cost iron ore producer.

In his initial years at FMG Mr Swiericzuk was General Manager Port Operations in Port Hedland and managed the ports ramp up from 20Mtpa to 60Mtpa from 2009 to 2011.

Mr Swiericzuk was appointed a Director of the Company on 5 November 2018. Mr Swiericzuk has not held any other Directorships in the three year period up until the end of the financial year.

Mr Matthew Bungey B.Chem Eng (Hons), B.Sci, MBA
Non-Executive Director

Mr Bungey is a Chemical Engineer with over 20 years' experience in natural resources. He commenced his career as a Process Engineer with BHP at Centre for Minerals Technology in the United States where he was responsible for process design and research into bacterial leaching of copper-sulphide ore. He then spent several years in the Marketing Division of BHP Billiton based in The Hague. Mr Bungey was most recently a Managing Director and Head of Mining and Metals with Barclays Investment Bank in London.

Mr Bungey was appointed Non-Executive Director of the Company on 14 May 2020.

Mr Bryn Jones BAppSc, MMinEng, FAusIMM
Non-Executive Director

Mr Jones is a Chemical Engineer with over 20 years management experience in industrial processing in commercial and mining operations around the world, including potash and phosphate projects.

Mr Jones was appointed a Director of the Company on 12 June 2017. During the three year period to the end of the financial year, Mr Jones has held directorships in Uranium Equities Limited (September 2009 – present) and Phosenergy Limited (July 2013 – present).

Mr Mark Pearce B.Bus, CA, FCIS, FFin

Non-Executive Director

Mr Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed resource companies. Mr Pearce is also a Fellow of the Institute of Chartered Secretaries and Administrators and a Fellow of the Financial Services Institute of Australasia.

Mr Pearce was appointed a Director of the Company on 29 August 2014. During the three year period to the end of the financial year, Mr Pearce has held directorships in Apollo Minerals Limited (July 2016 – present), Constellation Resources Limited (July 2016 – present), Prairie Mining Limited (August 2011 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – September 2020) and Piedmont Lithium Limited (September 2009 – August 2018).

Mr Shaun Day B.Com. CA, AICD
Chief Financial Officer

Mr Day is a Chartered Accountant and experienced CFO with over 20 years of experience in executive and financial positions across mining and infrastructure, investment banking and international accounting firms. Mr Day was previously CFO of Northern Star Resources, overseeing company's market cap expansion from A$700m to A$8bn

Mr Day was appointed Chief Financial Officer of the Company on 16 September 2019.

Mr Clint McGhie B.Com, CA, ACIS, FFin
Company Secretary

Mr McGhie is an experienced Chartered Accountant and Company Secretary who commenced his career at a large international accounting firm and has since been involved with a number of ASX and AIM listed exploration and development companies operating in the resources sector, including Apollo Minerals Limited, Berkeley Energia Limited and Sovereign Metals Limited. Mr McGhie is an Associate Member of the Governance Institute of Australia (Chartered Secretary), and a Fellow of the Financial Services Institute of Australasia.

Mr McGhie was appointed Company Secretary of the Company on 10 August 2018.

Directors and Officers (Continued)

Directors' Interests

As at the date of this report, the Directors' interests in the securities of the Company are as follows:

	Interest in securities at the date of this report		
	Ordinary Shares[1]	Incentive Options[2]	Performance Rights[3]
Mr Ian Middlemas	17,000,000	-	-
Mr Tony Swiericzuk	4,416,146	5,000,000	5,788,324
Mr Mark Pearce	4,450,000	-	50,000
Mr Bryn Jones	65,625	-	50,000
Mr Matthew Bungey	1,494,075	450,000	1,500,000

Notes:

1 **Ordinary Shares** means fully paid Ordinary Shares in the capital of the Company.
2 **Incentive Options** means an unlisted share option to subscribe for one Ordinary Share in the capital of the Company.
3 **Performance Rights** means Performance Rights issued by the Company that convert to one Ordinary Share in the capital of the Company upon satisfaction of various performance conditions.

Environmental Regulation and Performance

The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities.

There have been no significant known breaches by the Group during the financial year.

Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Share Options, Performance Shares, Performance Rights and Convertible Notes

At the date of this report the following options, performance shares and convertible notes have been issued over unissued Ordinary Shares of the Company:

- 1,000,000 Incentive Options exercisable at $0.60 each on or before 29 April 2021;
- 250,000 Incentive Options exercisable at $0.40 each on or before 30 June 2021;
- 500,000 Incentive Options exercisable at $0.50 each on or before 30 June 2021;
- 750,000 Incentive Options exercisable at $0.60 each on or before 30 June 2021;
- 400,000 Incentive Options exercisable at $0.70 each on or before 30 June 2021;
- 9,375,000 Unlisted Options exercisable at $0.85 each on or before 30 June 2023;
- 2,000,000 Incentive Options exercisable at $0.60 each on or before 1 November 2023;
- 4,650,000 Incentive Options exercisable at $1.00 each on or before 1 November 2023;
- 5,000,000 Incentive Options exercisable at $1.20 each on or before 1 November 2023;
- 1,000,000 Unlisted Options exercisable at $0.702 each on or before 30 June 2023;
- 9,000,000 Unlisted Options exercisable at $0.702 each on or before 4 August 2024;
- 18,560,398 Performance Rights which are subject to various performance conditions to be satisfied prior to the relevant expiry dates between 31 July 2020 and 1 November 2023; and
- 10,000,000 Convertible Notes with a face value of $1.00 each.

During the year ended 30 June 2020, 4,645,000 Ordinary Shares were issued as a result of the conversion of Performance Rights and no Ordinary Shares were issued as a result of the conversion of Incentive Options or Performance Shares. Subsequent to year end and until the date of this report, no Ordinary Shares have been issued as a result of the exercise of Unlisted Options or conversion of Performance Shares or Rights.

Remuneration Report – Audited

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel (KMP) of the Group.

Details of Key Management Personnel

Details of the KMP of the Group during or since the end of the financial year are set out below:

Directors

Mr Ian Middlemas	Chairman
Mr Tony Swiericzuk	Chief Executive Officer (CEO) and Managing Director
Mr Mark Pearce	Non-Executive Director
Mr Bryn Jones	Non-Executive Director
Mr Matthew Bungey	Non-Executive Director (appointed 14 May 2020)
Mr Matthew Syme	Non-Executive Director (resigned 23 July 2019)

Other KMP

Mr Shaun Day	Chief Financial Officer (appointed 16 September 2019)
Mr Clint McGhie	Company Secretary
Mr Stephen Cathcart	Project Director – Technical

Unless otherwise disclosed, the KMP held their position from 1 July 2019 until the date of this report.

Remuneration Policy

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors. In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

(a) the Group is currently focused on undertaking development activities for the Lake Way Project and explorations of its other projects;

(b) risks associated with developing resource companies whilst exploring and developing projects; and

(c) other than profit which may be generated from asset sales, the Company does not expect to be undertaking profitable operations until sometime after the commencement of commercial production on any of its projects.

Executive Remuneration

The Group's remuneration policy is to provide a fixed remuneration component and a performance based component (short term incentive and long term incentive). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Non-cash benefits may include provision of car parking and health care benefits.

Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

In light of the disruption to financial markets from the COVID-19 virus, the Board reviewed KMP's remuneration, and considered it appropriate to reduce fixed remuneration benefits by 40% from April 2020 to June 2020. This decision was taken with a view to increasing the percentage of existing cash reserves that could be applied to the development of the Lake Way Project as the Company pursued full project funding for the Lake Way Project.

Executives may be entitled to receive a fixed dollar amount of Performance Rights each year to reduce the cash component otherwise payable to attract and retain these key executives. These Performance Rights have a short term service based vesting condition and are considered part of fixed remuneration in lieu of cash. Eligible Executives are granted short-term performance rights annually with the number of performance rights issued based on an agreed dollar amount which is divided by the VWAP of the Company's share price at the beginning of the financial year. The Performance Rights vest at 30 June each year. For the year ended 30 June 2020, 402,274 short-term performance rights were issued to KMP (2019: 266,258). These short-term performance rights vested on 30 June 2020, but are yet to be converted to Ordinary shares.

Remuneration Report – Audited (Continued)

Performance Based Remuneration

The Group has adopted an incentive plan comprising the Salt Lake Potash Performance Rights Plan (the Plan) to reward KMP and key employees for short and long-term performance. Shareholders approved the Plan at the Company's Annual General Meeting of Shareholders on 11 November 2019.

The Plan provides for the issuance of performance rights (**Performance Rights**) which, upon satisfaction of the relevant performance conditions attached to the Performance Rights, will result in the issue of an Ordinary Share for each Performance Right. Performance Rights are issued for no consideration and no amount is payable upon conversion thereof.

To achieve its corporate objectives the Company needs to attract and retain its key staff, whether employees or contractors. Grants made to eligible participants under the Plan will assist with the Company's employment strategy and will:

(a) enable the Company to recruit, incentivise and retain KMP and other eligible employees to assist with the completion of feasibility studies, funding, construction and commissioning, and operations for the Lake Way Project to achieve the Company's strategic objectives;

(b) link the reward of eligible employees with the achievement of strategic goals and the long term performance of the Company;

(c) align the financial interests of eligible participants of the proposed Plan with those of Shareholders; and

(d) provide incentives to eligible employees of the Plan to focus on superior performance that creates Shareholder value.

Performance Rights granted under the Plan to eligible participants will be linked to individual short-term service based vesting conditions or the achievement by the Company of certain long-term performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. The Performance Rights also vest where there is a change of control of the Company. Upon Performance Rights vesting, Ordinary Shares are automatically issued for no consideration. If a performance condition of a Performance Right is not achieved by the expiry date then the Performance Right will lapse.

Performance Based Remuneration – Short Term Incentive

No cash bonuses are payable as at 30 June 2020 and no current KMP are entitled to an annual cash incentive payment under their employment agreements.

Performance Based Remuneration – Long Term Incentive

During the current and prior financial year, Performance Rights were granted to certain KMP and other employees and contractors with certain performance conditions that reward key staff upon the achievements of strategic goals in relation to the Company's Projects including: (a) commencement of construction activities; (b) completion of construction and commissioning activities; (c) achievement of steady state production levels; (d) advancing schedules; (e) reducing project capital expenditure; (f) obtaining regulatory mining approvals and licences; (g) receiving project finance; and (h) marketing and offtake activities. Refer to Note 23 in the financial statements for information on the terms of the long term incentives. A total of 472,500 Performance Rights relating to the completion of the Bankable Feasibility Study and 4,172,500 Performance Rights relating to trench construction activities vested during the year ended 30 June 2020. As such, 4,645,000 Ordinary Shares were issued (to KMP and other eligible employees) that pertained to long term performance based incentives.

In addition, the Board may issue incentive options where appropriate to some executives as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the executives and to provide an incentive linked to the performance of the Company. The Board considers that each executive's experience in the resources industry will greatly assist the Company in progressing its projects to the next stage of development and the identification of new projects. As such, the Board believes that the number of incentive securities (either options or rights) granted to executives is commensurate to their value to the Company.

Incentive options granted to executives generally have exercise prices at or above the market share price at the time of agreement. As such, incentive options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Company increases sufficiently to warrant exercising the incentive options granted. Other than service-based vesting conditions, there are generally no additional performance criteria on the incentive options granted to executives, as given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the executives and the performance and value of the Company are closely related.

During the current financial year, incentive options and performance rights were granted to certain KMP to further align shareholders interests with those of senior management and also aid in keeping intellectual property and construction/production experience with the Company throughout this pivotal period in the lifecycle of Salt Lake.

The Company prohibits executives from entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

Non-Executive Director Remuneration

The Board's policy is for fees to Non-Executive Directors to be no greater than market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, Unlisted Options and Performance Rights may also be used to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors ($200,000 p.a) is subject to approval by shareholders at a General Meeting. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and given the current size, nature and opportunities of the Company, Non-Executive Directors may receive Unlisted Options or Performance Rights in order to secure and retain their services.

Fees for the Chairman are presently $36,000 per annum (2019: $36,000) and fees for Non-Executive Directors' are presently set at $20,000 per annum (2019: $20,000). These fees cover main board activities only. Only Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees. The Company prohibits Non-Executive Directors entering into arrangements to limit their exposure to Unlisted Options and Performance Rights granted as part of their remuneration package.

During the 2020 financial period and in light of the disruption to financial markets caused by the COVID-19 virus, the Board considered it appropriate to reduce fixed remuneration benefits by 40% from April 2020 to 30 June 2020. This decision was taken to increase the percentage of existing cash reserves that could be applied to the development of the Lake Way Project as the Company pursued full project funding.

Relationship between Remuneration of KMP and Shareholder Wealth

During the Company's current development phase of its business, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the development of the Lake Way Project and exploration of its other resource projects. Accordingly, the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Board did not determine, and in relation to, the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Company traded between the beginning and end of the current and the previous four financial years. Discretionary annual cash incentive payments (if paid) are based upon achieving various non-financial key performance indicators as detailed under "Performance Based Remuneration – Short Term Incentive" and are not based on share price or earnings. As noted above, certain KMP may receive Performance Rights with short-term service based vesting conditions, where the number of Performance Rights issued is determined with reference to a dollar amount divided by the VWAP of the Company's share price at the beginning of the financial year. The value of this short-term incentive will increase or decrease in line with the Company's share price during the financial year. Further, Unlisted Options will generally will be of greater value to KMP in the future if the value of the Company's shares increases sufficiently to warrant exercising the Unlisted Options.

Relationship between Remuneration of KMP and Earnings

As discussed above, the Company is currently constructing the Lake Way Project and expects to be undertaking profitable operations following completion of construction, commissioning and ramp up and sales of sulphate of potash from Lake Way. Accordingly the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

Remuneration Report – Audited (Continued)

Emoluments of Directors and Executives

Details of the nature and amount of each element of the emoluments of each Director and KMP of Salt Lake Potash Limited are as follows:

2020	Short-term incentives						
	Salary and Fees $	Cash Incentive Payments $	Non Cash Benefits $	Post-employment Benefits $	Share-based Payments $	Total $	Performance Related %
Directors							
Mr Ian Middlemas[1]	32,520	-	-	3,089	-	35,609	-
Mr Tony Swiericzuk[2]	315,583	-	-	24,281	1,894,416	2,234,280	85%
Mr Matthew Syme[3]	20,876	-	-	119	7,952	28,947	27%
Mr Mark Pearce[4]	18,000	-	-	1,710	(8,555)	11,155	-
Mr Bryn Jones[5]	23,625	-	-	1,710	(4,939)	20,396	-
Mr Matthew Bungey[6]	25,452	-	-	138	4,431	30,021	15%
Other KMP							
Mr Shaun Day[7]	209,167	-	-	16,933	1,595,327	1,821,427	88%
Mr Clint McGhie	226,389	-	-	21,507	151,013	398,909	38%
Mr Stephen Cathcart	249,028	-	-	22,814	580,038	851,880	68%
Total	**1,120,640**	**-**	**-**	**92,301**	**4,219,683**	**5,432,624**	

Notes:

1 As at 30 June 2020, $35,609 is payable to Mr Middlemas by the Company relating to fees and superannuation.
2 As at 30 June 2020, $37,323 is payable to Mr Swiericzuk by the Company relating to fees and superannuation.
3 Mr Syme resigned as a Non-Executive Director effective 23 July 2019.
4 As at 30 June 2020, Mr Pearce has an outstanding amount of $3,285 payable by the Company relating to fees and superannuation.
5 Mr Jones received Director fees of $18,000 and consulting fees of $5,625. As at 30 June 2020, $3,285 is payable to Mr Jones by the Company relating to fees and superannuation in his capacity as a Director of the Company.
6 Mr Bungey was appointed Non-Executive Director effective 14 May 2020. Mr Bungey received Directors fees of $1,452 and consulting fees of $24,000 since his appointment as KMP. As at 30 June 2020, $25,590 is payable to Mr Bungey by the Company relating to fees and superannuation incurred as a KMP.
7 Mr Day was appointed Chief Financial Officer effective 16 September 2019.

2019	Salary and fees $	Short-term incentives Cash Incentive Payments $	Non Cash Benefits[8] $	Post-employment benefits $	Share-based payments $	Total $	Performance related %
Directors							
Mr Ian Middlemas	36,000	-	-	3,420	-	39,420	-
Mr Tony Swiericzuk[1]	231,090	-	-	16,667	1,125,276	1,373,033	82%
Mr Matthew Syme[2]	115,833	-	7,159	11,004	(195,752)	(61,756)	-
Mr Mark Pearce	20,000	-	-	1,900	1,599	23,499	7%
Mr Bryn Jones[3]	110,566	-	-	1,900	6,136	118,602	5%
Other KMP							
Mr Clint McGhie[4]	214,058	-	-	21,523	62,205	297,786	21%
Mr Stephen Cathcart[5]	180,513	-	-	16,586	277,108	474,207	58%
Mr David Maxton[6]	257,435	-	-	13,656	-	271,091	-
Mr Sam Cordin[7]	21,984	-	-	1,516	(37,473)	(13,973)	-
Total	**1,187,479**	**-**	**7,159**	**88,172**	**1,239,099**	**2,521,909**	

Notes:
1 Mr Swiericzuk was appointed Managing Director and Chief Executive Officer effective 5 November 2018.
2 Mr Syme transitioned from Managing Director and Chief Executive Officer to Non-Executive Director effective 5 November 2018. He resigned as a Non-Executive Director effective 23 July 2019.
3 Mr Jones received Director fees of $20,000 and consulting fees of $90,566 for additional services provided to the Company.
4 Mr McGhie was appointed Company Secretary effective 10 August 2018.
5 Mr Cathcart was appointed Project Director – Technical effective 6 November 2018.
6 Mr Maxton resigned as Chief Operating Officer effective 21 December 2018.
7 Mr Cordin resigned as Company Secretary effective 10 August 2018.
8 Non-cash benefits include life insurance premiums paid for Mr Syme.

Remuneration Report – Audited (Continued)

Options and Performance Rights Granted to KMP

Details of Incentive Options (**Options**) and Performance Rights (**Rights**) granted by the Company to each KMP of the Group during the financial year are as follows:

2020	Rights/ Options[1]	Grant Date	Vesting Date	Expiry Date	Exercise Price $	Grant Date Fair Value[1] $	No. Granted	No. Vested at 30 June 2020	Max amount to be recognised in future years
Directors									
Mr Tony Swiericzuk	Rights	11-Nov-19	30-Jun-20	31-Jul-20	-	$0.82	266,258	266,258[2]	-
Other KMP									
Mr Shaun Day	Options	16-Sep-19	21-Jul-21	1-Nov-23	$1.00	$0.30	1,500,000	-	269,213
Mr Shaun Day	Options	16-Sep-19	21-Jul-21	1-Nov-23	$1.20	$0.25	1,500,000	-	228,885
Mr Shaun Day	Rights	16-Sep-19	-	1-Nov-21	-	$0.86	750,000	-[3]	406,871
Mr Shaun Day	Rights	16-Sep-19	-	1-Nov-21	-	$0.86	750,000	-[4]	406,871
Mr Shaun Day	Rights	16-Sep-19	-	1-Nov-22	-	$0.86	750,000	-[5]	406,871
Mr Shaun Day	Rights	16-Sep-19	-	1-Nov-23	-	$0.86	750,000	-[6]	406,871
Mr Shaun Day	Rights	16-Sep-19	30-Jun-20	31-Jul-20	-	$0.86	113,750	113,750[2]	-
Mr Stephen Cathcart	Rights	1-Jul-19	30-Jun-20	31-Jul-20	-	$0.74	144,162	144,162[2]	-

Notes:

1 For details on the valuation of the Performance Rights or Options, including models and assumptions used, please refer to Note 23 to the financial statements.
2 Each Performance Right converts into one Ordinary Share of Salt Lake Potash Limited upon satisfaction of the Short Term Incentives performance condition.
3 Each Performance Right converts into one Ordinary Share of Salt Lake Potash Limited upon satisfaction of the Trench/Pond Construction performance condition.
4 Each Performance Right converts into one Ordinary Share of Salt Lake Potash Limited upon satisfaction of the Plant Construction performance condition.
5 Each Performance Right converts into one Ordinary Share of Salt Lake Potash Limited upon satisfaction of the Plant Commissioning performance condition.
6 Each Performance Right converts into one Ordinary Share of Salt Lake Potash Limited upon satisfaction of the Nameplate Capacity performance condition.

Options and Performance Rights Granted to KMP (Continued)

During the 2020 financial year, 3,296,236 Performance Rights held by KMP vested, and 1,000,000 Incentive Options held by KMP vested. Details of the values of Incentive Options and Performance Rights (**Securities**) granted, exercised or lapsed for each KMP of the Group during the 2020 financial year are as follows:

2020	Rights/ Options	Securities Granted Value at Grant Date[1] $	Securities Exercised Value at Exercise Date $	Securities Lapsed Value at Time of Lapse $	Value of Securities included in Remuneration for the Period $	Percentage of Remuneration for the Period that Consists of Securities %
Directors						
Mr Tony Swiericzuk	Rights	235,272	-	-	235,272	58%
Mr Tony Swiericzuk	Rights	-	762,945	-	531,164	58%
Mr Tony Swiericzuk	Rights	-	-	-[2]	(122,479)	-
Mr Mark Pearce	Rights	-	-	-[3]	(25,310)	-
Mr Bryn Jones	Rights	-	-	-[4]	(21,544)	-
Mr Matthew Bungey	Rights	-	-	-[5]	(41,589)	-
Other KMP						
Mr Shaun Day	Options	822,652	-	-	324,553	20%
Mr Shaun Day	Rights	-	646,500	-	646,500	70%
Mr Shaun Day	Rights	2,684,053	-	-	1,270,774	70%
Mr Clint McGhie	Rights	-	100,227	-	75,410	38%
Mr Stephen Cathcart	Rights	107,401	-	-	107,401	46%
Mr Stephen Cathcart	Rights	-	150,340	-	56,557	46%
Mr Stephen Cathcart	Rights	-	-	-[6]	(61,239)	-
Total		**3,849,378**	**1,660,012**	-	**2,975,470**	

Notes:

1 For details on the valuation of the Performance Rights, including models and assumptions used, please refer to Note 23 of the financial statements.

2 During the 2020 financial year, 266,258 Performance Rights granted to Mr Swiericzuk in the 2019 financial year lapsed. 266,258 Ordinary Shares were issued to Mr Swiericzuk in lieu of vested rights that expired whilst the Company was in a closed period.

3 During the 2020 financial year, 50,000 Performance Rights granted to Mr Pearce in the 2017 financial year lapsed.

4 During the 2020 financial year, 50,000 Performance Rights granted to Mr Jones in the 2017 financial year lapsed.

5 During the 2020 financial year, 750,000 Performance Rights granted to Mr Bungey in the 2019 financial year lapsed.

6 During the 2020 financial year, 133,129 Performance Rights granted to Mr Cathcart in the 2019 financial year lapsed. 133,129 Ordinary Shares were issued to Mr Cathcart in lieu of vested rights that expired whilst the Company was in a closed period.

Remuneration Report – Audited (Continued)

Equity instruments held by KMP

Options and Performance Rights holdings of Key Management Personnel

2020	Held at 1 July 2019	Granted as Remuneration	Options Exercised/ Rights Converted	Forfeited/ Lapsed Options/ Rights	Held at 30 June 2020	Vested and exerciseable at 30 June 2020
Directors						
Mr Ian Middlemas	-	-	-	-	-	-
Mr Tony Swiericzuk	12,266,258	288,234	(1,500,000)	(266,258)[1]	10,788,324	1,288,324
Mr Matthew Syme	2,750,000	-	-	-	2,750,000[2]	1,750,000[2]
Mr Mark Pearce	150,000	-	(50,000)	(50,000)	50,000	-
Mr Bryn Jones	150,000	-	(50,000)	(50,000)	50,000	-
Mr Matthew Bungey	1,950,000[3]	-	-	(750,000)	1,200,000	100,000
Other KMP						
Mr Shaun Day	-	6,113,750	(750,000)	-	5,363,750	113,750
Mr Clint McGhie	800,000	-	(200,000)	-	600,000	-
Mr Stephen Cathcart	3,133,129	144,162	(300,000)	(133,129)[1]	2,844,162	444,162
Total	**21,199,387**	**6,546,146**	**(2,850,000)**	**(1,249,387)**	**23,646,146**	**3,696,236**

Notes:
1 These Performance Rights had vested at 30 June 2019 but subsequently expired. The Company received shareholder approval to issue an equivalent number of shares to Mr Swiericzuk and Mr Cathcart.
2 At date of resignation.
3 At date of appointment.

Ordinary Shareholdings of Key Management Personnel

2020	Held at 1 July 2019	Granted as Remuneration	Options Exercised/ Rights Converted	Net Other Change	Held at 30 June 2020
Directors					
Mr Ian Middlemas	11,750,000	-	-	2,500,000	14,250,000
Mr Tony Swiericzuk	952,381	266,258	1,500,000	1,297,507	4,016,146
Mr Matthew Syme	5,250,000	-	-	-	5,250,000[2]
Mr Mark Pearce	4,000,000	-	50,000	-	4,050,000
Mr Bryn Jones	-	-	50,000	-	50,000
Mr Matthew Bungey	1,394,075[1]	-	-	-	1,394,075
Other KMP					
Mr Shaun Day	-[1]	-	750,000	138,655	888,655
Mr Clint McGhie	300,000	-	200,000	-	500,000
Mr Stephen Cathcart	238,095	133,129	300,000	118,561	789,785
Total	**23,884,551**	**399,387**	**2,850,000**	**4,804,723**	**31,188,661**

Notes:
1 At date of appointment.
2 At date of resignation.

Employment Contracts with Directors and KMP

Mr Tony Swiericzuk, Chief Executive Officer, is an employee of the Company. He has an Executive Services Agreement with a rolling annual term and can be terminated by the Company by giving three months' notice. No amount is payable in the event of termination for cause. Mr Swiericzuk receives a fixed remuneration component of $350,000 per annum plus statutory superannuation. Mr Swiericzuk also receives a short term incentive comprised of performance rights to the value of $200,000 per annum, as well as long term incentives identified in the remuneration report.

Mr Bryn Jones, Non-Executive Director, has a consulting agreement with the Company, which provides for a consultancy fee at the rate of $1,500 per day for management and technical services provided by Mr Jones. Termination of the agreement can be made at any time without penalty or payment by giving four weeks' notice. In addition, Mr Jones receives a fixed remuneration component of $20,000 per annum plus superannuation as previously set by the Board for Non-Executive Directors.

Mr Matthew Bungey, Non-Executive Director, has a consulting agreement with the Company, which provides for a consultancy fee of $1,250 per day for financial consulting services provided by Mr Bungey. Termination of the agreement can be made at any time without penalty or payment by giving four weeks' notice. In addition, Mr Bungey receives a fixed remuneration component of $20,000 per annum plus superannuation as previously set by the Board for Non-Executive Directors.

Mr Shaun Day, Chief Financial Officer, is an employee of the Company. He has an Executive Services Agreement with a rolling annual term and can be terminated by the Company by giving three months' notice. No amount is payable in the event of termination for cause. Mr Day receives a fixed remuneration component of $300,000 per annum plus statutory superannuation. Mr Day is entitled to receive a short term incentive comprised of performance rights to the value of $100,000 per annum, as well as long term incentives identified in the remuneration report.

Mr Clint McGhie, Company Secretary, is an employee of the Company. The employment contract has a rolling annual term and may be terminated by the Company by giving three months' notice. No amount is payable in the event of termination for cause. Mr McGhie receives a fixed remuneration component of $250,000 per annum plus statutory superannuation and performance incentives as identified in the remuneration report.

Mr Stephen Cathcart, Project Director – Technical, is an employee of the Company. The contract has a rolling annual term and may be terminated by the Company by giving three months' notice. No amount is payable in the event of termination for cause. Mr Cathcart receives a fixed remuneration component of $275,000 per annum plus statutory superannuation. Mr Cathcart also receives a short term incentive comprised of performance rights to the value of $100,000 per annum, as well as long term incentives identified in the remuneration report.

All fixed remuneration and fees pertaining to the employment contracts noted above were reduced by 40% between April 2020 to June 2020 as a result of COVID-19 and the Board taking a more prudent approach with its cash management.

Key Management Personnel Loans

No loans were provided to or received from Key Management Personnel during the year ended 30 June 2020 (2019: Nil).

Other Transactions

No other related party transactions were entered into in the 2020 Financial year (2019: $100,000).

End of Remuneration Report

Directors' Meetings

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

Board Meetings	Number eligible to attend	Number attended
Mr Ian Middlemas	5	4
Mr Tony Swiericzuk	5	5
Mr Mark Pearce	5	5
Mr Bryn Jones	5	5
Mr Matthew Bungey	1	1
Mr Matthew Syme	0	0

There were no Board committees during the financial year. The Board as a whole currently performs the functions of an Audit Committee, Risk Committee, Nomination Committee, and Remuneration Committee, however this will be reviewed should the size and nature of the Company's activities change.

Indemnification and Insurance of Directors and Officers

The Company has indemnified the directors of the Company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Non-Audit Services

Non-audit services provided by our auditors, Ernst & Young and related entities, are set out below. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

	2020 $	**2019** $
Tax and other advisory services	36,996	11,566
	36,996	**11,566**

Proceedings on Behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 84 of the Annual Report.

Signed in accordance with a resolution of the Directors.

Tony Swiericzuk
Chief Executive Officer
25 September 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Notes	30 June 2020 $	30 June 2019 $
Interest income		161,612	135,952
Government grant income		170,000	-
Research and Development Tax Incentive rebate		4,459,520	1,652,110
Exploration and evaluation expenses		(12,554,091)	(13,745,503)
Pre-Development expenses		(13,017,398)	(8,513,393)
Corporate and administrative expenses		(3,574,369)	(3,257,046)
Business development expenses		(4,712,057)	(865,860)
Loss on disposal of asset		(11,036)	-
Unrealised/Realised foreign exchange gain/(loss)		1,311,104	-
Finance costs		(995,832)	-
Share based payment expense	3	(6,504,826)	(2,302,381)
Loss before tax		**(35,267,373)**	**(26,896,121)**
Income tax benefit	4	19,657,371	-
Total comprehensive loss for the year		**(15,610,002)**	**(26,896,121)**
Basic and diluted loss per share attributable to the ordinary equity holders of the company (cents per share)	19	(5.46)	(13.74)

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2020

	Notes	30 June 2020 $	30 June 2019 $
Assets			
Current Assets			
Cash and cash equivalents	5	7,030,418	19,304,075
Trade and other receivables	6	4,032,181	923,036
Inventory	7	1,534,657	-
Total Current Assets		**12,597,256**	**20,227,111**
Non-Current Assets			
Security deposits		76,121	-
Property, plant and equipment	8	3,401,527	763,566
Right of use assets	9	5,617,305	-
Exploration and evaluation expenditure	10	2,276,736	2,276,736
Mine development	11	116,780,737	-
Deferred tax assets	4	21,056,646	-
Total Non-Current Assets		**149,209,072**	**3,040,302**
Total Assets		**161,806,328**	**23,267,413**
Liabilities			
Current Liabilities			
Trade and other payables	12	28,170,764	7,709,590
Interest bearing loans	13	63,840,117	-
Non interest bearing loans		7,202	7,202
Lease liabilities	14	1,332,297	11,828
Provisions	15	670,989	79,368
Total Current Liabilities		**94,021,369**	**7,807,988**
Non-Current Liabilities			
Lease liabilities	14	4,420,748	27,163
Non interest bearing loans		4,801	12,003
Provisions	15	3,837,061	711,885
Total Non-Current Liabilities		**8,262,610**	**751,051**
Total Liabilities		**102,283,979**	**8,559,039**
Net Assets		**59,522,349**	**14,708,374**
Equity			
Contributed equity	16	209,611,743	155,917,578
Reserves	17	10,605,822	4,273,967
Accumulated losses		(160,695,216)	(145,483,171)
Total Equity		**59,522,349**	**14,708,374**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

	Contributed Equity $	Share-Based Payment Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2019	**155,917,578**	**4,273,967**	**(145,483,171)**	**14,708,374**
Net loss for the year	-	-	(15,610,002)	(15,610,002)
Total comprehensive loss for the year	**-**	**-**	**(15,610,002)**	**(15,610,002)**
Shares issued from placements	50,890,601	-	-	50,890,601
Shares issued on exercise of options	142,500	(142,500)	-	-
Shares issued in connection to conversion of performance rights	2,600,687	(2,600,687)	-	-
Shares issued to employees	430,827	-	-	430,827
Shares issued in lieu of fees	12,000	-	-	12,000
Incentive options expired	-	(153,000)	153,000	-
Performance rights expired	-	(244,957)	244,957	-
Share issue costs	(1,781,725)	-	-	(1,781,725)
Deferred tax asset recognised in equity	1,399,275	-	-	1,399,275
Options issued as transaction costs for the interest bearing liability	-	3,411,000	-	3,411,000
Share based payment expense	-	6,061,999	-	6,061,999
Balance at 30 June 2020	**209,611,743**	**10,605,822**	**(160,695,216)**	**59,522,349**
Balance at 1 July 2018	**123,501,153**	**2,105,886**	**(118,587,050)**	**7,019,989**
Net loss for the year	-	-	(26,896,121)	(26,896,121)
Total comprehensive loss for the year	**-**	**-**	**(26,896,121)**	**(26,896,121)**
Shares issued from placements	33,250,000	-	-	33,250,000
Shares issued on exercise of options	300,000	-	-	300,000
Shares issued in lieu of fees	467,633	-	-	467,633
Share issue costs	(1,601,208)	-	-	(1,601,208)
Share based payment expense	-	2,168,081	-	2,168,081
Balance at 30 June 2019	**155,917,578**	**4,273,967**	**(145,483,171)**	**14,708,374**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

	Notes	30 June 2020 $	30 June 2019 $
Cash flows from operating activities			
Payments to suppliers and employees		(39,553,535)	(20,130,140)
R&D tax incentive received		912,766	1,652,110
Interest received		167,618	144,043
Interest paid		(19,229)	-
Government grants received		170,000	-
Payment for security deposits		(76,121)	-
Net cash outflow from operating activities	**18(a)**	**(38,398,501)**	**(18,333,987)**
Cash flows from investing activities			
Payment for mine properties		(10,000,000)	-
Payments for property, plant and equipment		(2,374,829)	(357,321)
Proceeds from sale of assets		35,455	-
Payments for mine development		(76,208,627)	-
Net cash outflow from investing activities		**(88,548,001)**	**(357,321)**
Cash flows from financing activities			
Proceeds from issue of shares		50,890,601	33,550,000
Payment of transaction costs from issue of shares		(1,781,725)	(1,250,434)
Receipt of borrowings		66,599,796	-
Transaction costs related to interest bearing loans		(982,101)	-
Lease payments		(411,539)	(13,629)
Net cash inflow from financing activities		**114,315,032**	**32,285,937**
Net (decrease)/increase in cash and cash equivalents held		(12,631,470)	13,594,629
Cash and cash equivalents at the beginning of the year		19,304,075	5,709,446
Effect of exchange rate fluctuations on cash held		357,813	
Cash and cash equivalents at the end of the year	**5**	**7,030,418**	**19,304,075**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Statement of Significant Accounting Policies

The significant accounting policies adopted in preparing the financial report of Salt Lake Potash Limited (**Salt Lake** or **Company**) and its consolidated entities (**Consolidated Entity** or **Group**) for the year ended 30 June 2020 are stated to assist in a general understanding of the financial report.

Salt Lake is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (**ASX**), and the AIM Market (**AIM**) of the London Stock Exchange.

The financial report of the Group for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors on 23 September 2020.

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ("**AASBs**") and other authoritative pronouncements of the Australian Accounting Standards Board ("**AASB**") and the *Corporations Act 2001*. The Group is a for-profit entity for the purposes of preparing the consolidated financial statements.

The financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars.

Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board.

Going concern

The consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2020, the Consolidated Entity incurred a net loss of $15,610,002 (2019: $26,896,121), experienced net cash outflows from operating and investing activities of $126,946,502 (2019: $18,691,308) and held cash and cash equivalents of $7,030,418 (2019: $19,304,075).

Since 30 June 2020, the Company has secured multiple sources of capital to enable the Company to fund the Company's operations through the development of the Lake Way project. On 2 July 2020, the Company secured A$15m of capital via the placement of unsecured zero-coupon Convertible Notes to corporate and institutional investors and on 5 August 2020, announced a A$203m (US$138m) debt financing and fully underwritten A$98.5m equity raising to enable first production. Equity funds have been received, whilst draw down of part of the debt financing remains subject to satisfaction of all conditions precedent. As such, the Company continues to construct the Lake Way Project on schedule and in line with the capex budget of A$264m announced 15 June 2020 and will have sufficient funds to meet currently committed expenditure.

Due to the uncertain timing of revenue receipts, and in order for the Company to begin investigating bringing additional lakes online, the Company may require additional funds to continue as a going concern. The Company has demonstrated that it can secure funds from multiple sources. It addition, the Directors have been involved in a number of recent successful capital raisings for the Company and for other listed resource companies and are satisfied that they will be able to raise additional capital if and when required to enable the Consolidated Entity to meet its obligations as and when they fall due. Accordingly, the Directors consider that it is appropriate to prepare the financial statements on the going concern basis.

In the event that the Consolidated Entity is unable to achieve the matters referred to above, uncertainty would exist that may cast doubt on the ability of the Consolidated Entity to continue as a going concern.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity be unable to continue as a going concern.

(b) New Accounting Standards Interpretations and Amendments adopted by the Group (Continued)

Since 1 July 2019, the Consolidated Entity has adopted all Accounting Standards and Interpretations effective from 1 July 2019. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year. The Consolidated Entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several new and amended Accounting Standards and Interpretations applied for the first time from 1 July 2019. These did not have an impact on the consolidated financial statements of the Consolidated Entity with the exception of *AASB 16 Leases*.

AASB 16 Leases

During February 2016, the AASB issued AASB 16, which replaces the leases guidance in AASB 117 Leases and related interpretations. Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 did not have an impact for leases where the Group is the lessor.

The Group has applied AASB 16 for the first time on 1 July 2019, using the modified retrospective approach. Thus, no restatement of comparative information. The Group elected to use the practically expedient transition provisions which allow for the standard to be applied only to contracts that were previously identified as leases applying AASB 117 and related interpretations at the date of initial application. The Group also applied the practical expedients wherein it applied the short-term leases exemptions to leases with a lease term that ends within 12 months at the date of initial application. The Group has also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The Group has lease contracts over office leases, car bays, site communication equipment and a permanent village. Before the adoption of AASB 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease is classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group otherwise it was classified as an operating lease.

Finance leases are capitalised at the commencement of the lease using the inception date fair value of the assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between interest (recognised as finance costs) and reduction of the lease liability. Under the previous standard AASB 117, in an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the statement of profit or loss on a straight line basis over the lease term. Any prepaid rent and accrued rent were recognised under prepayments and trade and other payables, respectively.

Upon adoption of AASB 16, the Group applied a single recognition and measurement approach for all leases that it is the lessee, except for short term leases and leases of low value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classify as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under AASB 117). The requirements of AASB 16 were applied on these leases from 1 July 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low value assets. The Group has elected to present right-of-use assets and lease liabilities separately. On transition, the right-of-use assets were recognised based on an amount equal to the lease liabilities. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The discount rate applied was at the range of 3.10% – 8.74%.

1. Summary of Significant Accounting Policies (Continued)

(b) New Accounting Standards Interpretations and Amendments adopted by the Group (Continued)

The effect of adoption AASB 16 as at 1 July 2019 is as follows:

	$
Assets	
Non-current: Right-of-use assets	940,767
Property, plant and equipment previously a finance lease reclassified to right-of-use assets	(47,852)
Total assets	**892,915**
Liabilities	
Current: Lease liabilities	177,187
Non-current: Lease liabilities	715,728
Total liabilities	**892,915**

(i) Reconciliation of operating lease commitments

	$
Operating lease commitments as at 30 June 2019	236,026
Assessment of option periods on leases at 30 June 2019 reasonably certain to be exercised	771,563
Weighted average incremental borrowing rate as at 1 July 2019	3.95%
Discounted operating lease commitments as at 1 July 2019	911,500
Less:	
Commitments relating to short-term leases	(18,585)
Commitments relating to leases of low-value assets	-
Add:	
Commitments relating to leases previously classified as finance leases	38,991
Lease liabilities as at 1 July 2019	**931,906**

AASB Interpretation 23 Uncertainty over Income Tax Treatment

AASB Interpretation 23 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 Income Taxes (AASB 112). It does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit (tax losses), tax bases, unused tax losses, unused tax credit and tax rates; and
- How an entity considers changes in facts and circumstances.

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

The Group applies significant judgment in identifying uncertainties over income tax treatments. For the year ended 30 June 2020, the Group has assessed that the interpretation has not had an impact on the financial statements of the Group.

Due to the Group entering the phase of Mine Development, it is has been deemed probable that future profits will be able to be offset against available prior year tax losses and other deferred tax assets. The Group has recognised a deferred tax asset of $21,056,646 and income tax benefit for the 30 June 2020 period totaling $19,657,371.

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2019 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(e) Financial Assets

Financial assets are recognised when the entity becomes a party to the contractual provisions to the instrument. Trade receivables are initially recognised at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortised cost
- Fair value through profit or loss (**FVPL**)
- Equity instruments at fair value through other comprehensive income (**FVOCI**)
- Debt instruments at fair value through other comprehensive income

All income and expenses relating to financial assets that are recognised in profit or loss are presented within other income or expenses respectively.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (**EIR**) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Consolidated Entity's financial assets at amortised cost include short term deposits and other receivables.

1. Summary of Significant Accounting Policies (Continued)

(e) Financial Assets (Continued)

Impairment

The Group recognises an allowance for Expected Credit Loss (ECL) for all debt instruments not held at fair value through profit or loss. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. An ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables due in less than 12 months, the Group will recognise a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Group will establish a provision matrix for these receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment as sales from product eventuate or significant receivables come to hand.

The Group considers a financial asset in default when contractual payments are 60 days past due. In certain cases, the Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(f) Inventory

Inventories are valued at the lower of cost or net realisable value. Cost is determined primarily on the basis of average costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and cost necessary to make the sale. The cost of raw materials spare parts, freight and indirect costs allocation is the purchase price. The cost of partly processed and saleable products is generally the cost of production including:

- Labour costs, materials and contractor expenses which are directly attributable to the extraction and processing of brine
- The depreciation of mining properties and leases of property plant and equipment used in the extraction and processing of brine and production of Sulphate of Potash and production overheads

Brine inventory quantities are assessed primarily through pumping and flow physicals and grade from assays. If the contained Sulphate of Potash calculated in the brine will not be processed within 12 months after the balance sheet date, it is included within non-current assets.

(g) Property, Plant and Equipment

(i) Recognition and measurement

All classes of property, plant and equipment are measured at historical cost.

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the Statement of Profit or Loss and other Comprehensive Income as incurred.

(ii) Depreciation and Amortisation

Depreciation is provided on a straight line basis on all property, plant and equipment.

	2020	2019
Major depreciation and amortisation periods are:		
Plant and equipment:	22 – 40%	22 – 40%
Computer equipment:	10-50%	10-50%
Lab equipment:	10-50%	10-50%
Motor vehicles:	13%	13%
Software:	50%	50%
Office equipment	1-100%	1-100%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(iii) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(h) Exploration, Evaluation and Pre-Development Expenditure

Expenditure on exploration, evaluation and pre-development is accounted for in accordance with the 'area of interest' method.

Exploration, evaluation and pre-development expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources and early development activities before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

a. the rights to tenure of the area of interest are current; and

b. at least one of the following conditions is also met:

- The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration, evaluation and pre-development expenditure incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred, up to and including costs associated with the preparation of a bankable feasibility study.

(i) Impairment

Capitalised costs are reviewed each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

1. Summary of Significant Accounting Policies (Continued)

(i) Mine Development

Expenditure is distinguished between 'Exploration and evaluation assets' and 'Mine Development' once the work completed to date supports the future development of the project and such development receives appropriate approvals. Following this point, all subsequent expenditure on the construction, installation or completion of ponds and other infrastructure facilities is capitalised in 'Mine Development'. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalised, net of any proceeds received from selling any product produced while testing. After production starts, all assets included in the 'Mine Development' are then transferred to 'Producing mines' and amortisation commences.

Borrowing costs that are directly attributable to the acquisition, construction or production of mine development assets, are also capitalised. Capitalisation of borrowing costs ceases once productions start and assets included in 'Mine Development' are transferred to 'Producing Mines' or are otherwise ready for their intended use or sale.

(j) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 30 days. Payables are carried at amortised cost.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Rehabilitation

The Group is required to decommission and rehabilitate mines or related assets at the end of their producing lives to a condition acceptable to the relevant authorities. A rehabilitation provision is recognised when the Group has a present obligation, whether legal or constructive, as a result of a past event.

The expected cost of any approved decommissioning or rehabilitation programme, discounted to its net present value, is provided when the related environmental disturbance occurs. Until a decision to mine is made, the cost is brought up front and expensed whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure.

Once a decision to mine is made, the rehabilitation cost will be capitalised and amortised over the life of the operation and the increase in net present value of the provision for the expected cost is included in financing expenses. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of the detailed plans prepared. Where there is a change in the expected decommissioning and restoration costs, the value of the provision and any related asset are adjusted and the effect is recognised in the profit or loss on a prospective basis over the remaining life of the operation.

The estimated costs of the rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by potential proceeds from the sale of assets or from plant/site clean up at closure.

The ultimate cost of rehabilitation is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new rehabilitation techniques or experience at other sites. The expected timing of expenditure can also change. Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

In recognising the amount of rehabilitation obligation at each reporting date, judgement is made on the extent of rehabilitation that the Group is responsible for at each reporting date.

(l) Interest Income

Interest income is recognised as it accrues in the Statement of Profit or Loss, using the effective interest method. This methodology exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

(m) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised using the full liability method for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to offset current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation

Salt Lake Potash Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Each entity in the tax group recognises its own current and deferred tax liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the Company. The current tax liability of each tax group entity is then subsequently assumed by the Company. The tax consolidated group has entered a tax sharing agreement whereby each company in the tax group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(n) Employee Entitlements

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits expected to be settled later than 12 months after the year end have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(o) Earnings per Share

Basic earnings per share (**EPS**) is calculated by dividing the net profit attributable to members of the Company for the reporting period, after excluding any costs of servicing equity, by the weighted average number of Ordinary Shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential Ordinary Shares and the effect on revenues and expenses of conversion to Ordinary Shares associated with dilutive potential Ordinary Shares, by the weighted average number of Ordinary Shares and dilutive Ordinary Shares adjusted for any bonus issue.

(p) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1. Summary of Significant Accounting Policies (Continued)

(q) Research and Development Incentive Rebate

Any rebate received for eligible Research and Development activities are offset against the area where the costs were initially incurred. For R&D expenditure that has been capitalised, any claim received will be offset against 'Exploration and Evaluation' or 'Mine Development' in the Consolidated Statement of Financial Position. For R&D expenditure that has been expensed, any claim received will be recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(r) Acquisition of Assets

A group of assets may be acquired in a transaction which is not a business combination. In such cases the cost is allocated to the individual identifiable assets (including intangible assets that meet the definition of and recognition criteria for intangible assets in AASB 138 *Intangible Assets*) acquired and liabilities assumed on the basis of their relative fair values at the date of purchase.

(s) Impairment of Non-Current Assets

The Group assesses at each reporting date whether there is an indication that a non-current asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss and Other Comprehensive Income. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(t) Issued and Unissued Capital

Ordinary Shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Foreign Currencies

(i) Functional and Presentation Currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the Statement Profit or Loss and other Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the other Comprehensive Income.

(iii) Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Items of equity are translated at the historical exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the Statement of Profit or Loss and other Comprehensive Income in the period in which the operation is disposed.

(v) Government Grant Income

Government grants are recognised in the profit or loss on a systematic basis over the period in which the entity recognises as expenses the related costs for which the grants are intended to compensate; i.e matching income and expenses.

If the grant relates to expenses or losses already incurred by the entity, or to provide immediate financial support to the entity with no future related costs, the income is recognised in the period in which it becomes available.

(w) Share-Based Payments

Equity-settled share-based payments are provided to officers, employees, consultants and other advisors. These share-based payments are measured at the fair value of the equity instrument at the grant date. Fair value of options is determined using the Binomial option pricing model. Further details on how the fair value of equity-settled share based payments has been determined can be found in Note 23.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share based payments reserve.

Equity-settled share-based payments may also be provided as consideration for the acquisition of assets or provision of services. Where Ordinary Shares are issued, the transaction is recorded at fair value based on the quoted price of the Ordinary Shares at the date of issue. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

(x) Interest Bearing Loans

Non-derivative financial liabilities other than financial guarantees are initially measured at fair value net of directly attributable transaction costs. These are subsequently measured at amortised cost. Transaction costs that relate to these instruments are included in the calculation of the amortised cost using the effective interest method. Any gains or losses are recognised in profit or loss through the amortisation process and when the financial liabilities is derecognised.

(y) Leases

Pre 1 July 2019 policy

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

(i) Operating Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense in profit and loss on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the financial year in which they are incurred.

(ii) Finance Leases

Leases which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item to the Consolidated Entity are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit and loss. Capitalised leased assets are depreciated over the estimated useful life of the asset or where appropriate, over the estimated life of the mine.

1. Summary of Significant Accounting Policies (Continued)

(y) Leases (Continued)

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

Post 1 July 2019 policy

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

Right-of-use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees and do not include non-lease components of a contract. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the substance of fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low value assets

The Group applies the short term lease recognition exemption to its short term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered of low value (i.e. below $5,000). Lease payments on short term leases and leases of low value assets are recognised as an expense on a straight line basis over the lease term.

(z) Use and Revision of Accounting Estimates, Judgements and Assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

(i) Deferred Tax Assets (Note 4)

Following completion of the Bankable Feasibility Study for the Lake Way Project that demonstrated the technical feasibility and commercial viability of the Project in October 2019, the Group has determined that it is appropriate for the Company to transfer the Lake Way Project 'Exploration and evaluation assets' to 'Mine Development' with effect from 1 November 2019.

Due to the Group entering the phase of Mine Development, it has been deemed probable that future profits will be able to be offset against available prior year tax losses and other deferred tax assets. The Group has recognised a deferred tax asset of $21,056,646 and income tax benefit for the 30 June 2020 period totalling $19,657,371.

In determining the recoverability of deferred tax assets, management prepare and review an analysis of estimated future results which support the future realisation of deferred tax assets. The estimated future profitability results are judgemental and involves a number of key assumptions. These assumptions are also used for impairment assessments referred to in the notes below. To the extent that cash flows and taxable income differ significantly from estimates, the ability of the Group to realise recognised deferred tax assets would be impacted.

(ii) Research and Development (Note 6)

The Group is entitled to claim R&D tax incentives in Australia. The R&D tax incentive is calculated using the estimated R&D expenditure multiplied by 43.5% non-refundable tax offset. For the 2020 financial year, the Group has accounted for this incentive as other income in within the Statement of Profit or Loss and Other Comprehensive Income.

(iii) Inventory (Note 7)

Certain estimates, including expected Sulphate of Potash recoveries are calculated by engineers using available industry, engineering and scientific data. Estimates are periodically reassessed by the Group taking into account technical analysis and historical performance. Changes in estimates are adjusted for on a prospective basis.

(iv) Right of Use Assets and Lease Liabilities (Note 9 and Note 14)

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of one to four years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

(v) Exploration and Evaluation Expenditure (Note 10)

The future recoverability of exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related area of interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

To the extent that exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

(vi) Mine Rehabilitation (Note 15)

The Group assesses its mine rehabilitation provision in accordance with the accounting policy stated in Note 1(k). In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of those future costs and the estimated level of inflation. The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. The expected timing of expenditure can also change. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

1. Summary of Significant Accounting Policies (Continued)

(z) Use and Revision of Accounting Estimates, Judgements and Assumptions (Continued)

(vii) Share-Based Payments (Note 23)

The assessed fair value at grant date of options granted as share-based payments during the period was determined using a binomial option pricing model that takes into account the exercise price, the price of the underlying share at grant date, the life of the option, the volatility of the underlying share, the risk-free rate and expected dividend payout and any applicable vesting conditions. Management was required to make assumptions and estimates in order to determine the inputs into the binomial option pricing model. The assessed fair value at grant date of performance rights granted as share-based payments during the period was determined as at the date of grant based on the underlying share price.

(viii) Impairment of Non-Financial Assets

The recoverability of mine development and property, plant and equipment is dependent on a number of factors, including the level of proved and probable reserves, production levels, future cash costs and the future technological changes which could impact the cost, future legal changes (including changes to environmental restoration obligations) and changes in commodity prices. Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable.

2. Segment Information

The Consolidated Entity operates in one operating segment, being exploitation of SOP projects in Australia. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

3. Expenses

	2020 $	**2019** $
(a) Depreciation included in statement of comprehensive income		
Depreciation of property, plant and equipment	233,135	193,630
Depreciation of right of use assets	176,987	-
(b) Employee benefits expense		
Salaries and wages	4,793,978	3,618,088
Superannuation expense	393,920	304,812
Share-based payment expense	6,176,826	2,168,081
Total employment expenses included in profit or loss	**11,364,724**	**6,090,981**

	2020 $	**2019** $
Expenses arising from equity-settled share-based payment transactions relating incentive options and performance rights	6,061,999	2,168,081
Expenses arising from equity-settled share-based payment transactions for previously issued performance rights that vested but could not be exercised due to share trading restrictions	430,827	-
Expenses arising from equity-settled share-based payment transactions to suppliers and consultants	12,000	134,300
Total share-based payments recognised during the year	**6,504,826**	**2,302,381**

4. Income Tax

	2020 $	2019 $
(a) Recognised in the statement of comprehensive income		
Current income tax		
Current income tax benefit in respect of the current year	-	-
Deferred income tax		
Deferred income tax	19,657,371	-
Income tax expense reported in the statement of Profit or Loss and other Comprehensive income	**19,657,371**	**-**
(b) Recognised in the statement of comprehensive income		
Deferred income tax related to items charged or credited to equity		
Deferred tax assets not previously brought to account from prior periods	864,758	-
Deferred tax assets recognised in equity	534,517	-
Income tax benefit recognised in equity	**1,399,275**	**-**
Total deferred tax asset recognised at 30 June	**21,056,646**	**-**
(c) Reconciliation between tax expense and accounting loss before income tax		
Accounting loss before income tax	(35,267,373)	(26,896,121)
At the domestic income tax rate of 30% (2019: 30%)	(10,580,212)	(8,068,836)
Expenditure not allowable for income tax purposes	2,800,534	691,952
Income not assessable for income tax purposes	(1,352,858)	(491,903)
Capital allowances	-	(380,363)
Change in tax rate	-	-
Adjustment in respect of current income tax of previous years	-	(13,971)
Other	849	-
Deferred tax assets brought to account*	(10,525,684)	-
Deferred tax assets not brought to account	-	8,263,121
Income tax expense/(benefit) reported in the statement of Profit or Loss and other Comprehensive income	**(19,657,371)**	**-**

	2020 $	2019 $
(d) Deferred Tax Assets and Liabilities		
Deferred income tax at 30 June relates to the following:		
Deferred Tax Liabilities		
Accrued income	(1,569)	(3,370)
Exploration and evaluation assets	(47,137)	(47,137)
Property, Plant and Equipment	(30,862)	-
Borrowing costs	(329,119)	-
Interest bearing liabilities and borrowings	(401,348)	-
Right of use assets	(1,685,191)	-
Deferred tax assets used to offset deferred tax liabilities	2,495,226	50,507
	-	**-**
Deferred Tax Assets		
Mine development	3,855,066	-
Accrued expenditure	73,810	9,900
Lease liabilities	1,755,043	-
Net rehabilitation asset	89,130	-
Other capitalised costs	171,760	-
Provisions	201,295	213,566
Capital allowances	778,183	463,242
Tax losses available for offset against future taxable income	16,627,585	16,974,847
Deferred tax assets used to offset deferred tax liabilities	(2,495,226)	(50,507)
Deferred tax assets not brought to account	-	(17,611,048)
	21,056,646	**-**

* Following completion of a Bankable Feasibility Study for the Lake Way Project in October 2019 that demonstrated the economic returns of the project, the Group has determined that it is now considered probable that sufficient taxable income will be generated in future periods and therefore deferred tax assets have been recognised for the first time during the year ended 30 June 2020 for temporary differences and unused tax losses.

Tax Consolidation

The Company and its wholly-owned Australian resident entities have formed a tax consolidated group and are therefore taxed as a single entity. The head entity within the tax consolidated group is Salt Lake Potash Limited.

5. Cash and Cash Equivalents

	2020 $	2019 $
Cash on hand and at bank	6,980,418	19,177,455
Deposit on call	50,000	126,620
	7,030,418	**19,304,075**

The Group has assessed the credit risk on cash and cash equivalents using the life time expected credit losses method and concluded that the probability of default is insignificant.

6. Trade and Other Receivables

	2020 $	2019 $
Accrued interest	5,224	11,231
Research and development incentive rebate	3,546,754	-
GST and other receivables	480,202	911,805
	4,032,181	**923,036**

Other receivables are non-interest bearing. There are no past due nor impaired receivables at 30 June 2020. GST receivables are due from the ATO. The Group has assessed the probability of default as low and the expected credit loss is insignificant.

7. Inventory

	2020 $	2019 $
Work in progress[1]	1,534,657	-
	1,534,657	**-**

Notes:

1 The Company has determined the tonnes of Sulphate of Potash equivalent at 30 June 2020 by estimating the tonnes of harvestable salts that could be used for processing at Lake Way. There has been no write-downs of inventories for the year ended 30 June 2020.

8. Property, Plant and Equipment

	2020 $	2019 $
(a) Plant and Equipment		
Gross carrying amount – at cost	4,012,800	1,074,496
Accumulated depreciation	(611,273)	(310,930)
Carrying amount at end of year, net of accumulated depreciation	**3,401,527**	**763,566**
(b) Reconciliation		
Carrying amount at beginning of year, net of accumulated depreciation	763,566	535,344
Additions	3,021,925	421,852
Reclassification of Right of Use Asset as a result of AASB 16 transition	(47,852)	-
Depreciation charge (capitalised and expensed)	(336,112)	(193,630)
Carrying amount at end of year, net of accumulated depreciation	**3,401,527**	**763,566**

9. Right of Use Assets

	Office and Property 2020 $	Lake Way Village 2020 $	Lake Way Communications 2020 $	Total 2020 $
(a) Right of Use Assets				
Gross carrying amount – at cost	949,855	4,193,450	1,012,436	6,155,741
Accumulated depreciation	(190,924)	(197,015)	(150,497)	(538,436)
Carrying amount at end of year, net of accumulated depreciation	**758,931**	**3,996,435**	**861,939**	**5,617,305**
(b) Reconciliation				
Opening balance at 1 July 2019	-	-	-	-
Transition on adoption of AASB 16	940,767	-	-	940,767
Additions	56,441	4,193,450	1,012,436	5,262,327
Terminations	(47,353)	-	-	(47,353)
Depreciation charge	(190,924)	(197,015)	(150,497)	(538,436)
Carrying amount at end of year, net of accumulated depreciation	**758,931**	**3,996,435**	**861,939**	**5,617,305**

10. Exploration and Evaluation Expenditure

	2020 $	2019 $
(a) Areas of Interest		
SOP Project	2,276,736	2,276,736
Carrying amount at end of year, net of impairment[1]	**2,276,736**	**2,276,736**
(b) Reconciliation		
Carrying amount at start of year	2,276,736	2,276,736
Additions (Lake Way Project)[2]	10,714,915	-
Transfer to Mine Development[2]	(10,714,915)	-
Carrying amount at end of year, net of impairment[1]	**2,276,736**	**2,276,736**

Notes:
1 The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.
2 The Company completed the acquisition of tenements from Blackham Resources Limited on 8 October 2019. The cost of acquisition was initially recognised as an 'Exploration and evaluation asset' before being transferred to Mine Development assets following completion of a bankable feasibility study for the Lake Way Project with effect from 1 November 2019.

SOP Project

The Group holds a number of large salt lake brine projects (Projects) in Western Australia and the Northern Territory, each having potential to produce highly sought after Sulphate of Potash (SOP) for domestic and international fertiliser markets.

11. Mine Development

	2020 $	2019 $
Mine Development[1]		
Mine properties	10,714,915	-
Capitalised borrowing costs	6,880,754	-
Capitalised assets under construction	59,662,737	-
Mine development	39,522,331	-
	116,780,737	**-**

Notes:
1 Following completion of the bankable feasibility study on the Lake Way Project in October 2019, the Group has determined that it is appropriate to transfer the Lake Way Project from 'Exploration and evaluation assets' to 'Mine development' with effect from 1 November 2019 and for all subsequent expenditure on the construction, installation or completion of infrastructure facilities to be capitalised in 'Mine development'. This date marks the first month-end post completion of the BFS and the commencement of the second stage of on-lake construction at Lake Way.

12. Trade and Other Payables

	2020 $	2019 $
Trade creditors	7,275,056	5,111,915
Accrued expenses	20,273,098	2,326,553
Employee obligations	622,610	271,122
	28,170,764	**7,709,590**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms.

13. Interest Bearing Liabilities

	2020 $	2019 $
Interest Bearing Liability		
Face value drawn down[1]	65,568,993	-
Transaction cost and establishment fees net of interest amortisation[2]	(1,728,876)	-
Carrying Amount of Interest Bearing Liabilities	**63,840,117**	**-**

Notes:

1 This balance relates to the extended Stage 1 Facility with Taurus Funds Management. The Facility was extended from US$30 million to US$45 million as announced to the market on 6 December 2019 and as at balance date has been fully drawn down. The Facility is secured and interest is payable at 9.75% pa and is expected to be repaid. Since balance date, the Company executed a binding agreement to obtain access to the Project Development Facility (PDF). The PDF will be used to refinance the Stage 1 Facility and for project development and working capital purposes. Draw down of the PDF will be subject to a number of Conditions Precedent. The PDF will be secured and interest will be payable at 9.00% pa.

2 Transaction costs for the Stage 1 Facility include 9,000,000 unlisted options issued to Taurus Funds Management which are exercisable at $0.702 on or before 4 August 2024. These options were valued at $0.379 per option using a Binomial option valuation model on the date of grant (2 August 2019). The share price on the date of grant was $0.790. Refer to Note 17(c) for further details of the terms and conditions of unlisted options.

14. Lease Liabilities

	2020 $	2019 $
Opening balance	38,991	50,820
Recognised at 1 July 2019 on adoption of AASB 16	892,915	-
Additions	5,262,327	-
Terminations	(34,705)	-
Interest expense	5,056	2,800
Payments[2]	(411,539)	(13,629)
As at 30 June	**5,753,045**	**39,991**[1]
Current Lease Liabilities	1,332,297	11,828
Non Current Lease Liabilities	4,420,748	27,163
	5,753,045	**38,991**[1]

Notes:
1 This amount represents the closing balance of finance leases for vehicles as 30 June 2019 and excludes operating leases which were recognised on balance sheet for the first time at 1 July 2019.
2 The Company had total cash outflows for lease liabilities related to right of use assets of $411,539 (2019: $13,629).

15. Provisions

	2020 $	2019 $
Current Provisions		
Annual Leave	670,989	79,368
Non-Current Provisions		
Mine Rehabilitation[1]	3,837,061	711,885

Notes:
1 Salt Lake has recognised the need to provide for the costs of rehabilitating the land at Lake Way associated with the first phase of the Lake Way evaporation ponds up to and including 30 June 2020.

The mine rehabilitation provision represents the present value of rehabilitation costs relating to Lake Way, which are expected to be incurred at the end of the project life, when the producing ponds cease operations. Assumptions based on the current economic environment have been made, which management believe is a reasonable basis upon which to estimate the future liability.

The timing of rehabilitation is like to depend on when the ponds cease to produce at economically viable rates. This, in turn, will depend on future potash prices, which are inherently uncertain.

	2020 $	2019 $
Movement in mine rehabilitation		
At 1 July	711,885	-
Change in cost estimate[1]	(410,528)	-
Arising during the year	3,489,843	711,885
Unwind of discount	45,861	-
At 30 June	3,837,061	711,885

Notes:
1 During the year, there was a reassessment of the disturbed area and cost estimate which resulted in an impact of $410,528 to the statement of profit and loss and other comprehensive income.

16. Contributed Equity

	2020 $	2019 $
Share Capital		
353,285,840 (30 June 2019: 245,137,865) Ordinary Shares	209,611,743	155,917,578
	209,611,743	**155,917,578**

(a) Movements in Ordinary Shares During the Past Two Years Were as Follows:

		Number of Ordinary Shares	Issue Price $	$
01-Jul-19	**Opening Balance**	**245,137,865**		**155,917,578**
6-Aug-19	Share issue[1]	266,258	0.802	213,600
6-Aug-19	Placement	10,582,857	0.700	7,408,000
11-Nov-19	Conversion of performance rights to shares	472,500	0.482	227,814
11-Nov-19	Share issue[2]	17,635	0.680	12,000
11-Nov-19	Share issue[1]	266,258	0.816	217,227
18-Dec-19	Placement	32,867,858	0.700	23,007,601
7-Feb-20	Placement	678,571	0.700	475,000
12-Feb-20	Share issue[3]	4	0.000	-
20-Mar-20	Conversion of performance rights to shares	4,172,500	0.675	2,515,373
23-Apr-20	Placement	56,067,647	0.340	19,063,000
17-Jun-20	Share issue[3]	4	0.000	-
17-Jun-20	Placement	2,755,883	0.340	937,000
30-Jun-20	Deferred tax assets recognised in equity	-	-	1,399,275
Jul-19 to Jun-20	Share issue costs	-	-	(1,781,725)
30-Jun-20	**Closing balance**	**353,285,840**		**209,611,743**
01-Jul-18	**Opening Balance**	**175,049,596**		**123,501,153**
16-Nov-18	Placement	29,035,714	0.42	12,195,000
20-Nov-18	Placement	214,286	0.42	90,000
31-Dec-18	Share issue[1]	268,604	0.50	134,300
09-Jan-19	Placement	1,702,381	0.42	715,000
15-May-19	Exercise of options	750,000	0.40	300,000
14-Jun-19	Placement	25,476,000	0.54	13,757,040
18-Jun-19	Placement	12,024,000	0.54	6,492,960
18-Jun-19	Share issue[1]	617,284	0.54	333,333
Jul-18 to Jun-19	Share issue costs	-	-	(1,601,208)
30-Jun-19	**Closing balance**	**245,137,865**		**155,917,578**

Notes:
1 Shares issued relating to performance shares that could not be issued at the time of vesting as a result of the Company being in a Blackout Period.
2 Shares issued to key consultants of the Company in lieu of fees.
3 As a result of performance shares relating to the acquisition of the Company's SOP Project (Note 10) expiring, each holder of performance shares was issued one share.

16. Contributed Equity (Continued)

(b) Rights Attaching to Ordinary Shares:

The rights attaching to fully paid Ordinary Shares arise from a combination of the Company's Constitution, statute and general law.

Ordinary Shares issued following the exercise of Unlisted Options in accordance with Note 17(c) or Performance Shares in accordance with Note 17(d) or Performance Rights in accordance with Note 17(e) will rank equally in all respects with the Company's existing Ordinary Shares.

Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its shareholders and directors, including provisions to the following effect (when read in conjunction with the Corporations Act 2001 or the listing rules of the ASX and AIM (**Listing Rules**)).

(i) Shares

The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the Directors, subject to the Corporations Act 2001, ASX Listing Rules and any rights attached to any special class of shares.

(ii) Meetings of Members

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is two shareholders.

The Company holds annual general meetings in accordance with the Corporations Act 2001 and the Listing Rules.

(iii) Voting

Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. Where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

(iv) Changes to the Constitution

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(v) Listing Rules

Provided the Company remains admitted to the Official List of the ASX, then despite anything in its Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Company's Constitution will be deemed to comply with the Listing Rules as amended from time to time.

17. Reserves

	Note	2020 $	2019 $
Share-based payments reserve	17(b)	10,605,822	4,273,967
		10,605,822	**4,273,967**

(a) Nature and Purpose of Reserves

(i) Share-based payments reserve

The share-based payments reserve is used to record the fair value of Unlisted Options, Performance Rights and Performance Shares issued by the Group.

(b) Movements in the share-based payments reserve during the past two years were as follows:

		Number of Performance Rights	Number of Performance Shares	Number of Unlisted Options	$
01-Jul-19	**Opening Balance**	**20,945,016**	**17,500,000**	**11,100,000**	**4,273,967**
1-Jul-19	Incentive options converted to equity	-	-	-	(142,500)
1-Jul-19	Issue of Performance Rights	538,324	-	-	-
22-Jul-19	Issue of Performance Rights	500,000	-	-	-
31-Jul-19	Expiry of Performance Rights	(532,516)	-	-	(244,957)
5-Aug-19	Issue of Unlisted Options	-	-	9,000,000	3,411,000
16-Sep-19	Issue of Performance Rights	3,113,750	-	-	-
14-Oct-19	Issue of Performance Rights	200,000	-	-	-
11-Nov-19	Issue of Incentive Options	-	-	5,200,000	-
11-Nov-19	Issue of Performance Rights	788,324	-	-	-
11-Nov-19	Performance Rights converted to Shares	(472,500)	-	-	(227,814)
31-Dec-19	Cancellation of Performance Rights	(400,000)	-	-	(162,067)
31-Dec-19	Expiry of Performance Shares	-	(7,500,000)	-	-
20-Mar-20	Performance Rights converted to Shares	(4,172,500)	-	-	(2,372,873)
12-Jun-20	Expiry of Performance Shares	-	(10,000,000)	-	-
30-Jun-20	Cancellation of Performance Rights	(1,947,500)	-	-	(951,126)
30-Jun-20	Cancellation of Incentive Options	-	-	(750,000)	(153,000)
Jul-18 to Jun-19	Share based payments expense excluding cancellation of Performance Rights	-	-	-	7,175,192
30-Jun-20	**Closing balance**	**18,560,398**	**-**	**24,550,000**	**10,605,822**

17. Reserves (Continued)

(b) Movements in the share-based payments reserve during the past two years were as follows: (Continued)

		Number of Performance Rights	Number of Performance Shares	Number of Unlisted Options	$
01-Jul-18	**Opening Balance**	**5,400,000**	**22,500,000**	**4,400,000**	**2,105,886**
02-Nov-18	Issue of Performance Rights	7,266,258	-	-	-
02-Nov-18	Issue of Incentive Options	-	-	5,000,000	-
31-Dec-18	Issue of Performance Rights	10,781,258	-	-	-
31-Dec-18	Cancellation/Expiry of Performance Rights	(2,352,500)	-	-	(984,383)
31-Dec-18	Issue of Incentive Options	-	-	2,450,000	-
31-Dec-18	Expiry of Performance Shares	-	(5,000,000)	-	-
15-May-19	Exercise of Incentive Options	-	-	(750,000)	-
30-Jun-19	Cancellation of Performance Rights	(150,000)	-	-	(32,273)
Jul-18 to Jun-19	Share based payments expense	-	-	-	3,184,737
30-Jun-19	**Closing balance**	**20,945,016**	**17,500,000**	**11,100,000**	**4,273,967**

(c) Terms and Conditions of Unlisted Options

The Unlisted Options are granted based upon the following terms and conditions:

- Each Unlisted Option entitles the holder to the right to subscribe for one Ordinary Share upon the exercise of each Unlisted Option;
- The Unlisted Options outstanding at the end of the financial year have the following exercise prices and expiry dates:
  - 1,000,000 Unlisted Options exercisable at $0.60 each on or before 29 April 2021;
  - 250,000 Unlisted Options exercisable at $0.40 each on or before 30 June 2021;
  - 500,000 Unlisted Options exercisable at $0.50 each on or before 30 June 2021;
  - 750,000 Unlisted Options exercisable at $0.60 each on or before 30 June 2021;
  - 400,000 Unlisted Options exercisable at $0.70 each on or before 30 June 2021;
  - 1,000,000 Unlisted Options exercisable at $0.70 each on or before 30 June 2023;
  - 2,000,000 Unlisted Options exercisable at $0.60 each on or before 1 November 2023;
  - 4,650,000 Unlisted Options exercisable at $1.00 each on or before 1 November 2023;
  - 5,000,000 Unlisted Options exercisable at $1.20 each on or before 1 November 2023; and
  - 9,000,000 Unlisted Options exercisable at $0.70 each on or before 4 August 2024.
- The Unlisted Options are exercisable at any time prior to the Expiry Date, subject to vesting conditions being satisfied (if applicable);
- Ordinary Shares issued on exercise of the Unlisted Options rank equally with the then Ordinary Shares of the Company;
- Application will be made by the Company to ASX and to the AIM market of the London Stock Exchange for official quotation of the Ordinary Shares issued upon the exercise of the Unlisted Options;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Unlisted Option holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction; and
- No application for quotation of the Unlisted Options will be made by the Company.

(d) Terms and Conditions of Performance Shares

As a result of performance hurdles not being met during the 30 June Financial Period, all 17,500,000 outstanding Performance Shares on issue at the beginning of the financial year expired. Each tranche of Performance Shares were converted to four Fully Paid Ordinary shares upon cancellation. As two tranches expired in the 12 month period, a total of eight shares were issued.

(e) Terms and Conditions of Performance Rights

The Performance Rights are granted based upon the following terms and conditions:

- Each Performance Right automatically converts into one Ordinary Share upon vesting of the Performance Right;
- Each Performance Right is subject to performance conditions (as determined by the Board from time to time) which must be satisfied in order for the Performance Right to vest;
- The Performance Rights have the following expiry dates:
  - 1,197,500 Performance Rights subject to the Production Milestone expiring on 30 June 2021;
  - 3,772,500 Performance Rights subject to the Plant Construction Milestone expiring on 1 November 2021;
  - 4,550,000 Performance Rights subject to the Plant Commissioning Milestone expiring on 1 November 2022;
  - 4,900,000 Performance Rights subject to the Nameplate Capacity Milestone expiring on 1 November 2023;
  - 1,300,000 Performance Rights subject to the Schedule Advancement Milestone expiring on 31 December 2021;
  - 1,400,000 Performance Rights subject to the Reduce Capex Milestone expiring on 31 December 2021;
  - 250,000 Performance Rights subject to the Lake Wells Milestone expiring on 31 December 2020;
  - 500,000 Performance Rights subject to the Product Marketing and Offtake Milestone expiring on 31 December 2020; and
  - 690,398 Performance Rights subject to the Short Term Incentive Milestone expiring on 31 July 2020.
- Ordinary Shares issued on conversion of the Performance Rights rank equally with the then Ordinary Shares of the Company;
- Application will be made by the Company to ASX AIM market of the London Stock Exchange for official quotation of the Ordinary Shares issued upon conversion of the Performance Rights;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Performance Right holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction; and
- No application for quotation of the Performance Rights will be made by the Company.

18. Statement of Cash Flows

(a) Reconciliation of the Loss after Tax to the Net Cash Flows from Operations

	2020 $	2019 $
Net loss for the year	(15,610,002)	(26,896,121)
Adjustment for non-cash income and expense items		
Depreciation of plant and equipment	410,122	193,630
Share based payment expense	6,504,826	2,302,381
FX movement on equity settled transactions	(11,069)	(17,441)
Deferred tax asset recognition	(19,657,371)	-
Unrealised foreign exchange movements	(1,337,828)	-
Change in rehabilitation estimate	(410,528)	-
Loss on disposal of asset	11,036	-
Interest expense unwind from leasing	5,056	-
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(3,032,715)	(695,764)
(Increase)/decrease in inventory	(1,534,657)	-
Increase in trade and other payables	(4,859,025)	6,025,910
Increase in provisions	148,754	753,418
Non operating activity transactions	**974,900**	**-**
Net cash outflow from operating activities	**(38,398,501)**	**(18,333,987)**

19. Earnings Per Share

	2020 $	2019 $
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net loss attributable to the owners of the Company used in calculating basic and diluted earnings per share excluding abnormal items	(15,768,966)	(26,896,121)

	Number of Shares 2020	Number of Shares 2019
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	288,733,430	195,720,503

(a) Non-Dilutive Securities

As at balance date, 24,550,000 Unlisted Options (which represent 24,550,000 potential Ordinary Shares) and 18,560,398 Performance Rights (which represent 18,560,398 potential Ordinary Shares) were considered non-dilutive as they would decrease the loss per share.

(b) Conversions, Calls, Subscriptions or Issues after 30 June 2020

The Company has issued 10,849,115 Ordinary Shares and no Unlisted Options or Performance Rights since 30 June 2020.

There have been no other conversions to, calls of, or subscriptions for Ordinary Shares or issues of potential Ordinary Shares since the reporting date and before the completion of this financial report.

20. Related Parties

(a) Subsidiaries

Name	Country of Incorporation	Equity Interest 2020 %	Equity Interest 2019 %
Ultimate parent entity:			
Salt Lake Potash Limited	Australia		
Subsidiaries of Salt Lake Potash Limited:			
Australia Salt Lake Potash Pty Ltd	Australia	100	100
Piper Preston Pty Ltd	Australia	100	100
Irve Holdings Pty Ltd	Australia	100	100
Irve Developments Pty Ltd	Australia	100	100
Two Lake Holdings Pty Ltd	Australia	100	100
Two Lake Developments Pty Ltd	Australia	100	100
SO4 Fertiliser Holdings Pty Ltd	Australia	100	100
SO4 Fertiliser Developments Pty Ltd	Australia	100	100

(b) Ultimate Parent

Salt Lake Potash Limited is the ultimate parent of the Group.

(c) Transactions with Related Parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Transactions with Key Management Personnel, including remuneration, are included at Note 21.

21. Key Management Personnel

(a) Details of Key Management Personnel

The KMP of the Group during or since the end of the financial year were as follows:

Directors

Mr Ian Middlemas	Chairman
Mr Tony Swiericzuk	Chief Executive Officer (CEO) and Managing Director
Mr Matthew Syme	Non-Executive Director (resigned 23 July 2019)
Mr Mark Pearce	Non-Executive Director
Mr Bryn Jones	Non-Executive Director
Mr Matthew Bungey	Executive Director (appointed 14 May 2020)

Other KMP

Mr Shaun Day	Chief Financial Officer (appointed 16 September 2019)
Mr Clint McGhie	Company Secretary
Mr Stephen Cathcart	Project Director – Technical

Unless otherwise disclosed, the KMP held their position from 1 July 2019 until the date of this report.

	2020 $	2019 $
Short-term employee benefits	1,120,640	1,194,638
Post-employment benefits	92,301	88,172
Share-based payments	4,219,683	1,239,099
Total compensation	**5,432,624**	**2,521,909**

(b) Loans from Key Management Personnel

No loans were provided to or received from Key Management Personnel during the year ended 30 June 2020 (2019: Nil).

(c) Other Transactions

No other related party transactions were entered into in the 2020 Financial year (2019: $100,000).

22. Parent Entity Disclosures

(a) Financial Position

	2020 $	2019 $
Assets		
Current assets	10,640,756	20,219,527
Non-current assets	132,201,541	2,334,973
Total assets	**142,842,297**	**22,554,500**
Liabilities		
Current liabilities	67,288,355	7,728,621
Non-current liabilities	758,608	830,419
Total liabilities	**68,046,963**	**8,559,040**
Equity		
Contributed equity	209,611,643	155,917,578
Accumulated losses	(145,422,131)	(146,196,085)
Share Based Payments Reserve	10,605,822	4,273,967
Total equity	**74,795,334**	**13,995,460**

(b) Financial Performance

	2020 $	2019 $
Profit/(Loss) for the year	375,999	(26,895,784)
Total comprehensive loss	**375,999**	**(26,895,784)**

(c) Other information

The Company has not entered into any guarantees in relation to its subsidiaries.

Refer to Note 26 for details of contingent assets and liabilities.

23. Share-Based Payments

(a) Recognised Share-based Payment Expense

From time to time, the Group provides incentive Unlisted Options and Performance Rights to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options or rights granted, and the terms of the options or rights granted are determined by the Board. Shareholder approval is sought where required.

In the current and prior year, the Company has granted shares in lieu of payments to key consultants in accordance with the terms of engagement.

During the past two years, the following equity-settled share-based payments have been recognised:

	2020 $	2019 $
Expenses arising from equity-settled share-based payment transactions relating incentive options and performance rights	6,061,999	2,168,081
Expenses arising from equity-settled share-based payment transactions for previously issued performance rights that vested but could not be exercised due to share trading restrictions	430,827	-
Expenses arising from equity-settled share-based payment transactions to suppliers and consultants	12,000	134,300
Total share-based payments recognised during the year	**6,504,826**	**2,302,381**

(b) Summary of Unlisted Options and Performance Rights Granted as Share-based Payments

The following Unlisted Options and Performance Rights were granted as share-based payments during the past two years:

Series	Issuing Entity	Security Type	Number	Grant Date	Expiry Date	Exercise Price $	Grant Date Fair Value $
2020							
Series 51	Salt Lake Potash Limited	Options	300,000	22-Jul-19	1-Nov-23	0.6	0.354
Series 52	Salt Lake Potash Limited	Options	9,000,000	2-Aug-19	4-Aug-24	0.7	0.379
Series 53	Salt Lake Potash Limited	Options	1,000,000	11-Nov-19	30-Jun-23	0.7	0.316
Series 54	Salt Lake Potash Limited	Options	300,000	22-Jul-19	1-Nov-23	1	0.239
Series 55	Salt Lake Potash Limited	Options	1,500,000	16-Sep-19	1-Nov-23	1	0.296
Series 56	Salt Lake Potash Limited	Options	100,000	14-Oct-19	1-Nov-23	1	0.291
Series 57	Salt Lake Potash Limited	Options	400,000	22-Jul-19	1-Nov-23	1.2	0.201
Series 58	Salt Lake Potash Limited	Options	1,500,000	16-Sep-19	1-Nov-23	1.2	0.252
Series 59	Salt Lake Potash Limited	Options	100,000	14-Oct-19	1-Nov-23	1.2	0.246
Series 60	Salt Lake Potash Limited	Rights	250,000	24-Jun-19	1-Nov-23	-	0.79
Series 61	Salt Lake Potash Limited	Rights	288,324	1-Jul-19	31-Jul-20	-	0.745
Series 62	Salt Lake Potash Limited	Rights	500,000	22-Jul-19	31-Dec-20	-	0.748
Series 63	Salt Lake Potash Limited	Rights	113,750	16-Sep-19	31-Jul-20	-	0.862
Series 64	Salt Lake Potash Limited	Rights	750,000	16-Sep-19	1-Nov-20	-	0.862
Series 65	Salt Lake Potash Limited	Rights	750,000	16-Sep-19	1-Nov-21	-	0.862

(b) Summary of Unlisted Options and Performance Rights Granted as Share-based Payments (Continued)

Series	Issuing Entity	Security Type	Number	Grant Date	Expiry Date	Exercise Price $	Grant Date Fair Value $
2020							
Series 66	Salt Lake Potash Limited	Rights	750,000	16-Sep-19	1-Nov-22	-	0.862
Series 67	Salt Lake Potash Limited	Rights	750,000	16-Sep-19	1-Nov-23	-	0.862
Series 68	Salt Lake Potash Limited	Rights	100,000	14-Oct-19	31-Dec-21	-	0.8
Series 69	Salt Lake Potash Limited	Rights	100,000	14-Oct-19	31-Dec-23	-	0.8
Series 70	Salt Lake Potash Limited	Rights	288,324	11-Nov-19	31-Jul-20	-	0.816
Series 71	Salt Lake Potash Limited	Rights	250,000	11-Nov-19	1-Nov-22	-	0.816
Series 72	Salt Lake Potash Limited	Rights	250,000	11-Nov-19	1-Nov-23	-	0.816

Series	Issuing Entity	Security Type	Number	Grant Date	Expiry Date	Exercise Price $	Grant Date Fair Value $
2019							
Series 30	Salt Lake Potash Limited	Options	1,000,000	2-Nov-18	1-Nov-23	0.6	0.219
Series 31	Salt Lake Potash Limited	Options	2,000,000	2-Nov-18	1-Nov-23	1.0	0.159
Series 32	Salt Lake Potash Limited	Options	2,000,000	2-Nov-18	1-Nov-23	1.2	0.139
Series 33	Salt Lake Potash Limited	Options	700,000	31-Dec-18	1-Nov-23	0.6	0.206
Series 34	Salt Lake Potash Limited	Options	750,000	31-Dec-18	1-Nov-23	1.0	0.148
Series 35	Salt Lake Potash Limited	Options	1,000,000	31-Dec-18	1-Nov-23	1.2	0.129
Series 36	Salt Lake Potash Limited	Rights	266,258	2-Nov-18	31-Jul-19	-	0.460
Series 37	Salt Lake Potash Limited	Rights	1,500,000	2-Nov-18	1-Nov-20	-	0.470
Series 38	Salt Lake Potash Limited	Rights	1,500,000	2-Nov-18	1-Nov-21	-	0.470
Series 39	Salt Lake Potash Limited	Rights	2,000,000	2-Nov-18	1-Nov-22	-	0.470
Series 40	Salt Lake Potash Limited	Rights	2,000,000	2-Nov-18	1-Nov-23	-	0.470
Series 41	Salt Lake Potash Limited	Rights	266,258	2-Nov-18	31-Jul-19	-	0.460
Series 42	Salt Lake Potash Limited	Rights	1,982,500	31-Dec-18	1-Nov-20	-	0.460
Series 43	Salt Lake Potash Limited	Rights	1,582,500	31-Dec-18	1-Nov-21	-	0.460
Series 44	Salt Lake Potash Limited	Rights	1,550,000	31-Dec-18	1-Nov-22	-	0.460
Series 45	Salt Lake Potash Limited	Rights	1,550,000	31-Dec-18	1-Nov-23	-	0.460
Series 46	Salt Lake Potash Limited	Rights	1,300,000	31-Dec-18	31-Dec-21	-	0.460
Series 47	Salt Lake Potash Limited	Rights	1,300,000	31-Dec-18	31-Dec-21	-	0.460
Series 48	Salt Lake Potash Limited	Rights	250,000	31-Dec-18	31-Dec-19	-	0.460
Series 49	Salt Lake Potash Limited	Rights	250,000	31-Dec-18	31-Dec-20	-	0.460
Series 50	Salt Lake Potash Limited	Rights	750,000	31-Dec-18	30-Jun-20	-	0.460

23. Share-Based Payments (Continued)

(b) Summary of Unlisted Options and Performance Rights Granted as Share-based Payments (Continued)

The following table illustrates the number and weighted average exercise prices (WAEP) of Unlisted Options granted as share-based payments at the beginning and end of the financial year:

Unlisted Options	2020 Number	2020 WAEP	2019 Number	2019 WAEP
Outstanding at beginning of year	**11,100,000**	**$0.84**	**4,400,000**	**$0.54**
Granted by the Company during the year	14,200,000	$0.81	7,450,000	$0.99
Forfeited/cancelled/lapsed/exercised	(750,000)	$0.50	(750,000)	$0.48
Outstanding at end of year	**24,550,000**	**$0.84**	**11,100,000**	**$0.84**
Exercisable at end of year	**4,600,000**	**$0.59**	**3,650,000**	**$0.56**

The following table illustrates the number and weighted average exercise prices (WAEP) of Performance Rights granted as share-based payments at the beginning and end of the financial year:

Performance Rights	2020 Number	2020 WAEP	2019 Number	2019 WAEP
Outstanding at beginning of year	**20,945,016**	**-**	**5,400,000**	**-**
Granted by the Company during the year	5,140,398	-	18,047,516	-
Forfeited/cancelled/lapsed/expired	(7,525,016)	-	(2,502,500)	-
Outstanding at end of year	**18,560,398**	**-**	**20,945,016**	**-**

(c) Weighted Average Remaining Contractual Life

At 30 June 2020, the weighted average remaining contractual life of Unlisted Options on issue that had been granted as share-based payments was 3.32 years (2019: 3.48 years) and of Performance Rights on issue that had been granted as share-based payments was 2.52 years (2019: 2.42 years).

(d) Range of Exercise Prices

At 30 June 2020, the range of exercise prices of Unlisted Options on issue that had been granted as share-based payments was $0.60 to $1.20 (2019: $0.60 to $1.20). Performance Rights have no exercise price.

(e) Weighted Average Fair Value

The weighted average fair value of Unlisted Options granted as share-based payments by the Group during the year ended 30 June 2020 was $0.342 (2019: $0.161) and of Performance Rights granted as share-based payments was $0.83 (2019: $0.463).

(f) Option and Performance Right Pricing Models

The fair value of the equity-settled share options granted is estimated as at the date of grant using a Binomial option valuation model taking into account the terms and conditions upon which the Unlisted Options were granted.

The fair value of Performance Rights granted is estimated as at the date of grant based on the underlying share price (being the five day volume weighted average share price prior to issuance).

The table below lists the inputs to the valuation model used for share options and Performance Rights granted by the Group in the current year:

2020

Inputs	Series 51	Series 52	Series 53
Options			
Exercise price	$0.60	$0.70	$0.70
Grant date share price	$0.745	$0.49	$0.79
Dividend yield[1]	-	-	-
Volatility[2]	50%	51%	48%
Risk-free interest rate	1.04%	0.85%	0.95%
Grant date	22-Jul-19	2-Nov-19	11-Nov-19
Expiry date	1-Nov-23	4-Aug-24	30-Jun-23
Expected life of option[3]	4.28 years	5.01 years	3.64 years
Fair value at grant date	$0.354	$0.379	$0.316

Inputs	Series 54	Series 55	Series 56
Options			
Exercise price	$1.00	$1.00	$1.00
Grant date share price	$0.745	$0.84	$0.845
Dividend yield[1]	-	-	-
Volatility[2]	50%	51%	50%
Risk-free interest rate	1.04%	0.98%	0.77%
Grant date	22-Jul-19	16-Sep-19	14-Oct-19
Expiry date	1-Nov-23	1-Nov-23	1-Nov-23
Expected life of option[3]	4.28 years	4.13 years	4.05 years
Fair value at grant date	$0.239	$0.296	$0.291

Notes:
1 The dividend yield reflects the assumption that the current dividend payout will remain unchanged.
2 The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.
3 The expected life of the options is based on the expiry date of the options as there is limited track record of the early exercise of options.

23. Share-Based Payments (Continued)

(f) Option and Performance Right Pricing Models (Continued)

Inputs	Series 57	Series 58	Series 59
Options			
Exercise price	$1.20	$1.20	$1.20
Grant date share price	$0.745	$0.84	$0.845
Dividend yield[1]	-	-	-
Volatility[2]	50%	51%	50%
Risk-free interest rate	1.04%	0.98%	0.77%
Grant date	22-Jul-19	16-Sep-19	14-Oct-19
Expiry date	1-Nov-23	1-Nov-23	1-Nov-23
Expected life of option[3]	4.28 years	4.13 years	4.84 years
Fair value at grant date	$0.201	$0.252	$0.246

Notes:
1 The dividend yield reflects the assumption that the current dividend payout will remain unchanged.
2 The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.
3 The expected life of the options is based on the expiry date of the options as there is limited track record of the early exercise of options.

Inputs	Series 60	Series 61	Series 62	Series 63	Series 64
Milestones	**Nameplate Capacity**	**Short Term Incentive**	**Marketing and Offtake**	**Short Term Incentive**	**Trench Construction**
Performance Rights					
Exercise price	-	-	-	-	-
Grant date share price	$0.760	$0.760	$0.745	$0.840	$0.840
Grant date	24-Jun-19	1-Jul-19	22-Jul-19	16-Sep-19	16-Sep-19
Expiry date	1-Nov-23	31-Jul-20	31-Dec-20	31-Jul-20	1-Nov-20
Expected life[1]	4.36 years	1.08 years	1.45 years	0.87 years	1.13 years
Fair value at grant date[2]	$0.790	$0.745	$0.748	$0.862	$0.862

Notes:
1 The expected life of the Performance Rights is based on the expiry date of the performance rights as there is limited track record of the early conversion of performance rights.
2 The fair value of Performance Rights granted is estimated as at the date of grant based on the underlying share price (being the closing share price at the date of issuance).

(f) Option and Performance Right Pricing Models (Continued)

Inputs	Series 65	Series 66	Series 67	Series 68	Series 69
Milestones	**Plant Construction**	**Plant Commissioning**	**Nameplate Capacity**	**Nameplate Capacity**	**Reduced Capex**
Performance Rights					
Exercise price	-	-	-	-	-
Grant date share price	$0.840	$0.840	$0.840	$0.845	$0.845
Grant date	16-Sep-19	16-Sep-19	16-Sep-19	14-Oct-19	14-Oct-19
Expiry date	1-Nov-21	1-Nov-22	1-Nov-23	31-Dec-23	31-Dec-21
Expected life[1]	2.13 years	3.13 years	4.13 years	4.05 years	2.05 years
Fair value at grant date[2]	$0.862	$0.862	$0.862	$0.800	$0.800

Inputs	Series 70	Series 71	Series 72
Milestones	**Short Term Incentive**	**Plant Commissioning**	**Nameplate Capacity**
Performance Rights			
Exercise price	-	-	-
Grant date share price	$0.790	$0.790	$0.790
Grant date	11-Nov-19	11-Nov-19	11-Nov-19
Expiry date	31-Jul-20	1-Nov-22	1-Nov-23
Expected life[1]	0.72 years	2.98 years	3.98 years
Fair value at grant date[2]	$0.816	$0.816	$0.816

Notes:

1 The expected life of the Performance Rights is based on the expiry date of the performance rights as there is limited track record of the early conversion of performance rights.

2 The fair value of Performance Rights granted is estimated as at the date of grant based on the underlying share price (being the closing share price at the date of issuance).

24. Auditors' Remuneration

As a result of work in relation to and required for the 30 June 2020 period, the auditor of Salt Lake Potash Limited, Ernst & Young, has charged the following fees:

	2020 $	2019 $
Fees to Ernst & Young (Australia):		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	76,298	29,854
Fees for other services including tax and other advisory services	36,996	11,566
	113,294	**41,420**

25. Financial Risk Management Objectives and Policies

(a) Overview

The Group's principal financial instruments comprise receivables, payables, finance leases, cash and short-term deposits. The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk. The Group's financial assets and liabilities are held at amortised cost.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Group. The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	2020 $	2019 $
Financial assets		
Cash and cash equivalents	7,030,418	19,304,075
Trade and other receivables	4,032,181	923,036
Total Financial Assets	**11,062,599**	**20,227,111**

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Where possible, the Group invests its cash and cash equivalents with banks that are rated the equivalent of investment grade and above. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group does not have any significant customers and accordingly does not have significant exposure to bad or doubtful debts.

Trade and other receivables comprise a research and development rebate in relation to the 2019 financial period, interest accrued and GST refunds due. Where possible the Group trades only with recognised, creditworthy third parties.

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. At 30 June 2020, none (2019 none) of the Group's receivables are past due.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. At 30 June 2019, the Group had sufficient liquid assets to meet its financial obligations. At 30 June 2020, the Group was satisfied it had sufficient liquid assets having completed an equity raising and debt financing subsequent to year end.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
2020					
Group Financial Liabilities					
Trade and other payables	27,548,154	-	-	-	27,548,154
Lease liabilities	698,597	698,597	4,871,986	1,200	6,270,380
Interest bearing loans	65,568,993	-	-	-	65,568,993
Non interest bearing loans	3,601	3,601	3,601	-	10,803
	93,819,345	**702,198**	**4,875,587**	**1,200**	**99,398,330**
2019					
Group Financial Liabilities					
Finance lease	5,914	5,914	22,537	-	34,365
Trade and other payables	7,709,590	-	-	-	7,709,590
Non interest bearing loans	3,601	3,601	16,629	-	23,831
	7,719,105	**9,515**	**39,166**	**-**	**7,767,786**

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. At 30 June 2020 the Company had secured and fully drawn down US$45million (2019: Nil) through its Stage 1 Facility with Taurus Funds Management. The Group's exposure to risk of changes in market interest rates is limited as the interest rate on the Stage 1 Facility is fixed at 9.75%.

The loan is denominated in US dollars, as future revenues will be in US dollars, this will create a natural hedge.

The Company is investigating the potential use of hedging and/or derivative instruments that it could apply against the short term foreign capital requirements of the Group. The Group will also consider longer term hedging for the conversion of US dollar revenue to meet AUD operational expenses.

The Company has recently formed a Treasury Committee to actively monitor and assess its risk and exposure profile.

25. Financial Risk Management Objectives and Policies (Continued)

(e) Changes in liabilities arising from financing activities

	1-Jul-19 $	Cashflows $	Foreign Exchange Movement $	New Lease/ Liability $	Disposal $	Other $	30-Jun-20 $
2020							
Current							
Interest bearing loans and liabilities	-	66,599,796	(1,030,803)	-	-	(1,728,876)[1]	63,840,117
Non interest bearing loans and liabilities	7,202	(7,202)	-	-	-	7,202[2]	7,202
Lease liabilities	11,828	(411,539)	-	1,525,817	(7,542)[3]	213,733[2]	1,332,297
Non Current							
Non interest bearing loans and liabilities	12,003	-	-	-	-	(7,202)[2]	4,801
Lease liabilities	27,163	-	-	4,668,416	(27,163)[3]	(247,668)[2]	4,420,748
	58,196	**66,181,055**	**(1,030,803)**	**6,194,233**	**(34,705)**	**(1,762,811)**	**69,605,165**

	1-Jul-18 $	Cashflows $	Foreign Exchange Movement $	New Lease/ Liability $	Disposal $	Other $	30-Jun-19 $
2019							
Current							
Non interest bearing loans and liabilities	-	(3,601)	-	4,799	-	6,004	7,202
Lease liabilities	11,828	(11,828)	-	-	-	11,828	11,828
Non Current							
Non interest bearing loans and liabilities	-	-	-	18,007	-	(6,004)	12,003
Lease liabilities	38,991	-	-	-	-	(11,828)	27,163
	50,819	**(15,429)**	**-**	**22,806**	**-**	**-**	**58,196**

Notes:
1 Indicates the transaction and establishment fees net of interest amortisation.
2 Indicates the effect of reclassification of non-current portion of non interest bearing loans and leases to current due to the passage of time and the accrued but not yet paid lease liabilities.
3 Indicates the reduction in liability as a result of the disposal of the lease liability.

(f) Capital Management

The Group defines its Capital as total equity of the Group, being $59,522,349 as at 30 June 2020 (2019: $14,708,374). The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while financing the development of its projects through primarily equity based financing. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is actively manage its balance sheet and continue to look for cost saving initiatives that help deliver the Lake Way Project on schedule and within budget.

The Group is not subject to externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the year, however, during the next 12 months, as a matter of capital prudence the Company will investigate alternate funding sources that may result in an improved outcome for all shareholders and stakeholders.

(g) Fair Value

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets.
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

At 30 June 2020 and 30 June 2019, the carrying value of the Group's financial assets and liabilities approximate their fair value.

26. Contingent Assets and Liabilities

(i) Contingent Assets

The Group has undertaken research and development (R&D) activities during the 30 June 2020 financial year. It is expected that these activities will be eligible for an R&D tax incentive paid by the Australian Taxation Office. Whilst the Company is yet to quantify the claim, it anticipates lodging its claim prior to 31 December 2020 and recognising the tax incentive upon lodgement of the 2020 Company Tax Return.

As at the date of this report, no other contingent assets had been identified in relation to the 30 June 2020 financial year.

(ii) Contingent Liability

As at the date of this report, no contingent liabilities had been identified in relation to the 30 June 2020 financial year.

27. Commitments

Management have identified the following material commitments for the Group as at 30 June 2020 and 30 June 2019. As at 30 June 2020, the Group has capital commitments that relate principally to the purchase of plant and equipment for its Lake Way operations:

	2020 $	2019 $
Commercial Commitments		
Within one year	12,447,619	19,030
Later than one year but not later than five years	8,929,299	39,166
	21,376,918	**58,196**

	2020 $	2019 $
Exploration Commitments		
Within one year	5,197,881	4,790,041
Later than one year but not later than five years	15,110,912	16,335,116
	20,308,793	**21,125,157**

28. Events Subsequent to Balance Date

i) On 2 July 2020, Salt Lake Potash announced it had received commitments to raise A$15m through the placement of unsecured zero-coupon Convertible Notes to corporate and institutional investors. The Convertible Notes are structured as deferred equity with zero coupon and mandatory conversion into equity at the lower of 45c per share or a 5% discount to any future equity raising of at least A$10m. These notes have since converted, except for the A$10m of Convertible Notes subscribed for by Equatorial Resources Limited (ASX: EQX). Mr Ian Middlemas is the Chairman and Mr Mark Pearce is a Non-Executive Director of EQX and both abstained from consideration of this issue. The exercise of these Convertible Notes was subject to the approval of Salt Lake Potash shareholders, which was received on 23 September 2020.

ii) On 5 August 2020, the Company announced it had fully funded the Lake Way Project via the execution of a US$138m (A$203m) debt financing package and a fully underwritten equity placement and accelerated non-renounceable offer for A$98.5m to complete the construction of the Lake Way Project on schedule. The debt financing package is via a Syndicated Facility Agreement with Taurus Mining Finance Fund No.2 L.P. and the Clean Energy Finance Corporation.

Other than as noted above, as at the date of this report there are no matters or circumstances which have arisen since 30 June 2020 that have significantly affected or may significantly affect:

- The operations, in financial years subsequent to 30 June 2020, of the Consolidated Entity;
- The results of those operations, in financial years subsequent to 30 June 2020, of the Consolidated Entity; or
- The state of affairs, in financial years subsequent to 30 June 2020, of the Consolidated Entity.

Directors' Declaration

In accordance with a resolution of the Directors of Salt Lake Potash Limited:

1. In the opinion of the Directors:

   (a) the attached financial statements, notes and the additional disclosures included in the Directors' report designated as audited, are in accordance with the Corporations Act 2001, including:

      (i) section 296 (compliance with accounting standards and Corporations Regulations 2001); and

      (ii) section 297 (gives a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the consolidated group); and

   (b) subject to matters stated in note 1(a), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1(a) to the financial statements.

3. The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2020.

On behalf of the Board

Tony Swiericzuk
Chief Executive Officer
25 September 2020

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Auditor's independence declaration to the directors of Salt Lake Potash Limited

As lead auditor for the audit of the financial report of Salt Lake Potash Limited for the financial year ended 30 June 2020, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Salt Lake Potash Limited and the entities it controlled during the financial year.

Ernst & Young

T S Hammond
Partner
25 September 2020

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Independent auditor's report to the members of Salt Lake Potash Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Salt Lake Potash Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(a) in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Mine development assets

Why significant	How our audit addressed the key audit matter
As at 30 June 2020, the Group's statement of financial position includes mine development assets of $116,780,737. As disclosed in Note 11, following completion of the Bankable Feasibility Study for the Lake Way Project in October 2019, the Group has determined that it is appropriate for the Lake Way Project to transition from exploration and evaluation to 'Mine Development' with effect from 1 November 2019. Costs associated with the project have been capitalised from this date. In determining whether a project should transition from the exploration and evaluation phase to the development phase, judgment is applied in assessing when technical feasibility and commercial viability has been demonstrated. There is also judgement in assessing whether the criteria for capitalisation have been met under the requirements of AASB 116 *Property, Plant and Equipment*. In addition, the Group is required to assess mine development assets for indicators of impairment in accordance with AASB 136 *Impairment of Assets* at each reporting date. Where impairment indicators are identified, the applicable assets are required to be tested for impairment. During the year, the Group determined that there had been no indicators of impairment. Given the size of the balance and the judgmental nature of the transition from exploration and evaluation to mine development and with the assessment of impairment indicators for mine development assets, we consider this a key audit matter.	In performing our audit procedures, we: ▸ Assessed the appropriateness of the date of transition of the project from exploration and evaluation to mine development which included consideration of whether the completion of the Bankable Feasibility Study ("BFS") was sufficient to demonstrate technical feasibility and commercial viability of the Lake Way Project. ▸ Tested a sample of transactions to determine the appropriateness of costs capitalised from the date of transition to mine development and whether they are in accordance with AASB 116 *Property, Plant and Equipment* and the Group's accounting policies. ▸ Assessed the appropriateness of the Group's identification of indicators of impairment as at 30 June 2020, including the consideration of the impact of COVID-19. ▸ Assessed the adequacy of the associated financial report disclosures.

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2. Share-based payments

Why significant	How our audit addressed the key audit matter
As disclosed in Note 23, in the current year, the Group granted share-based payment awards in the form of performance rights and options. The awards vest subject to the achievement of vesting conditions. In determining the share-based payments expense, the Group uses assumptions in respect of the achievement of future non-market performance conditions. Due to the complexity and judgmental estimates used in determining the valuation of the share-based payments and vesting period, we considered the Group's calculation of the share-based payments expense to be a key audit matter.	For awards granted or vesting during the year, we: ► Assessed the methodology used by the Group to determine the fair value of the award. ► Assessed, with the assistance of valuation specialists, the assumptions used in the Group's fair value determination including the share price of the underlying equity, volatility, grant date, dividend yield, expected life and performance conditions. ► Assessed the vesting period assumptions and probability of achievement. ► Tested that the expense was recognised over the vesting period. ► Assessed the adequacy of the disclosure included in the financial report.

3. Deferred tax assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 4, as at 30 June 2020, the Group has recognised deferred tax assets relating to tax losses and temporary differences of $21,056,646. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised. The Group's ability to recognise deferred tax assets is dependent upon the availability of tax losses and deductible temporary differences based on the taxation legislation of the relevant jurisdiction and on an assessment of the future profitability of the Group. Given the size of the balance, the complexity of taxation legislation and the judgemental nature of determining whether future taxable profits are probable, we consider this a key audit matter.	In performing our audit procedures, we: ► Assessed, with the assistance of our taxation specialists, the tax losses and deductible temporary differences that are available for use against future taxable profit as at 30 June 2020. ► Assessed, with the assistance of our valuation specialists, the Group's assessment of whether it is probable that future taxable profit will be available against which the deferred tax asset can be utilised, with reference to the Group's forecasts in the Bankable Feasibility Study for the Lake Way Project. ► Assessed the adequacy of the disclosure included in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2020 Annual Report, but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Salt Lake Potash Limited for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

T S Hammond
Partner
Perth
25 September 2020

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Corporate Governance

The Company believes corporate governance is a critical pillar on which business objectives and, in turn, shareholder value must be built. The Board of Salt Lake has adopted a suite of charters and key corporate governance documents which articulate the policies and procedures followed by the Company.

These documents are available in the Corporate Governance section of the Company's website, **www.so4.com.au/corporate-governance/**. These documents are reviewed to address any changes in governance practices and the law.

The Company's 2020 Corporate Governance Statement, which is current as at 30 June 2020 and has been approved by the Company's Board, explains how Salt Lake complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 3rd Edition' in relation to the year ended 30 June 2020. The Corporate Governance Statement is available in the Corporate Governance section of the Company's website, **www.so4.com.au/corporate-governance/** and will be lodged with ASX (and other exchanges the Company has a listing on) together with an Appendix 4G at the same time that this Annual Report is lodged.

In addition to the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 3rd Edition' the Board has taken into account a number of important factors in determining its corporate governance policies and procedures; including the:

- Relatively simple operations of the Company, which currently only undertakes mineral exploration and development activities;
- Cost verses benefit of additional corporate governance requirements or processes;
- Size of the Board;
- Board's experience in the resources sector;
- Organisational reporting structure and number of reporting functions, operational divisions and employees;
- Relatively simple financial affairs with limited complexity and quantum;
- Relatively moderate market capitalisation and economic value of the entity; and
- Direct shareholder feedback.

Mineral Resources Statement

Salt Lake Potash's Mineral Resource Statement as at 30 June 2020 is reported by Lake, all of which are located in Western Australia.

Annual Review of Mineral Resources

Resource

The Company reported its maiden resource at Lake Way in July 2018. A significant extension was subsequently reported in March 2019. The Mineral Resource Estimate was further updated in October 2019.

The AusIMM and the AMEC 2019 Brine Guidelines adopted by the JORC Committee have determined that brine mineral resources should be reported as tonnages of contained elements (Potassium, Magnesium and Sulphate), not tonnage of the product to be derived from processing (Sulphate of Potash - SOP). The previous resource estimates for Salt Lake Potash were reported as SOP and are modified here (Table 1 and Table 2) to report the tonnage of contained elements. All other aspects of the Resource Estimates remain unchanged.

The mineral resource hosted in the Williamson Pit at Lake Way and the sediment hosted resource was reported in March 2019 (ASX Announcement 18 March 2019). The information for Williamson Pit is repeated in Table 1.

The sediment hosted resource at Lake Way was revised in the Bankable Feasibility Study (BFS) report based on a revised geological model and larger sediment volume (ASX Announcement 11 October 2019). The information for the sediment hosted resource is repeated in Table 1.

The Mineral Resource Estimate calculated from drainable porosity (or specific yield) at Lake Way represents the static free-draining portion of the total porosity Mineral Resource prior to extraction. It does not take into account the impact of any groundwater recharge or solute transport which increases the amount of extractable brine above the static free-draining component over time.

A proportion of the Mineral Resource calculated from total porosity, in addition to the drainable porosity Mineral Resource, is considered to be extractable but is dependent on the transient groundwater flow and transport conditions affecting the Mineral Resource during extraction. The Reserve calculated for a 20 year mine life comprises approximately 40% of the Mineral Resource calculated from total porosity.

Reserve

A Probable Reserve for the Lake Way Project was reported in the BFS (ASX Announcement 11 October 2019). The Reserve comprised minerals dissolved in brine to be mined from the Measured Resource reported for the Northern Lake Bed Sediments and minerals dissolved in brine to be mined from the Measured and Indicated Resources reported for the Paleochannel Basal Sands. This information is repeated in Table 2 and additional information is provided that details the split between Reserves hosted in the Lake Bed Sediments and Reserves hosted in the Paleochannel Basal Sands.

The minerals dissolved in brine within the Williamson pit were not included in the Reserve because mining of brine from the pit was substantially progressed at the time of the BFS release.

Production

Mining from the Williamson Pit (brine pumping from the pit lake) commenced in June 2019 and was completed in March 2020. In total an estimated 0.015 Mt potassium was mined. Currently an immaterial volume of brine is produced from the Williamson pit due to dewatering of the pit during gold mining operations by Wiluna Mining and disposed of by pumping to the east and west drains.

Mining from the Lake Bed Sediments (brine pumping from trenches) commenced in July 2019 and is ongoing. At 30 June 2020 an estimated 0.018Mt Potassium has been mined. The mined brine is currently contained within the evaporation ponds and these are treated as stockpiles for the purposes of this report.

As of 30 June 2020 no SOP product has been produced.

Mining commenced prior to reporting of the Resource and Reserve Statement within the BFS report (ASX Announcement 11 October 2019). However, the 11 October 2019 Resource and Reserve statement reports the total resource prior to the commencement of mining (excluding Williamson Pit).

Depletion

The Williamson Pit Resource has been depleted to zero.

Production from the Lakebed Sediment has resulted in very minor depletion of the Resource and Reserve. In general, the depletion is less than the rounding to two significant figures of the Resource and Reserve Estimate.

Tonnages that have been mined and the depleted Resource and Reserve at 30 June 2020 are reported in Table 1 and Table 2.

Table 1: Mineral Resource Depletion and Status

			Mineral Tonnage Calculated from Total Porosity[1]			Mineral Tonnage Calculated from Drainable Porosity		
			Potassium Tonnage	Magnesium Tonnage	Sulphate Tonnage	Potassium Tonnage	Magnesium Tonnage	Sulphate Tonnage
Confidence	**Host**	**Description**	**(Mt)**	**(Mt)**	**(Mt)**	**(Mt)**	**(Mt)**	**(Mt)**
Measured	North Lake Bed Sediments	Resource 1/6/2019	3.1	3.6	12	0.79	0.93	3.2
		Mined FY2019-2020	0.018	0.020	0.072	0.018	0.020	0.072
		Resource 30/6/2020	3.1	3.6	12	0.77	0.91	3.1
Measured	Williamson Pit	Resource 1/6/2019				0.014	0.019	0.060
		Mined FY2019-2020				0.015	0.020	0.063
		Resource 30/6/2020				0	0	0
Measured	Paleochannel Basal Sands	Resource 30/6/2020	0.29	0.39	1.2	0.11	0.15	0.45
Indicated	Paleochannel Basal Sands	Resource 30/6/2020	2.4	3.2	9.8	0.90	1.2	3.7
Inferred	South Lake Bed Sediments	Resource 30/6/2020	0.9	1.1	3.8	0.24	0.3	1.0
Inferred	Paleochannel Sediment	Resource 30/6/2020	41	49	168	3.1	3.6	13
Total Measured		**Resource 30/6/2020**	**3.3**	**4.0**	**14**	**0.88**	**1.1**	**3.6**
Total Indicated		**Resource 30/6/2020**	**2.4**	**3.2**	**10**	**0.90**	**1.2**	**3.7**
Total Inferred		**Resource 30/6/2020**	**42**	**50**	**172**	**3.3**	**3.9**	**14**

Notes:

1 The resource calculated from Total Porosity represents the in-situ contained brine with no recovery factor applied. The amount of contained brine which can be extracted will be significantly less than the in-situ quantity and depends on many factors including the permeability of the sediments, the drainable porosity, the recharge dynamics of the aquifer and the duration of mining. In particular the Paleochannel Sediment hosted Inferred Resource exhibits low permeability and brine production from this unit will be slow and only a small fraction might be recovered.

Table 2: Mineral Reserve Depletion and Status

		Potassium Tonnage	Magnesium Tonnage	Sulphate Tonnage
Host	**Description**	**Mt**	**Mt**	**Mt**
Lake Bed Sediment	Probable Reserve Reported 11/10/2019	1.1	1.3	4.5
	Mined (FY2019-2020)	0.018	0.020	0.072
	Remaining Probable Reserve 30/6/2020	1.1	1.3	4.4
Paleochannel Basal Sand	Probable Reserve Reported 11/10/2019	1.3	1.7	5.2
	Mined (FY2019-2020)	0	0	0
	Remaining Probable Reserve 30/6/2020	1.3	1.7	5.2
Total	**Probable Reserve Reported 11/10/2019**	**2.4**	**3.0**	**9.7**
	Remaining Probable Reserve 30/6/2020	**2.4**	**3.0**	**9.6**

Governance

The Company engages external consultants and Competent Persons (as determined pursuant to the JORC Code 2012) to prepare and estimate the Mineral Resources and Reserves. Management and the Board review these estimates and underlying assumptions for reasonableness and accuracy. The results of the Mineral Resource and Reserve estimates are then reported in accordance with the requirements of the JORC Code 2012 and other applicable rules (including ASX Listing Rules).

Where material changes occur during the year to the project, including the project's size, title, exploration results or other technical information, previous resource estimates and market disclosures are reviewed for completeness.

The Company reviews its Mineral Resources and Reserves as at 30 June each year. A revised Mineral Resource or Reserve estimate will be prepared as part of the annual review process where a material change has occurred in the assumptions or data used in previously reported Mineral Resources. However, there are circumstances where this may not be possible (e.g. an ongoing drilling programme), in which case a revised Mineral Resource estimate will be prepared and reported as soon as practicable.

Competent Person Statement – Mineral Resource Statement

The information in this Mineral Resources and Ore Reserves Statement that relates to Mineral Resources and Ore Reserves is based on information compiled by Ben Jeuken, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Jeuken is an employee of Groundwater Science Pty Ltd. Groundwater Science Pty Ltd is engaged as a consultant to Salt Lake Potash Limited. Mr Jeuken has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Core for Reporting of Exploration Results, Minerals Resources and Ore Reserves.

Mr Jeuken has approved the Mineral Resource Statement as a whole and consents to its inclusion in the form and context in which it appears.

ASX Additional Information

1. Twenty Largest Holders of Listed Securities

The names of the twenty largest holders of listed securities as at 31 August 2020 are listed below:

Name	Number of Ordinary Shares	Percentage of Ordinary Shares
COMPUTERSHARE CLEARING PTY LTD	93,072,314	18.38
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	72,080,246	14,23
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	39,365,945	7.77
CITICORP NOMINEES PTY LIMITED	32,277,539	6.37
ARREDO PTY LTD	17,000,000	3.36
CS THIRD NOMINEES PTY LIMITED	14,182,501	2.80
EQUATORIAL RESOURCES LIMITED	12,000,000	2.37
NATIONAL NOMINEES LIMITED	9,563,465	1.89
ARGONAUT SECURITIES (NOMINEES) PTY LTD	8,350,000	1.65
AWJ FAMILY PTY LTD	7,150,934	1.41
BNP PARIBAS NOMS PTY LTD	5,417,513	1.07
HOWITT MGMT PTY LTD	5,020,003	0.99
MR NEIL DAVID IRVINE	5,000,000	0.99
MR TONY JAMES & MS BEVERLY JEAN EATON SWIERICZUK	4,416,146	0.87
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,193,747	0.83
J P MORGAN NOMINEES AUSTRALIA LIMITED	4,129,905	0.82
ELLISON (WA) PTY LTD	3,980,000	0.82
ARGONAUT SECURITIES (NOMINEES) PTY LTD	3,940,000	0.78
RANSOME'S DOCK LIMITED	3,840,000	0.76
MR MARK STUART SAVAGE	3,375,000	0.67
Total Top 20	**348,355,258**	**68.78**
Others	158,125,018	31.22
Total Ordinary Shares on Issue	**506,480,276**	**100.00**

2. Distribution of Equity Securities

An analysis of numbers of holders of listed securities by size of holding as at 31 August 2020 is listed below:

	Ordinary Shares	
Distribution	**Number of Shareholders**	**Number of Ordinary Shares**
1 – 1,000	1,152	372,726
1,001 – 5,000	851	2,180,506
5,001 – 10,000	431	3,464,432
10,001 – 100,000	970	34,496,329
More than 100,000	259	465,966,283
Totals	**3,663**	**506,480,276**

There were 1084 holders of less than a marketable parcel of Ordinary Shares.

3. Voting Rights

See Note 16(b) of the Notes to the Financial Statements.

4. Substantial Shareholders

Substantial holders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are as follows:

Distribution	Number of Ordinary Shares
Lombard Odier Asset Management (Europe) Limited	60,016,313
FIL Limited	54,601,226

5. Unquoted Securities

Unlisted Options Holder	Unlisted Options exercisable at $0.60 29-Apr-21	Unlisted Options exercisable at $0.40 30-Jun-21	Unlisted Options exercisable at $0.50 30-Jun-21	Unlisted Options exercisable at $0.60 30-Jun-21	Unlisted Options exercisable at $0.70 30-Jun-21
Hopetoun Consulting Pty Ltd	1,000,000	-	-	-	-
JJB Advisory Limited	-	250,000	350,000	500,000	-
Mr Sapan Ghai	-	-	100,000	150,000	250,000
Mr Hannes Huster	-	-	-	100,000	150,000
Others (less than 20%)	-	-	50,000	-	-
Total	**1,000,000**	**250,000**	**500,000**	**750,000**	**400,000**
Total holders	1	1	3	3	2

Unlisted Options Holder	Unlisted Options exercisable at $0.60 01-Nov-23	Unlisted Options exercisable at $1.00 01-Nov-23	Unlisted Options exercisable at $1.20 01-Nov-23
Mr Tony Swiericzuk	1,000,000	2,000,000	2,000,000
Mr Shaun Day	-	1,500,000	1,500,000
Others (less than 20%)	1,000,000	1,150,000	1,500,000
Total	**2,000,000**	**4,650,000**	**5,000,000**
Total holders	5	7	7

Unlisted Options Holder	Unlisted Options exercisable at $0.70 04-Aug-24	Unlisted Options exercisable at $1.00 30-Jun-23
Taurus Funds Management P/L	9,000,000	-
Argonaut Limited	-	1,000,000
Total	**9,000,000**	**1,000,000**
Total holders	1	1

As at 31 August 2020, there are 18,560,398 Performance Rights issued under an employee incentive scheme.

6. On-Market Buy Back

There is currently no on-market buyback program for any of Salt Lake Potash Limited’s listed securities.

7. Exploration Interests

Summary of Exploration and Mining Tenements held as at 31 August 2020

Project	Status	Type of Change since 30-Jun-20	License Number	Interest (%) 31-Aug-20
Western Australia				
Lake Way				
Central	Granted	-	E53/1878	100%
East	Granted	-	E53/2057	100%
South	Granted	-	E53/1897	100%
South	Granted	-	E53/2059	100%
South	Granted	-	E53/2060	100%
West	Application	-	L53/208	100%
Central	Application	-	M53/1102	100%
Central	Application	-	M53/1103	100%
Central	Application	-	M53/1104	100%
Central	Application	-	M53/1105	100%
Central	Application	-	M53/1106	100%
Central	Application	-	M53/1107	100%
East	Application	-	M53/1109	100%
Central	Granted	-	E53/1862	100%
West	Granted	-	E53/1863	100%
North	Application	-	E53/1905	100%
North	Application	-	E53/1952	100%
West	Application	-	E53/1966	100%
North	Application	-	E53/2049	100%
North	Granted	-	P53/1642	100%
West	Granted	-	P53/1643	100%
West	Granted	-	P53/1644	100%
West	Granted	-	P53/1645	100%
Central	Granted	-	P53/1666	100%
Central	Granted	-	P53/1667	100%
Central	Granted	-	P53/1668	100%
North	Granted	-	M53/121	100%
West	Granted	-	M53/122	100%
West	Granted	-	M53/123	100%
West	Granted	-	M53/147	100%
Central	Granted	-	M53/253	100%
Central	Granted	-	M53/796	100%

7. Exploration Interests (Continued)

Summary of Exploration and Mining Tenements held as at 31 August 2020 (Continued)

Project	Status	Type of Change since 30-Jun-20	License Number	Interest (%) 31-Aug-20
Western Australia				
Lake Way				
Central	Granted	-	M53/797	100%
Central	Granted	-	M53/798	100%
Central	Granted	-	M53/910	100%
West	Granted	-	L53/51	100%
West	Application	-	L53/207	100%
West	Granted	-	L53/211	100%
North	Granted	-	L53/212	100%
West	Application	-	L53/214	100%
West	Application	-	L53/215	100%
North	Application	-	L53/216	100%
West	Application		L53/217	100%
West	Granted	-	L53/218	100%
West	Application	-	L53/210	100%
West	Application	-	L53/219	100%
South	Application	-	L53/225	100%
West	Application	-	L53/226	100%
West	Application	-	L53/228	100%
West	Application	Application	L53/229	100%
West	Granted	-	G53/24	100%
West	Granted	Granted	G53/25	100%
Lake Wells				
Central	Granted	-	E38/2710	100%
South	Granted	-	E38/2821	100%
North	Granted	-	E38/2824	100%
Outer East	Granted	-	E38/3055	100%
Single Block	Granted	-	E38/3056	100%
Outer West	Granted	-	E38/3057	100%
North West	Granted	-	E38/3124	100%
West	Granted	-	L38/262	100%
East	Granted	-	L38/263	100%
South West	Granted	-	L38/264	100%
South	Granted	-	L38/287	100%

Project	Status	Type of Change since 30-Jun-20	License Number	Interest (%) 31-Aug-20
Western Australia				
Lake Wells				
South Western	Granted	-	E38/3247	100%
South	Granted	-	M38/1278	100%
Central	Application	-	E38/3380	100%
North	Application	-	E38/3469	100%
Central	Application	-	E38/3470	100%
Lake Ballard				
West	Granted	-	E29/912	100%
East	Granted	-	E29/913	100%
North	Granted	-	E29/948	100%
South	Granted	-	E29/958	100%
South East	Granted	-	E29/1011	100%
South East	Granted	-	E29/1020	100%
South East	Granted	-	E29/1021	100%
South East	Granted	-	E29/1022	100%
South	Granted	-	E29/1067	100%
South	Granted	-	E29/1068	100%
East	Granted	-	E29/1069	100%
North	Granted	-	E29/1070	100%
Lake Irwin				
West	Granted	-	E37/1233	100%
Central	Granted	-	E39/1892	100%
East	Granted	-	E38/3087	100%
North	Granted	-	E37/1261	100%
Central East	Granted	-	E38/3113	100%
South	Granted	-	E39/1955	100%
Lake Minigwal				
West	Granted	-	E39/1893	100%
East	Granted	-	E39/1894	100%
Central	Granted	-	E39/1962	100%
Central East	Granted	-	E39/1963	100%
South	Granted	-	E39/1964	100%
South West	Granted	-	E39/1965	100%

7. Exploration Interests (Continued)

Summary of Exploration and Mining Tenements held as at 31 August 2020 (Continued)

Project	Status	Type of Change since 30-Jun-20	License Number	Interest (%) 31-Aug-20
Western Australia				
Lake Marmion				
North	Granted	-	E29/1000	100%
Central	Granted	-	E29/1001	100%
South	Granted	-	E29/1002	100%
West	Granted	-	E29/1005	100%
West	Application	-	E29/1069	100%
Lake Noondie				
North	Granted	-	E57/1062	100%
Central	Granted	-	E57/1063	100%
South	Granted	-	E57/1064	100%
West	Granted	-	E57/1065	100%
East	Granted	-	E36/932	100%
Central	Granted	Granted	E36/984	100%
Central	Application	-	E36/985	100%
Lake Barlee				
North	Granted	-	E30/495	100%
Central	Granted	-	E30/496	100%
South	Granted	-	E77/2441	100%
Lake Barlee				
North	Granted	-	E37/1305	100%
Lake Austin				
North	Application	-	E21/205	100%
West	Application	-	E21/206	100%
East	Granted	-	E58/529	100%
South	Granted	-	E58/530	100%
South West	Granted	-	E58/531	100%
Northern Territory				
Lake Lewis				
South	Granted	-	EL 29787	100%
North	Granted	-	EL 29903	100%

8. Competent Persons Statements

The information in this Annual Report that relates to Exploration Results for Lake Way is based on, and fairly represents, information reviewed 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. Mr Jeuken is employed by Groundwater Science Pty Ltd, an independent consulting company. Mr Jeuken 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'. Mr Jeuken consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this Annual Report that relates to Process Testwork Results is extracted from the announcement entitled 'Harvest Salt Results Report Above Modelled Potassium Grades' dated 28 May 2020. 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 provided by Mr Bryn Jones, BAppSc (Chem), MEng (Mining) who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Jones is a holder of shares and performance rights in, and 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.

The information in this Annual Report 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.

9. Production Target

The Lake Way 245ktpa Production Target and the forecast financial statements based on that Production Target are 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 and forecast financial information 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. As announced on 15 June 2020, following substantial progress in detailed engineering and vendor procurement, the capital expenditure budget was increased from A$254m to A$264m. The Company confirms that the material assumptions underpinning the Production Target and the forecast financial information referenced in the 11 October 2019 release and the updated capital expenditure budget referenced in the 15 June 2020 release continue to apply and have not materially changed.

10. 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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