

Piper Preston Pty Ltd
(Wholly owned subsidiary of Salt Lake Potash Ltd)

Annual Report

EL 29787

For the Period
08 July 2015 to 07 July 2016

and

EL29903

For the Period
20 February 2015 to 07 July 2016

Amalgamated Reporting: GR376

Title Page

Name of Title Holder: Piper Preston Pty Ltd

Name of Project Operator: Salt Lake Potash Ltd

Report Title: EL29787 and EL29903 "Lake Lewis" Group Annual Report for the period 08 July 2014 to 07 July 2015

Reporting Period: 08 July 2015 to 07 July 2016 and
20 February 2015 to 07 July 2016

Project Name: Lake Lewis Project, Northern Territory

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Date of Compilation: 5nd September 2016

Target Commodities: Sulphate of Potash (SOP); Sulphate of Potassium Magnesia (SOPM); Sulphate of Magnesia (Epsomite)

Ref. Map Sheets: **1:100,000:** Mount Wedge (5352); Napperby (5452)
1:250,000: NAPPERBY (SF 53-9)

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Abstract

Lake Lewis Project, incorporates the EL 29787 and EL 29903, is situated about 200 km west-northwest of Alice Springs on the NAPPERBY 1:250,000 Geological Series Map Sheet, SF 53-9 map sheet. EL 29787, comprising 48 blocks and was granted on July 8th 2013 and EL29903, comprising 41 blocks, was granted on 21st January 2014 to Piper Preston Pty Ltd (now a wholly-owned subsidiary of Wildhorse Energy Ltd). The prime commodity sought is Sulphate of Potash (SOP); however, as this mineral does not naturally or directly crystallise from salt lake brines the exploration rationale is based on systematic exploration, evaluation and confirmation of replenishable brine resources contained in the tenement proper, prior to mineral process engineering evaluations and establishment of recoverable SOP from mineral brine resources. As the definition of groundwater recharge capacity of the lake is a prime importance for mineral brine resource evaluations, work carried out by the Company on the EL 29787 and EL29903 geophysical review of all available data and re-interpretation and water sampling a total of 50 samples (EL29787 22 and EL29903 28 samples) taken. The AAPA was also contact in early 2016 to complete at Native Title Clearance Survey but it has not been to date.

Copyright

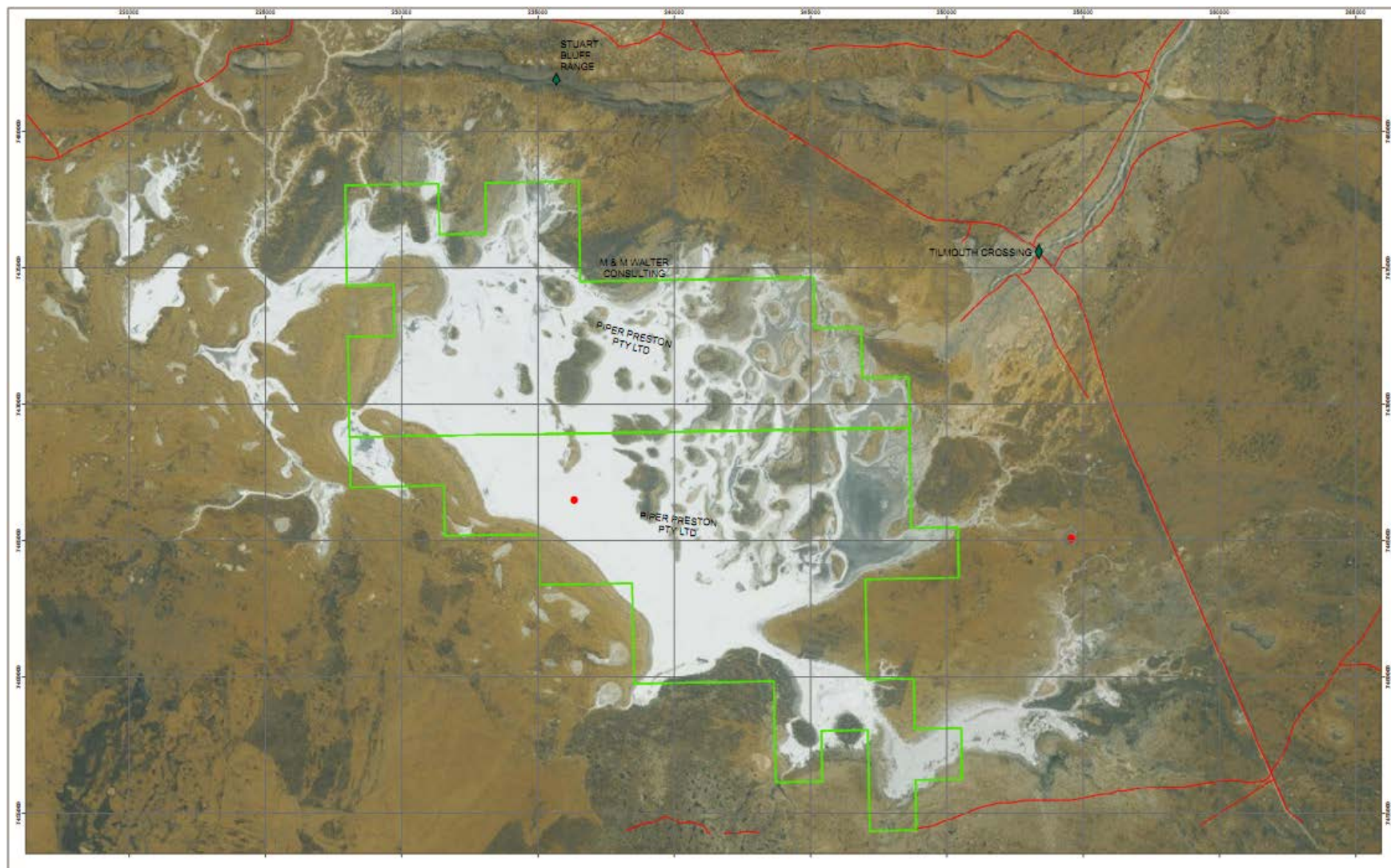
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Introduction

This report documents exploration activities carried out by Salt Lake Potash Ltd (SLP) on EL 29787 and EL 29903 during the period 20 February 2015 to 7 July 2016. Title to the EL's is held by Piper Preston Pty Ltd, a wholly owned subsidiary of SLP. The Lake Lewis Project, incorporating EL 29787 and EL29903, is situated about 200 km west-northwest of Alice Springs on the NAPPERBY 1:250,000 Geological Series Map Sheet, SF 53-9 map sheet and the 1:100 000 Nappery and Mount Wedge map sheets (Figure 1).

The prime commodity sought is Sulphate of Potash (SOP). Considering that SOP does not naturally or directly crystallise from salt lake brines and requires evaporation of salt lakes brines for the production of intermediate salt (Sulphate of Potassium Magnesia, SOPM) followed by mineral processing and conversion step, and target resources are mineral brines in the in the playa sediments of the Lake Lewis. Accordingly the exploration objective is to assess mineral brine resources of the EL's for production of SOP. This requires successive stages of geological and hydrological evaluations and mineral processing studies leading to establishment of the feasibility of commercial production of SOP and associated salt minerals from bine resources identified in the tenement areas. This report provides an outline work exploration work completed during the reporting period and summary outcomes and follow up work planned for more advance exploration work in the EL's area.



Lake Lewis Project
 Sattellite Image Map
 EL29787 & EL29903

Legend

- Native Title Sites
- Roads
- SLP Tenements

Datum: Geocentric Datum of Australia 1994
 Projection: Map Grid Australia, Zone 53
 Drawn by: Justine Hodgins
 Checked by: Justine Hodgins
 Date: 08/04/2016
 File: SLP_LakeLewis_P1_RevA_Satellite_Images.mxd

Figure 1 Location of the Lake Lewis Project EL29787 & EL29903

Tenure History

EL 29787 is comprised of 48 blocks and was granted on 8th July 2013 to Piper Preston Pty Ltd. EL29903 was granted on 20th of February 2014 and is comprised of 41 blocks.

Tenement No	Holder	Related Party	Granted	Area
EL 29787	Piper Preston Pty Ltd	Salt Lake Potash Ltd	8/07/2013	48 Blocks
EL29903	Piper Preston Pty Ltd	Salt Lake Potash Ltd	20/02/2014	41 Blocks

Table 1 Lake Lewis Project Tenure Details

EL29787 has entered its third year of grant while EL29903 has entered its second year of grant. Application to amalgamate reporting was lodged on 6 November 2015 and approved 10 December 2015 GR 376. The reporting period of this group is 08 July to 07 July annually.

Location, Physiography and Access

The Lake Lewis Potash Project is located at Lake Lewis approximately 160km west-northwest of Alice Springs.

Access to the project is via road north from Alice Springs on the Stuart Highway and west on the Tanami Road. The Tanami Road passes directly north of Lake Lewis. The two nearest runways are located at Tilmouth Well Roadhouse and Mount Wedge Airport.

Access is prohibited to areas that have special significance to the traditional owners these sites include Wirmbrandt Rock (South of lake) parts of Stuart Bluff Range and an area to the south of Mr Chapple around Woody Bore.

The physiography of the project is dominated by the Lake Lewis playa and its surrounding lacustrine plain, broad alluvial plains, mountain ranges and inselbergs surrounding the lake.



Figure 2 Access to Lake Lewis

Geological and Hydrogeological Setting

Lake Lewis is a large hydrologically closed intermontane basin, situated about 200 km west-northwest of City of Alice Springs in the Northern Territory. The basin has a catchment area of 14,075km² and was developed during the Cainozoic Era (English, 2001). It overlies and is surrounded by geologic units of the Lower Proterozoic Arunta Complex and the Late Proterozoic –Palaeozoic Amadeus and Ngalia basin successions. Basement outcrops in the Lake Lewis area are commonly excellent as a result of the steep nature and resulting high relief of the mountain ranges, consequently, the geology of the region encompassing Lake Lewis has been well mapped.

According to Australian government seismic surveys the depth to the basement beneath Lake Lewis ranges between 30m and 80m, and geological literature and exploration reports

point to up to 200m of Cainozoic sedimentation in the southern part of the basin. Mineral exploration drilling records indicate that the drainage channels incised into the Tertiary sands and palaeosols are filled in with Quaternary fluvial and lacustrine sediments. With the onset of a major phase of aridity, the drainages in the region, including that of Lake Lewis progressively contracted and silted up, eventually giving way to the development of internal drainage system (Arakel, 1986).

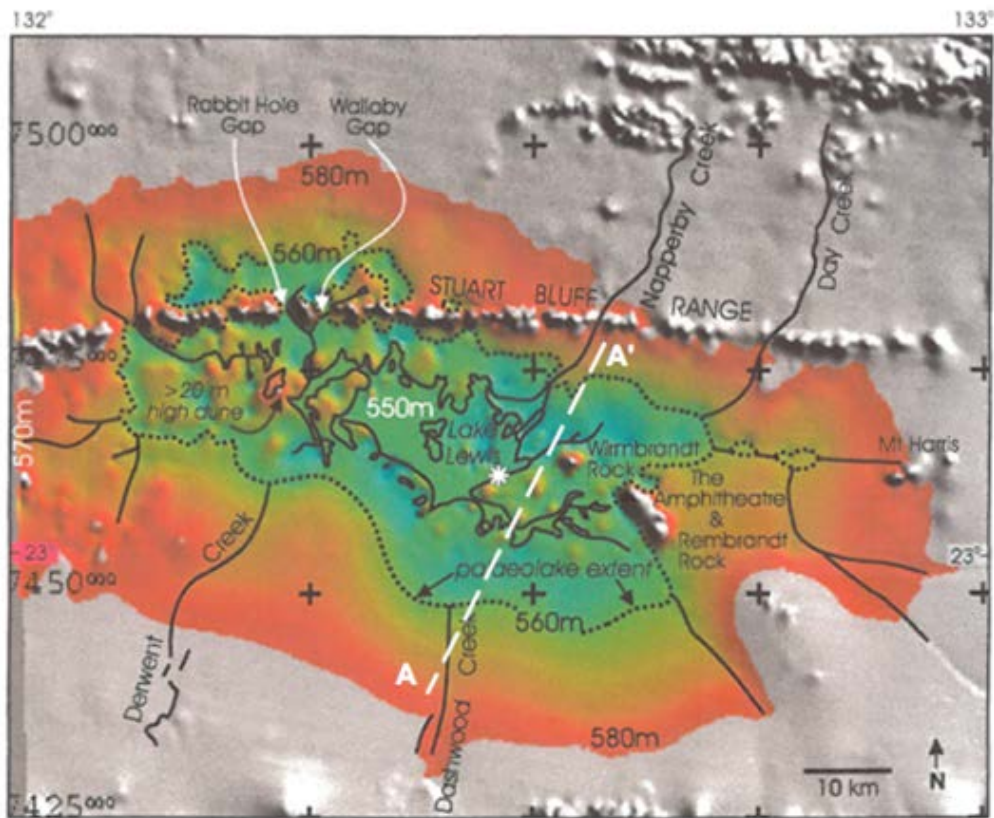


Figure 3 DEM of Lake Lewis basin showing playa (solid black) and 560m topographic contour (English2001)

Work Completed

Water Sampling

A total of 50 samples were taken (see sample map for locations Figure 4). Twenty-five water samples were dispatched in 250mL bottles to the laboratory. Samples were taken in the field and transported in temperature control packs to the laboratory.

Samples were sent to Bureau Vertias Minerals (BV Minerals) for water quality analysis. The laboratory reported major cations K, Cl, Na, Ca, Mg, S, HCO₃, So₄ (Via ICP-OES and Ion Chromotagraphy).

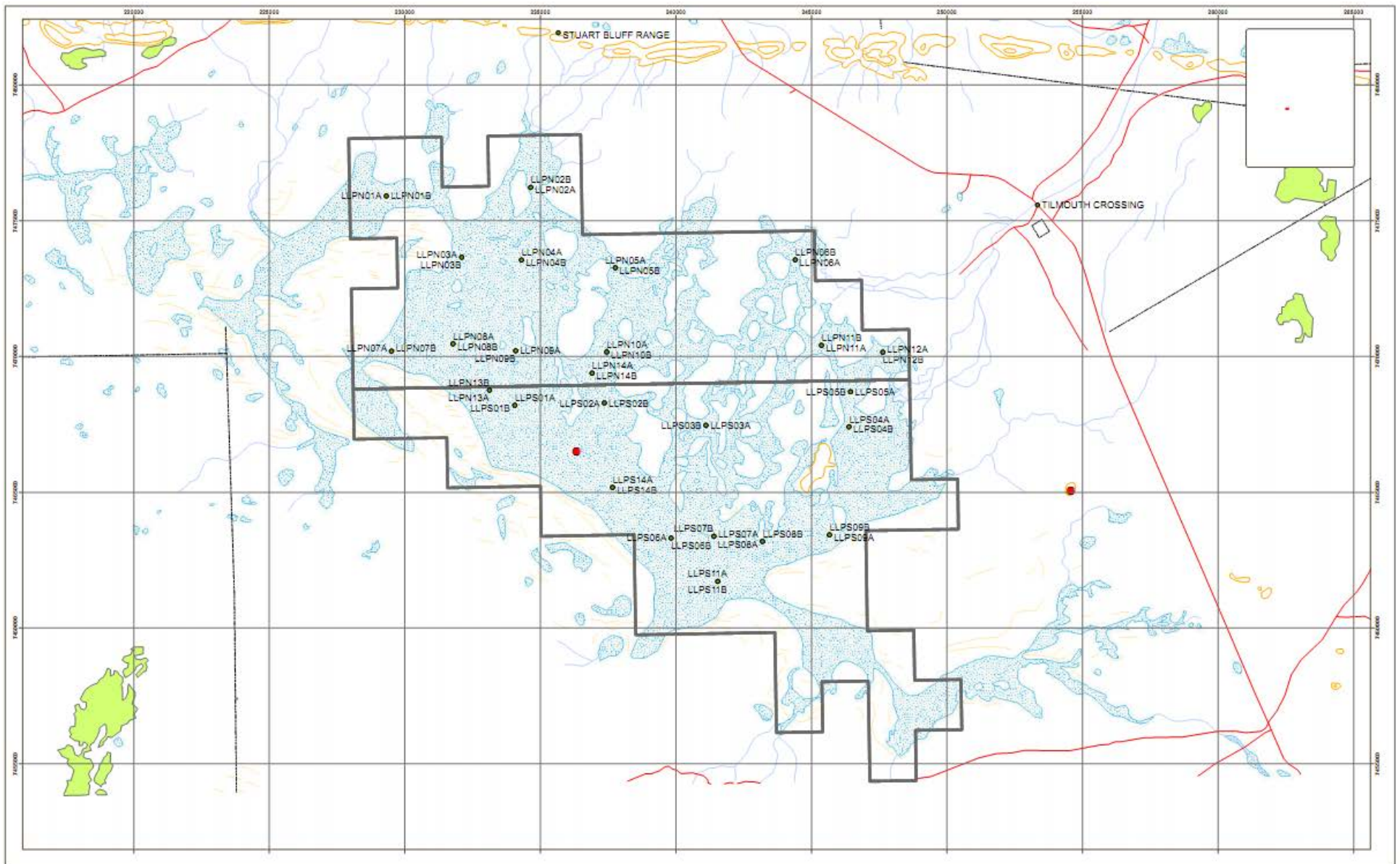
Initial results indicate that the project area may host a potential source of Potash. However further exploration work will need to be completed.

Review of Available Geophysical Data

SLP commissioned Resource Potentials Pty Ltd (ResPot) to combine publically available open-file and government data airborne magnetic, radiometric and digital terrain (AMAG) surveys and ground gravity surveys that exist over its Lake Lewis Project. A copy of the complete report attached as Appendix 1.

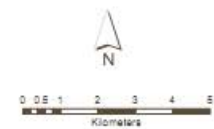
Shuttle Radar Topography Mission (SRTM) 1 arc-second (30m grid cell size resolution) elevation data were also downloaded and included in this review. SLP provided ResPot with a confidential TEMPEST electromagnetic (EM) survey and a high resolution AMAG survey that exist over portions of the Lake Lewis tenements, to be included in the data processing and review. Data processing, filtering, merging and image generation were completed on the AMAG, gravity and SRTM datasets to a rectangular area surrounding the Lake Lewis tenements. The merged and processed AMAG survey grids have provided higher resolution magnetic, radiometric and elevation images over and around the Lake Lewis tenements, allowing for a more accurate interpretation of the subsurface regolith, geological units and structures, and qualitative interpretation of the potential deepening or shallowing of various magnetic anomaly source units based on the sharpness of the magnetic signatures.

The TEMPEST fixed-wing airborne EM survey was thought to have 400m survey line spacing based on the survey specifications listed in the Northern Territory Geological Survey (NTGS) Strike database. However, the TEMPEST survey data were reviewed, and survey lines



Lake Lewis Project
Sample Location Map
 EL29787 & EL29903

- Legend**
- Sample Location
 - Native Title Site
 - Native vegetation areas
 - SLP Tenements
 - Contours
 - Fences Lines
 - Roads
 - Lakes



Scale (AS): 1:125,000

Date: Geospatial Datum of Australia 1994
 Projection: Map Grid Australia, Zone 53

Drawn by: Justine Hodgins
 Checked by: Justine Hodgins
 Date: 08/09/2016

File: SLP_Lake Lewis_P1_RevA_Sample Location Map.mxd

Figure 4 Sample Location Map

plotted, showing that the survey line spacings were actually 10km, with only portions of 2 north-south orientated survey lines, and a small portion of an east-west survey tie line, crossing through the SLP tenements. Modelling of the TEMPEST data was completed using conductivity depth image (CDI) and layered Earth inversion (LEI) processes, and the resulting interpreted geological contacts drawn from the CDI sections were then gridded and imaged. Initial data processing results suggest that the TEMPEST survey data can identify areas of thicker Tertiary paleochannel sand. However, these different conductive layers have yet to be drill tested, so these interpreted layers are not yet confirmed by drilling.

A full suite of the usual processing and imaging products were not completed because of the extremely broad spaced TEMPEST survey lines. Instead, only 4 Z component EM decay channels, representing the early, early-mid, mid-late and late EM decay times were processed and imaged. The TEMPEST data images and modelling suggests that the thickest areas of interpreted Tertiary paleochannel sand do not correlate to the modern location of Lake Lewis, and the existing deep channel locations. The CDI modelling identified several interpreted smaller zones of increased Tertiary paleochannel sand thickness distributed throughout the area. Because of the very broad, 10km spaced TEMPEST data, the true location and geometry of the interpreted Tertiary paleochannels cannot be mapped with any confidence.

ResPot also completed synthetic forward modelling of a highly conductive salt lake using a versatile time-domain helicopter EM (VTEM) system to determine if this more powerful EM system would be effective at penetrating a hypersaline surface, to differentiate between various conductive regolith layers, and to identify thicker zones of Tertiary paleochannel sand deposits.

Native Title Clearances

SLP accepted the AAPA certificate process in March 2016 to clearing work (#201511365). The final filed work was due to be completed in June 2016. Unfortunately the survey was been delayed due to bad weather. In July the work was delayed again due to reduced staffing and to ill health. At time of writing this report SLP was still waiting to hear when the survey would be completed.

General Observations and Recommendations

Lake Lewis is one of the few Australian salt lakes that is known as an “amplifier lake” system where in the hydrological balance in the lake playa system is primarily controlled by a continuous aquifer recharge. The continuity of recharge is most probably because of the lake’s high catchment/lake area ratio and the physiographic setting as reflected in the characteristic centripetal groundwater flow pattern, towards the lake’s central depression (Geoscience Australia, 2013).

The closed hydrological setting of the lake, together with significant recharge capacity and elevated concentration of potassium, magnesium and sulphate elements in the lake’s brine pool collectively point to the high prospectivity of the Lake Lewis Project and thus warrant for detailed follow-up field investigations, exploratory drilling and experimental evaporation trials.

A systematic exploration program is planned and recommended for implementation, subject to securing AAPA permit. Work will involve systematic geological mapping and a grid-based pit water sampling campaign to evaluate the lateral extent and chemistry of near surface brine field identified in the Lake Lewis playa lake, in the exploration license areas. Water samples collected will be analysed by an independent external laboratory and results used in the follow up desktop hydro-chemical modeling and preparation of scientific reports by WHE’s technical team.

Geophysical work will include a passive seismic survey using Tromino 3G ENGY seismometer. Lines will traverse the Lake to better design the first phase of the drilling program.

References

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English, P. (2001). Cainozoic evolution and hydrogeology of Lake Lewis Basin, central Australia. PhD Thesis, Australia National University

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