

Investor Update January 2019

Dear Investor,

Shenton has steadily progressed its hard rock Mid West Potash Project over the last year utilising funds raised by the Company in late 2017.

Milestone achievements in 2018 include:

- Efficient and safe completion of 1,200 of metres RC drilling programme on the Watheroo area.
- Extended the drilled strike length of potash mineralisation to over 2km.
- Received State Government exploration drilling grant of \$74,000 to co-fund RC and diamond core drilling programmes.
- Surface rock chip sampling has identified further prospective drill targets.
- A further round of metallurgical testing has commenced with results confirming very positive levels of potassium extraction via salt roasting and water leach.
- Geological reconnaissance has identified additional areas deemed prospective for potash and will be rock chip sampled.
- Progress has continued with establishment of further landholder access agreements.
- Scoping level discussions held with relevant parties relating to rail, port, power, gas and logistical support needs to suit a future potash mining and refining operation.

Project Information:

- Project is located two hours north of Perth and straddles a major road/rail corridor and regional power grid. Adjacent to major population and service center of Moora.
- Land holding comprises 610km² of granted Exploration Licences containing prospective host rocks extending along a strike length of 65km over freehold agricultural land.
- The potassium rich zones are located near surface with best drill intersection to date of 29m @ 8.74% K₂O.
- Potassium rich zones outlined at Watheroo will be amenable to conventional shallow open pit mining operation.
- Targeting up to 250Ktpa of K₂SO₄ (SOP) production for +20 years. Potassium extraction rates of up to 89% achieved before optimisation from oxide and transition ores in laboratory trials.

The Directors continue to be encouraged by the drilling and metallurgical success achieved in 2018 activities. The Directors have resolved to offer Shareholders the opportunity for further investment in the Company's growth activities. Please find enclosed an Offer Information Statement setting out details of the capital raising. Also contained within is additional project status and geological, metallurgical and development discussion.

Yours Faithfully

Jeremy Shervington
Non Executive Chairman