

2 July 2020

AUSTRALIAN POTASH LIMITED

LAKE WELLS GOLD PROJECT

FY21 Planned Exploration Program

Highlights

- **The Financial Year 2021 (FY21) Exploration Program under the Earn-In & Joint Venture agreement has been advised by joint venture partner St Barbara Limited for the Lake Wells Gold Project**
- **Extensive regional scale drilling program up to c.30,000 metres comprising:**
 - **Up to 425 Air-Core (AC) holes for approximately 25,500 metres**
 - **Up to 19 Reverse Circulation (RC) holes for approximately 3,400 metres**
 - **Up to 3 diamond drill (DDH) holes for approximately 900 metres**
- **Extensive infill drilling to the Yamarna target area with program extending into the northern tenement areas (refer Figure 2)**

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) is pleased to advise the details of the planned FY21 drilling program at the Lake Wells Gold Project by joint-venture partner St Barbara Limited (ASX: SBM).

Under the terms of the 2018 Earn-in & Joint Venture Agreement between APC and SBM, SBM committed to spend a total of \$5.25m to earn a 70% interest in the Lake Wells Gold Project. APC's remaining 30% interest will be free-carried until the completion of a bankable feasibility study on any orebody in the project area.

Managing Director and CEO, Matt Shackleton, commented: "As shown in Figure 3 below, the results of exploration to date by St Barbara generated compelling analogies to the richly endowed Kundana goldfield endowed with in excess of 8M ounces of gold.

St Barbara has confirmed the details of the planned FY21 exploration program, including up to 30,000 metres across targets in the Yamarna and Lake Wells joint venture areas.

Subject to access, the program is planned to commence in September and is likely to continue through to the end of Q2 FY21."

Initial Drilling and Exploration Program

During 2019 and 2020, SBM conducted an extensive exploration program including two large programs of AC drilling at the Lake Wells Gold Project (refer to ASX announcement of 27 April 2020). Results and interpreted target areas are shown below in Figures 2 and 3.



Figure 1: Location of the Lake Wells Gold Project along strike of the Golden Highway and Gruyere gold mine (Gold Road Resources/Goldfields joint venture).

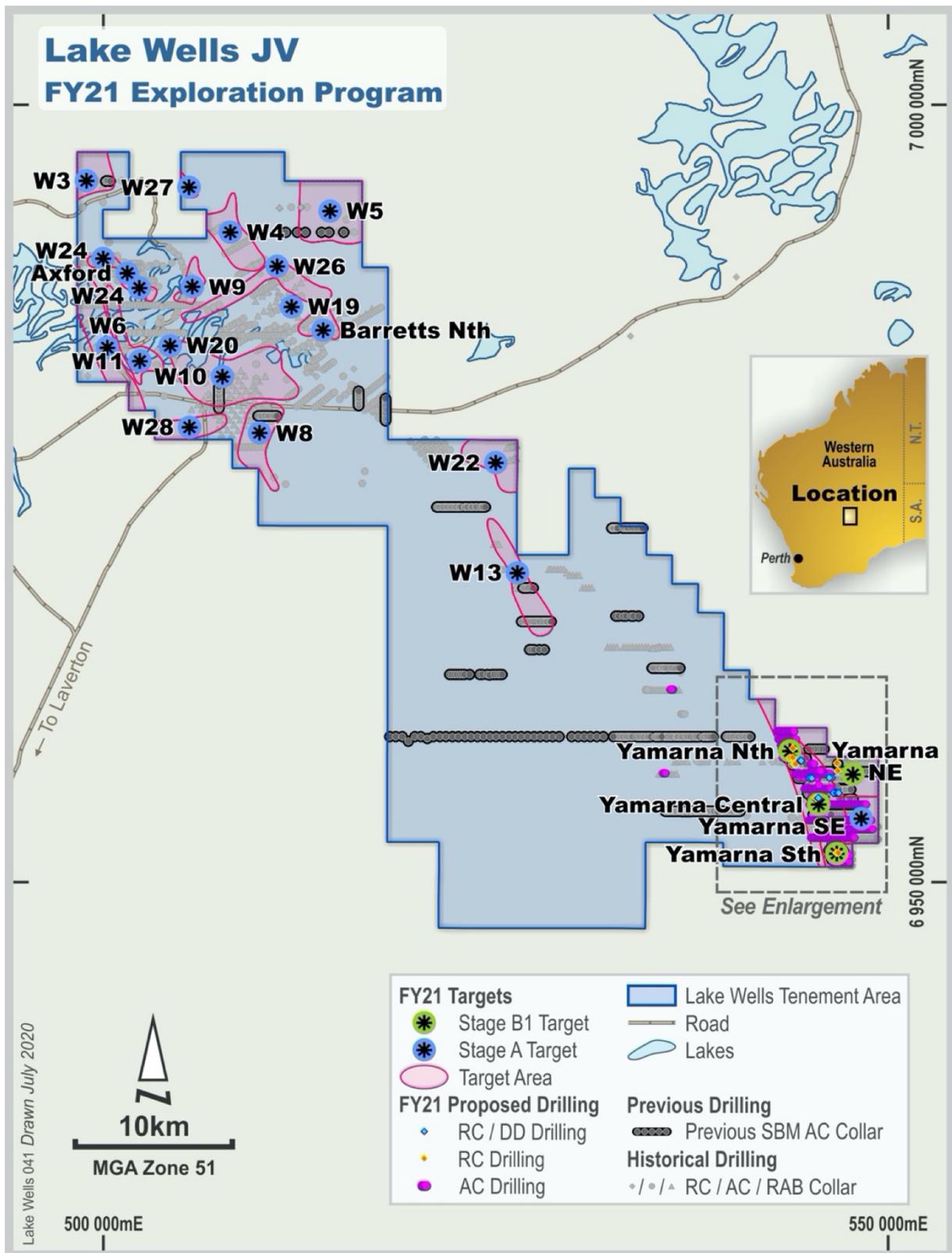


Figure 2: Summary of proposed FY21 exploration program drill locations showing the Yamarna and Lake Wells target areas.

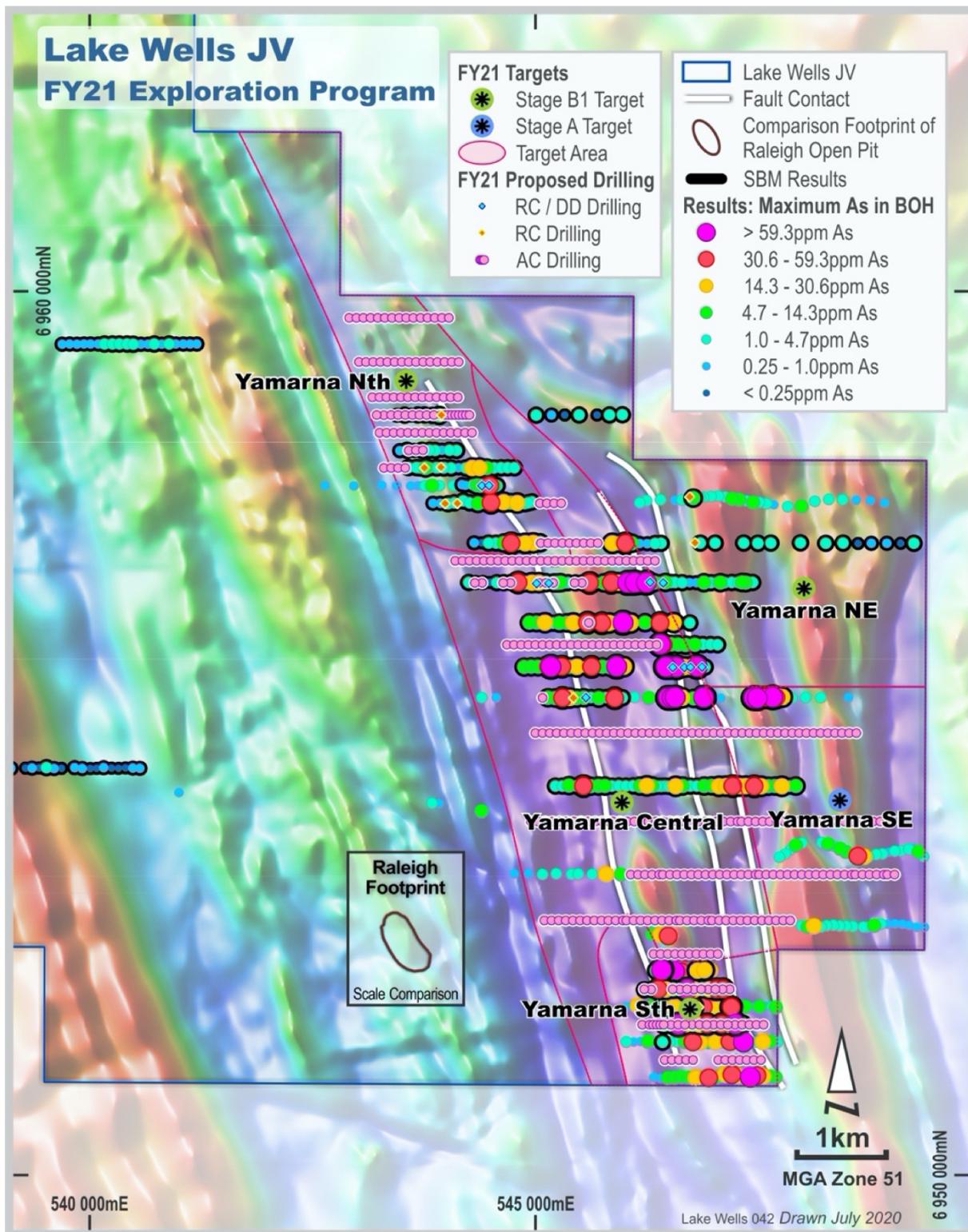


Figure 3: Location of proposed drilling and targets in the Yamarna area of the Lake Wells Gold Project.

Key outcomes of work completed to date are:

- Completed framework geology study that included acquisition of detailed magnetic and gravity geophysical data;

- Defined areas of anomalous gold and pathfinder elements (As, Bi and Sb) in AC drilling that require follow-up;
- Potential target styles of mineralisation have been defined;
- Additional areas for first-pass testing have been identified; and,
- Priority follow-up targets generated and program planning advanced.

This announcement is authorised for release by the Managing Director.

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Competent Person's Statement

The information in this report that relates to Exploration Results is based on information supplied by SBM and reviewed by Christopher Shaw who is a member of the Australian Institute of Geoscientists (AIG). Mr Shaw is an employee of Australian Potash Ltd. Mr Shaw has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken 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 Shaw consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

About Australian Potash Limited



K-Brite is a registered trademark brand of Australian Potash Limited (ASX: APC), representing the premium Sulphate of Potash (SOP) to be produced from the Company's flagship Lake Wells Project.

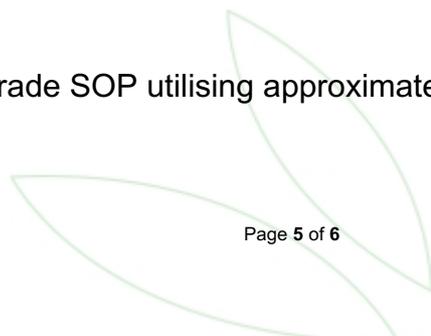
APC holds a 100% interest in the Lake Wells Sulphate of Potash Project (LSOP) located approximately 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.

Following the release of the Definitive Feasibility Study (DFS) in August 2019ⁱ, APC is focused on the Front-end Engineering Design (FEED) Study, finalising offtake discussions and securing financing to develop the LSOP.

The DFS was underpinned by extensive and rigorous testwork, data, and modelling. The DFS confirmed that the LSOP will be a long life, low capital and high margin SOP producer.

Key outcomes from the DFS include:

- 30-year mine life producing 150,000tpa of premium grade SOP utilising approximately 21% of the total Measured Resource estimate



- Long mine life underpinned by 3.6Mt reserve and **18.1Mt** Measured Resource estimate
- Pre-tax NPV8 of **A\$665m** and an IRR of 25%
- Development capex of A\$208M with sector leading capital intensity of A\$1,387/t
- First quartile industry opex of US\$262/t providing high cash operating margins

Forward Looking Statements

This announcement contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

ⁱ Refer to ASX Announcement 28 August 2019 'Definitive Feasibility Study Outstanding Financial Outcomes'. That announcement contains the relevant statements, data and consents referred to in this announcement. Apart from that which is disclosed in this document, Australian Potash Limited, its directors, officers and agents: 1. Are not aware of any new information that materially affects the information contained in the 28 August 2019 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 28 August 2019 announcement continue to apply and have not materially changed.