

ASX ANNOUNCEMENT

ASX: APC



2 August 2021

Diggers & Dealers Mining Forum Presentation

Australian Potash Limited (**ASX: APC** or the **Company**) is pleased to provide a copy of the presentation that will be given later today by Managing Director & CEO Matt Shackleton at the Diggers & Dealers Mining Forum in Kalgoorlie.

This release was authorised by the Managing Director & CEO.

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About Australian Potash Limited



APC holds a 100% interest in the **Lake Wells Sulphate of Potash (LSOP)**, located approximately 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields. The Company is finalising pre-development plans for commencement of construction. First production from the LSOP is scheduled mid-2023.ⁱ

K-Brite is a registered trademark brand of Australian Potash Limited and the brand under which the suite of high quality, premium SOP products from the LSOP will be marketed.

APC holds a 100% interest in the **Laverton Downs Project**, located 5kms north of Laverton, in Western Australia's Eastern Goldfields.ⁱⁱ

APC holds a 30% free-carried interest in the **Lake Wells Gold Project**, located 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.ⁱⁱⁱ

Please visit www.australianpotash.com.au for more information.

ⁱ Refer to ASX Announcement 20 April 2021 'FEED positions K-Brite at the Premium End of SOP Market'. 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 20 April 2021 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 20 April 2021 announcement continue to apply and have not materially changed.

ⁱⁱ Refer to ASX Announcement 9 April 2021 'Massive Nickel Sulphide Targets Identified at Laverton Downs'. 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 9 April 2021 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 9 April 2021 announcement continue to apply and have not materially changed.

ⁱⁱⁱ Refer to ASX Announcement 8 April 2021 'SBM Acquires 70% Interest in Lake Wells Gold Project'. 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 8 April 2021 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 8 April 2021 announcement continue to apply and have not materially changed.



AUSTRALIAN POTASH

Low Cost, Organically Certified,
Environmentally Sustainable,
Green Sulphate of Potash



Diggers & Dealers
Kalgoorlie
August 2021

Disclaimer

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Competent Person's Statement

#The information in this report that relates to the Mineral Resource is based on information announced to the ASX on 8 August 2019. APC confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the Estimate in the relevant market announcement continue to apply.

The information in the announcement that relates to Mineral Resources is based on information that was compiled by Mr Duncan Gareth Storey. Mr Storey is a Director and Consulting Hydrogeologist with AQ2, a firm that provides consulting services to the Company. Neither Mr Storey nor AQ2 own either directly or indirectly any securities in the issued capital of the Company. Mr Storey has 30 years of international experience. He is a Chartered Geologist with, and Fellow of, the Geological Society of London (a Recognised Professional Organisation under the JORC Code 2012). Mr Storey has experience in the assessment and development of paleochannel aquifers, including the development of hypersaline brines in Western Australia. His experience and expertise are such that he qualifies as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves". Mr Storey consents to the inclusion in this report of the matters based on this information in the form and context as it appears.

The information in this report that relates to mineral processing is based on information compiled by Mr Antoine Lefavre P.Eng, a Competent Person who is a Member of the *Ordre des Ingénieurs du Québec* (Order of Engineers of Quebec). Mr Lefavre is employed by Novopro Projects Inc. and has sufficient experience that is relevant to the style of minerals processing 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 Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lefavre consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements Disclaimer

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.

Financial Forecasts

The forecast financial information stated in this presentation is based on the Company's Front End Engineering Design Program results as released to the ASX on 20 April 2021. The Company confirms that all material assumptions underpinning the forecast financial information continue to apply and have not materially changed.

Hydrogeological Unit	Volume of aquifer (MCM)	Specific Yield (mean)	Drainable Brine Volume (MCM)	K Concent* (mg/L, weighted mean value)	SOP Grade (mg/L, weighted mean value)	SOP Resource (MT)
Loam	5,180	10%	518	4,009	8,941	4.6
Upper aquitard	10,772	7%	754	3,020	6,735	5.1
Crete	479	5%	24	2,386	5,320	0.1
Upper sand	801	17%	136	3,435	7,660	1.0
Lower aquitard	9,502	8%	760	3,367	7,509	5.7
Mixed aquifer	440	17%	75	3,645	8,129	0.6
Basal sand	503	23%	116	3,415	7,616	0.9
Total (MCM/MT)	27,678		2,383	3,343	7,455	18.1

Table 1: Measured JORC Mineral Resource Estimate for Lake Wells Sulphate of Potash Project based on modelled aquifer volume, specific yield and weighted mean K concentrations (derived from modelling)

How do solar-salt projects work?

Brine is pumped



AUSTRALIA'S LARGEST JORC COMPLIANT MEASURED POTASSIUM [SOP] RESOURCE

60,000 METRES OF DRILL DATA

700,000 METRES OF PASSIVE SEISMIC DATA

500 GEOTECHNICAL TEST SITES

THOUSANDS OF HOURS OF HYDRO-MODELLING

How do solar-salt projects work?

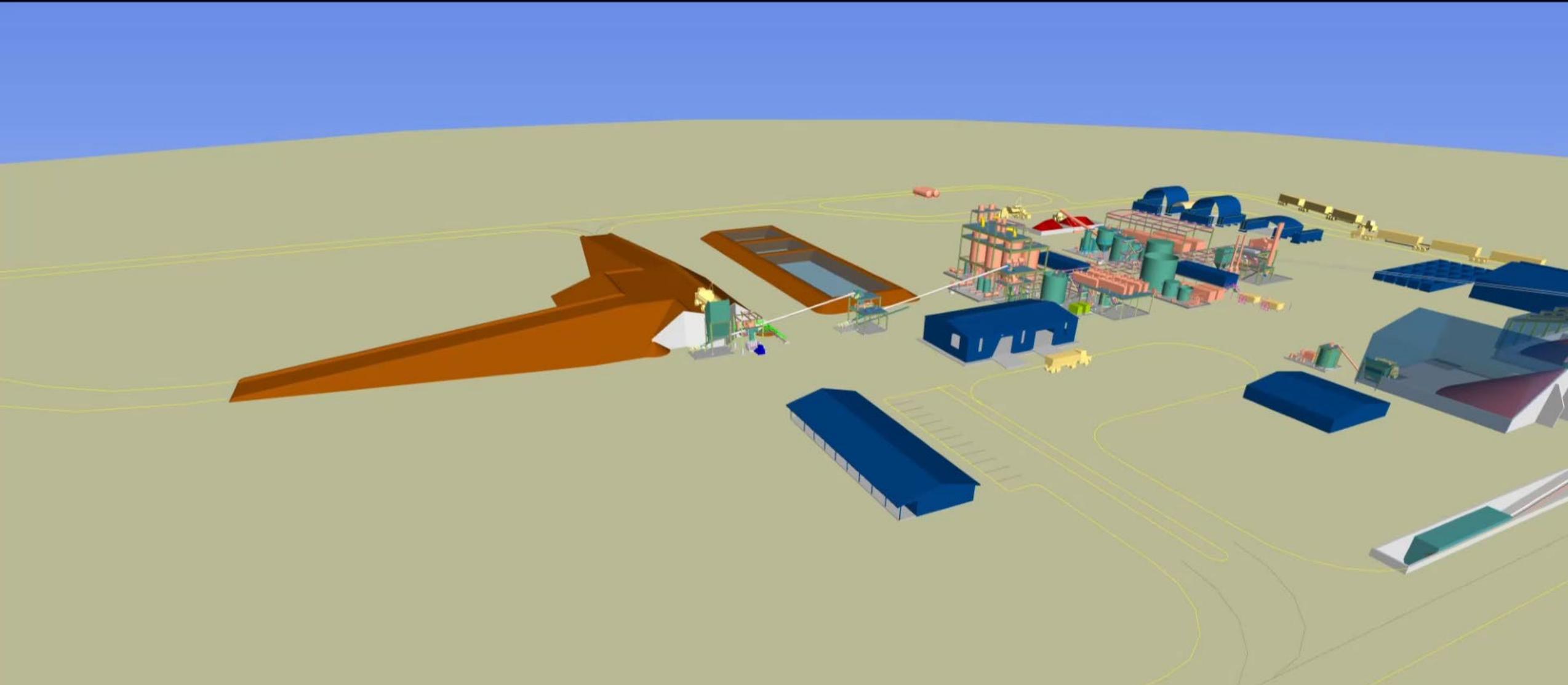
Water is evaporated
from the brine

**THIS IS WHY IT'S CALLED SOLAR SALT – WE ARE CRYSTALLISING SALT
USING SOLAR POWER TO EVAPORATE WATER**



How do solar-salt projects work?

Potassium in the salt is beneficiated



**THE PROCESS PLANT USES A PROVEN FLOWSHEET
INTERNATIONAL EXPERTISE TEAMED UP WITH LOCAL ENGINEERING**

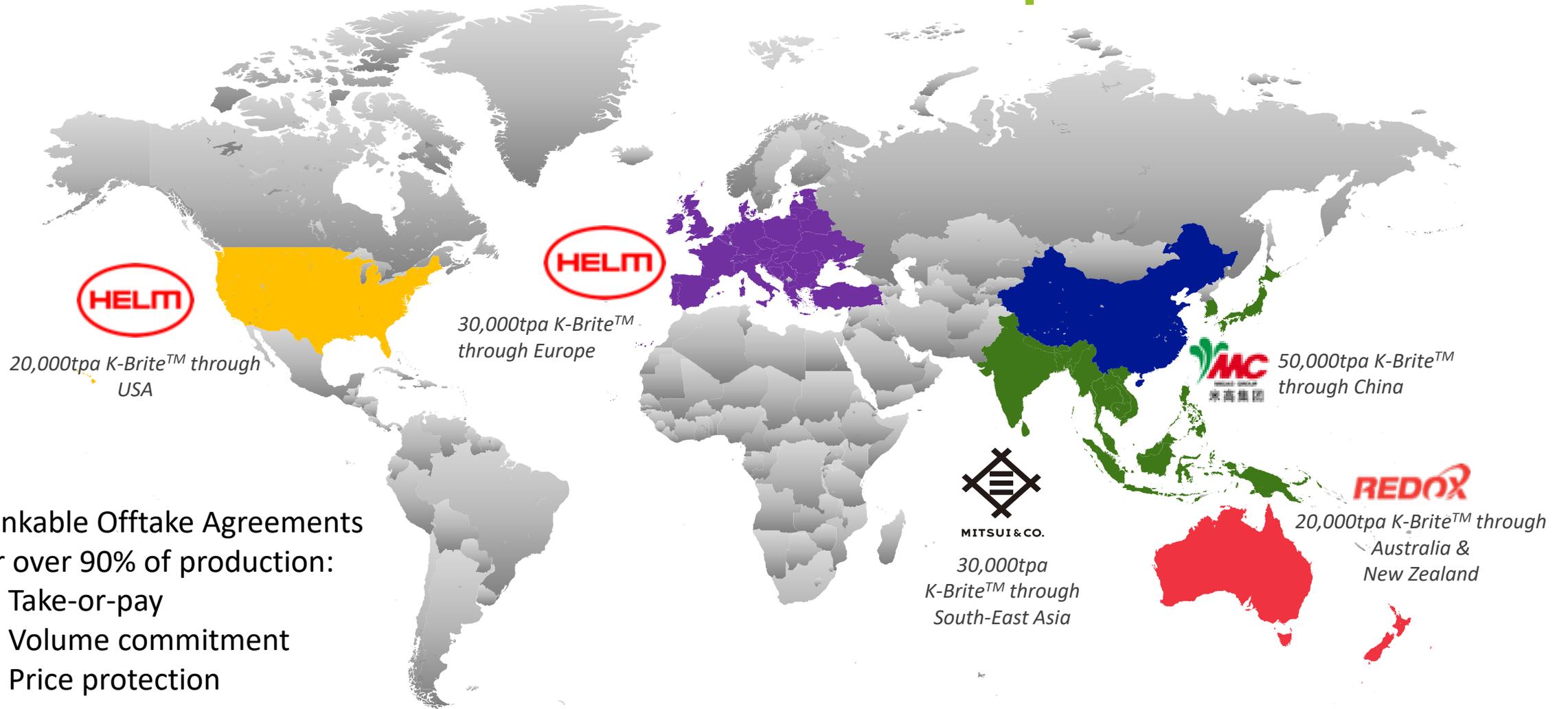
How do solar-salt projects work?

Ship and supply

**WE SELL THE 170,000tpa OF
GREEN, ORGANIC, NON-SUBSTITUTABLE SOP
TO EUROPE, THE AMERICAS, AUSTRALASIA, CHINA AND ASIA**

How do solar-salt projects work?

Ship and supply



Bankable Offtake Agreements for over 90% of production:

- Take-or-pay
- Volume commitment
- Price protection

Australia's Green SOP Project

A genuinely green, premium fertiliser

FEED Program* positions the Lake Wells SOP K-Brite™ product as a genuinely green, premium fertiliser product for distribution into the world's most lucrative markets

- ✓ 100% OWNED – TIER 1 LOCATION
- ✓ **AUSTRALIA'S LARGEST MEASURED SOP RESOURCE**
PROBABLE RESERVE: 3.6MT; MEASURED RESOURCE: 18.1MT#
- ✓ MINING LEASES & ENVIRONMENTAL APPROVALS
- ✓ HIGH GRADE, **ORGANICALLY CERTIFIED** PRODUCT LINES
- ✓ HIGH PENETRATION **HYBRID RENEWABLE POWER STATION**
66% LESS CARBON EMISSIONS THAN MANNHEIM SOP
- ✓ **GREEN LOAN VERIFICATION** WITH DEBT FINANCING WELL ADVANCED

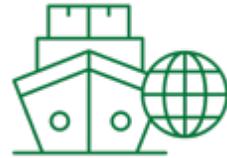


Lake Wells Sulphate of Potash Project

The essential metrics



30 YEARS OF SOP
PRODUCTION AT
170,000
TONNES
PER ANNUM



90%
OF PRODUCTION
UNDER OFFTAKE

PRE-TAX[#] NPV₈
A\$415M

A\$88M EBITDA[#]
(AVG ANNUAL OVER LOM)

CASH COST[#]
US\$251/t



SOP PRICE[#]
US\$550/t

CAPITAL COST¹
A\$266M
(+A\$26M
CONTINGENCY)

DEBT FUNDING²
A\$185M
(+COMMERCIAL
BANKS PENDING)

LOWEST QUARTILE CASH COST

GREEN LOAN
VERIFICATION



NAIF FUNDING
A\$140M

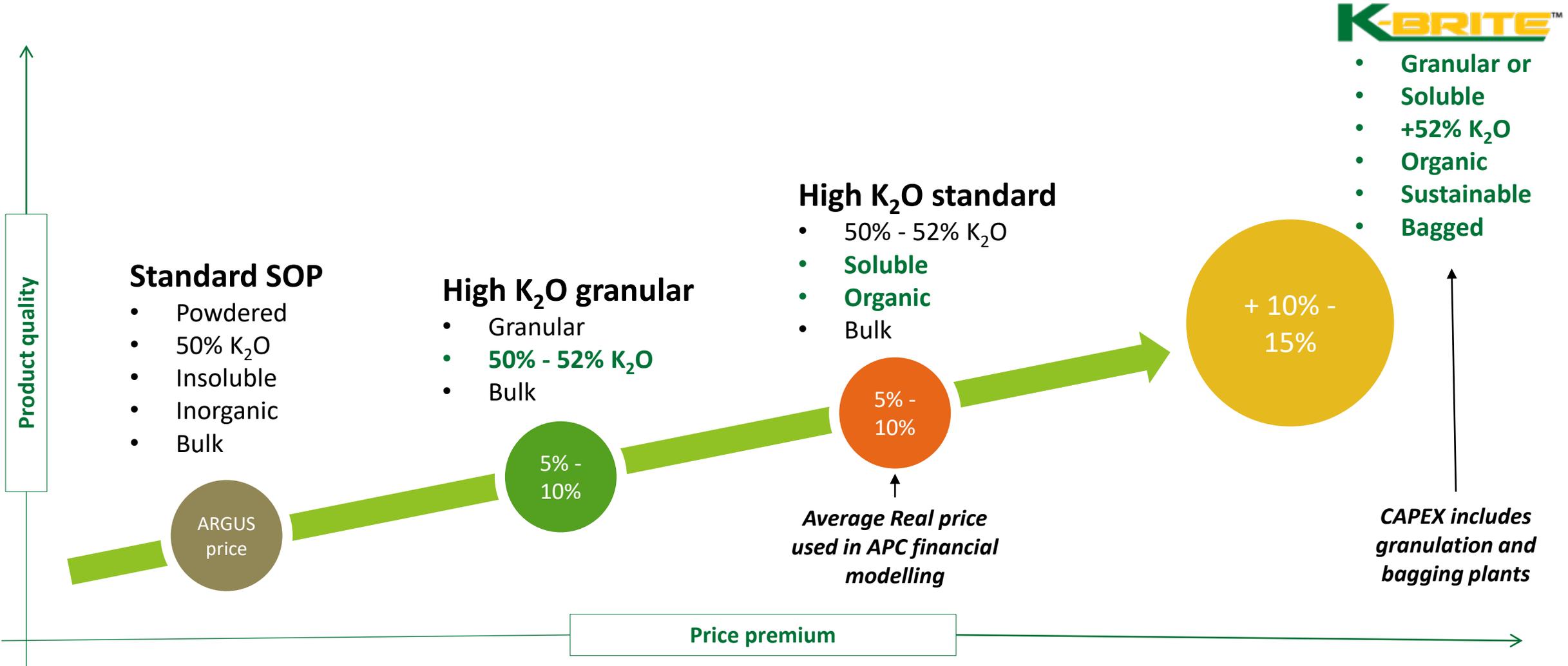


EFA FUNDING*
A\$45M

These are Real numbers
* Conditional credit approval received
1. Refer Appendix 1
2. Refer Slide 14

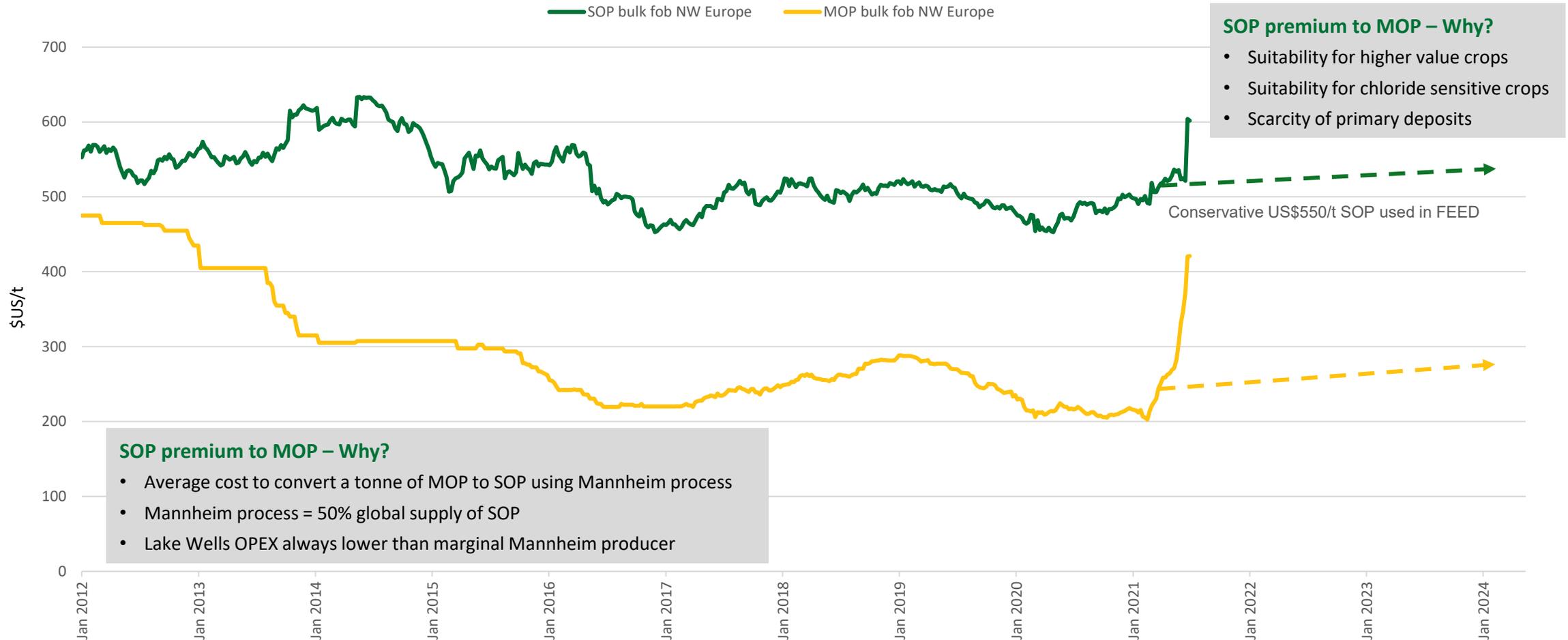
Pricing the SOP Product

Premium product commands premium pricing



SOP Pricing

SOP trades at a premium to MOP



Our Market

SOP is the premium form of an essential, non-substitutable plant fertiliser



7M tonnes

Market Size

- SOP = 10% of the global demand for potassic fertilisers
- 170ktpa = 2.4% global demand



Essential

<1% Chloride/17% Sulphur

- Potassium is essential
- Potassium without chloride is essential
- SOP is essential and non-substitutable



High Margin

Premium pricing

- Solar salt = lowest quartile cost
- 50/50 China/Rest-of-World production
- 4% - 6% CAGR profile past 2030



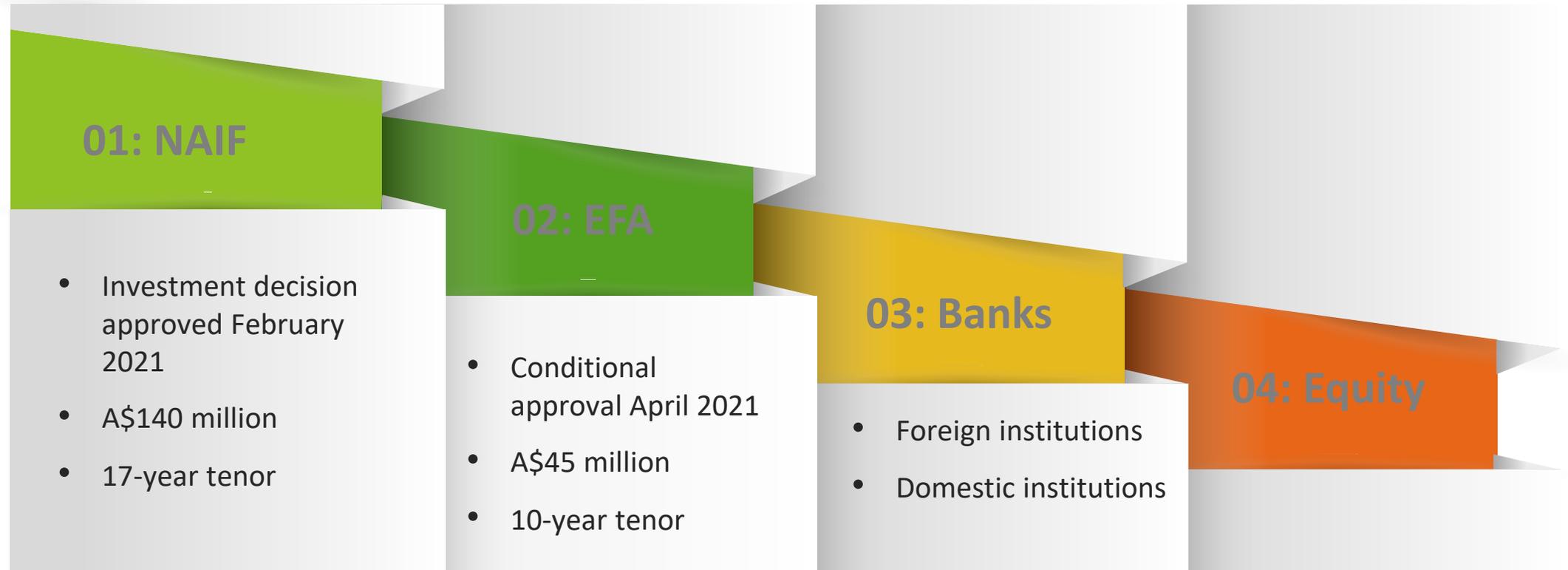
US\$3.5B

SOP Global Demand

- 50% of global supply from the high-carbon emitting Mannheim industrial process
- 50% from the passive solar evaporation (low Carbon) process

Financing the Build

NAIF
EFA
Commercial banks
Equity



- Green Loan verification on debt issued by APC
- Capital cost of A\$266million [plus contingency of A\$26million]*

Contracting Strategy

Minimising the risk of cost overruns, schedule creep and process under-performance

+75% of construction contracts by value are EPC

6 Packages EPC Contracted

SOP process plant
Borefield fit-out & HV network
Power station
Communications & Village

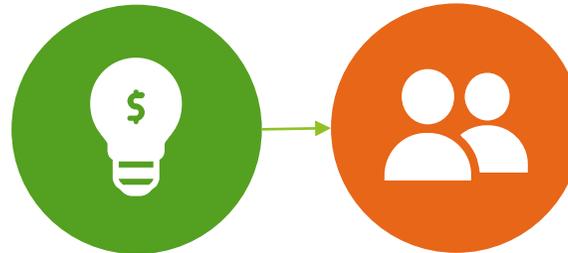


Why?

Schedule guarantee
Price guarantee
Process guarantee
Local engineers & Canadian expertise

2 Packages Owner's Team

Borefield drilling
Civils (incl. ponds)



Experienced owner's team
In depth knowledge of ground conditions –
no-one knows better than APC's team

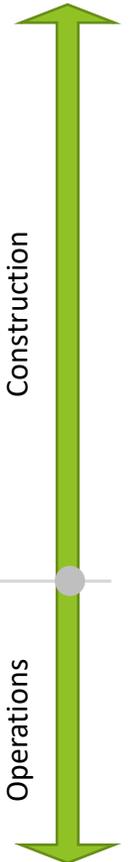
Contracted

Village
Power station
Logistics



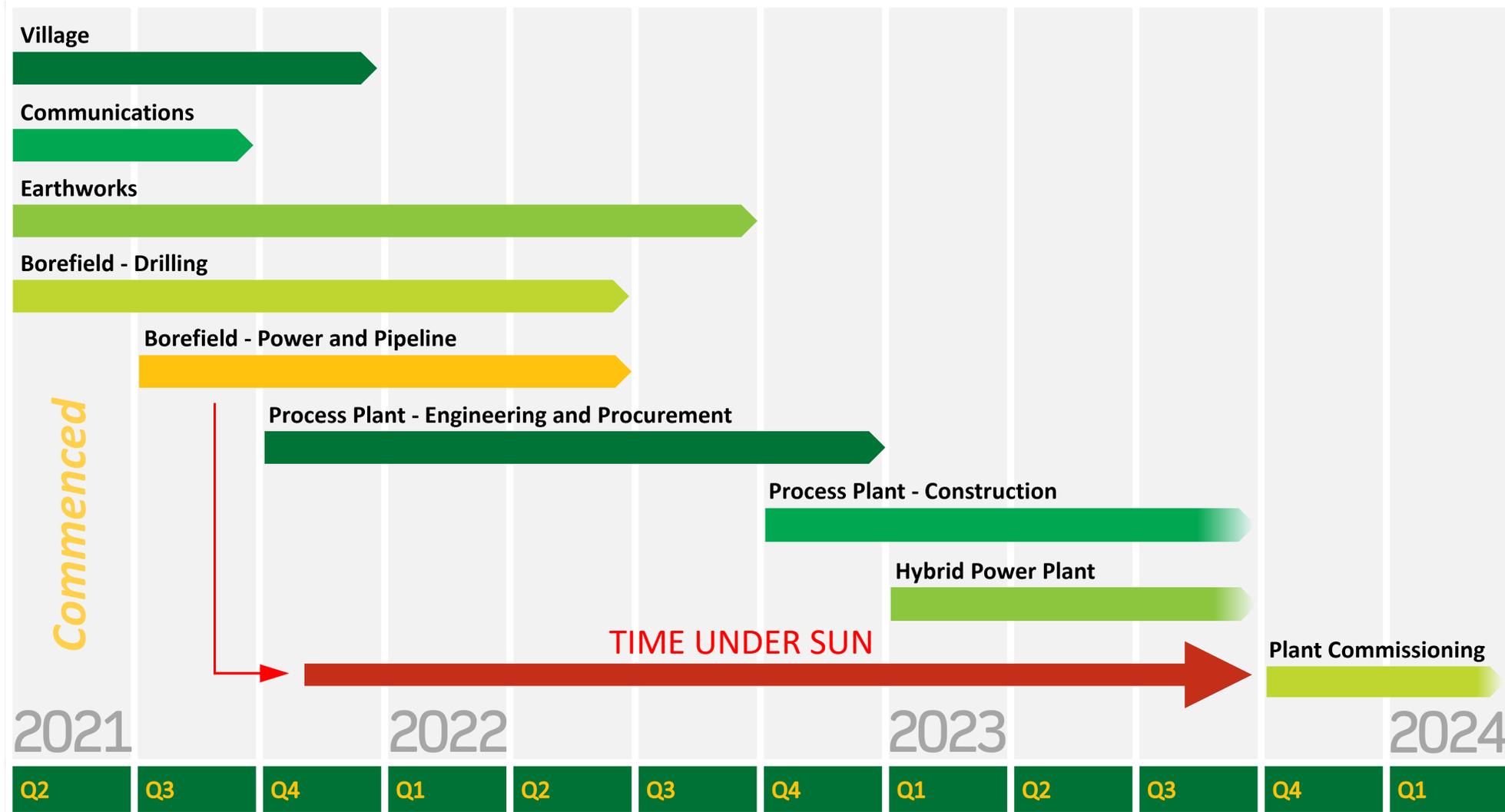
Owner's Team

Pumping
Processing
Marketing



Timeline to Production

Conservative schedule commitments



Key Implementation Partners

Experienced
Visible

Contractors



Consultants



Green Legal

Key Implementation Team

Skills
Experience
Competence



Jim Walker

Chairman



Brett Lambert

Non-executive Director



Cathy Moises

Non-executive Director



Matt Shackleton

Managing Director & CEO



Rhett Brans

Project Director



Scott Nicholas

Chief Financial Officer



Michelle Blandford

Company Secretary



Christopher Maiolo

Project Manager

Peter de Groot
Construction Manager

Ian Sallie
Civils Manager

Simon Page
Principal Hydrogeologist

Chris Shaw
Exploration Manager



Jay Hussey
Chief Commercial Officer

Ryan Duncan
Technical Manager

Saul Hawkins
Contracts Manager

Valentyna Butenko
Project Engineer

Leigh-Ayn Absolom
Financial Controller



Sandra Barkla
Community Engagement
Manager

Valeria Mazzola
HSE Advisor

Kylie Bull
Executive Assistant



Community Engagement

A commitment to the community

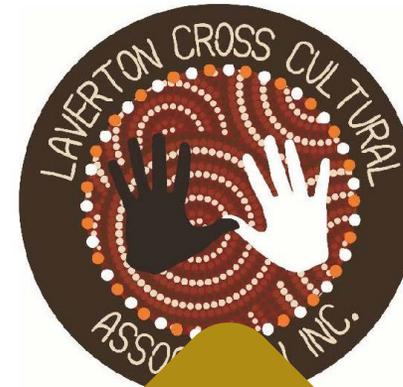


Laverton STEM

- Interdisciplinary approach promoting Science, Technology, Engineering and Maths
- 3 year investment

- Construction of Laverton Training Centre scheduled for October 2021
- Local, State, Federal & Industry funding

Laverton TC



Laverton CCA

- Active member of the Laverton Cross Cultural Association Inc.

- Target of 15% Aboriginal participation
- Carey Mining and Central Earthmoving joint venture contracted for earthworks

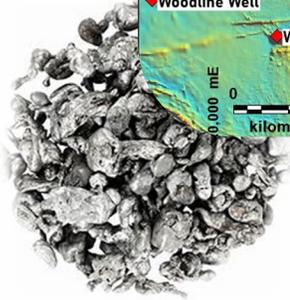
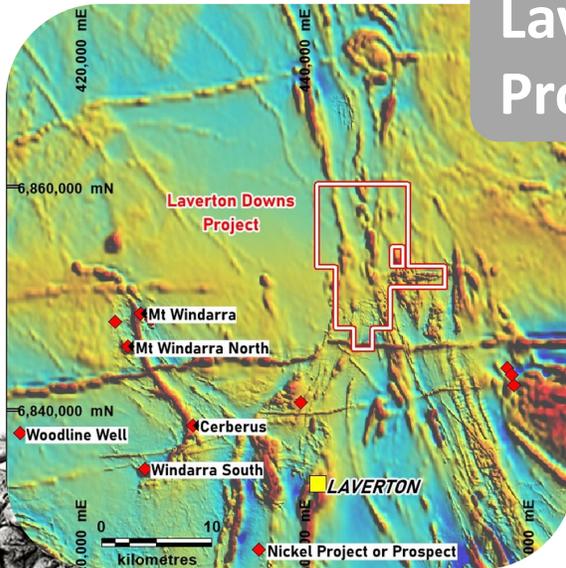
Employment



Exploration Opportunities

Regional
multi-commodity
potential

Laverton Downs Project



- Prospective for nickel sulphide and gold mineralisation
- Assays pending from diamond drilling program undertaken in June 2021 quarter and will influence future field activities

Lake Wells Gold Project



- SBM earnt in 70% during April 2021; APC 30% free-carried to bankable feasibility study for non-potash resource
- Extensive exploration program planned for 2021/22 to test mineralised corridor exceeding 9km in length



CAPEX Summary

Appendix 1:
Capital expenditure

The Lake Wells Sulphate of Potash Project



CAPEX*	A\$m	Delivery and Execution Risk Mitigated
Owners Team	18	Capable & experienced owner's team
Bore drilling & development	16	Schedule guarantee, specialist contractor, productivity KPIs
Bore-field fit out, pipeline, HV	36	Lump sum, schedule and process guarantee
Earthworks and ponds	40	Schedule guarantee, specialist contractor, productivity KPIs
SOP processing plant	104	Lump sum, schedule and process guarantee
Granulation & Bagging	36	Lump sum, schedule and process guarantee
NPI	16	Lump sum, schedule and process guarantee
Total (excluding contingency)	266	
Contingency	26	EPC contracting strategy for +75% of packages of work
Total (including contingency)	292	

FEED Summary

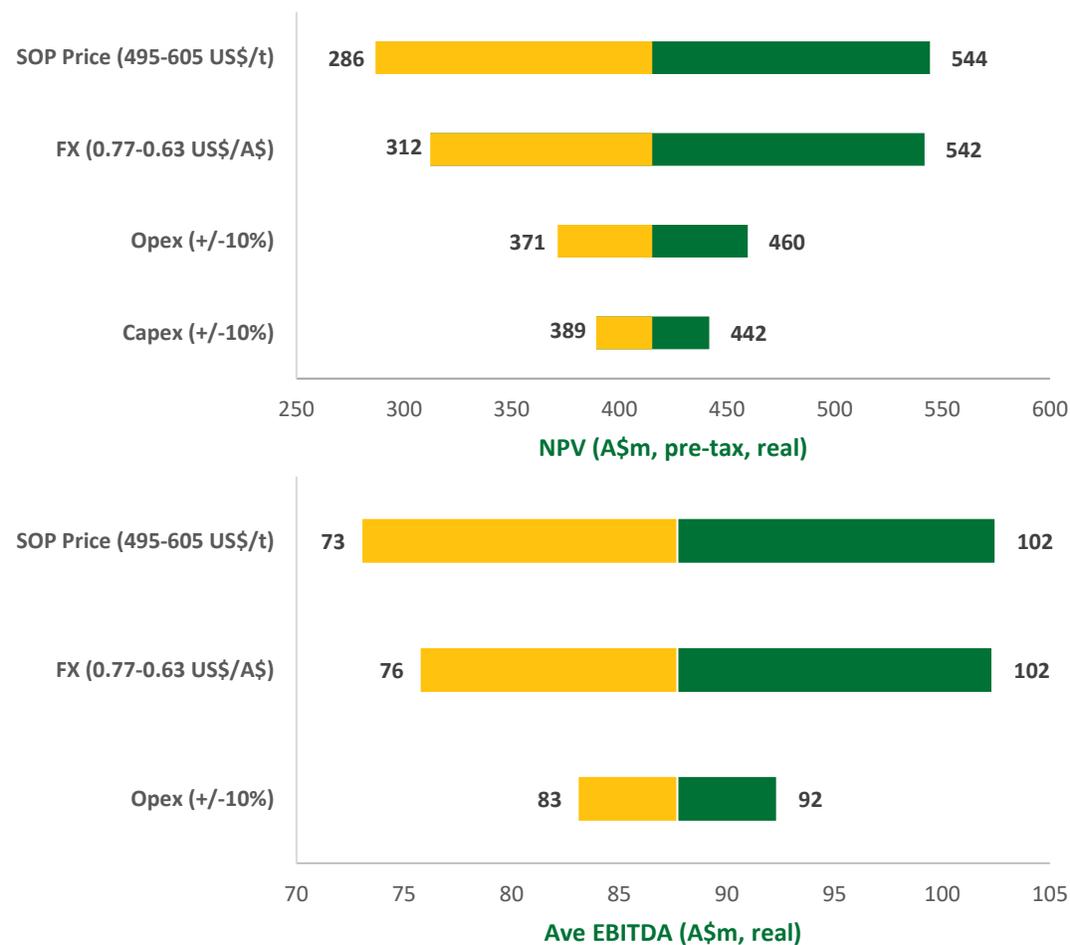
Appendix 2: Financial metrics

The Lake Wells Sulphate of Potash Project



Assumptions*	Unit		
SOP price [real]	US\$/t	550	
FX rate	US\$:A	0.70	
Discount rate	%	8.0	
Mine life	Yrs	30	
Production	Ktpa	170	
Financial metric	Unit	Nominal	Real
Project NPV ₈ [pre-tax]	A\$m	614	415
IRR (pre-tax)	%	21	19
Annual avg EBITDA [LOM]	A\$m	124	88
Annual avg FCF [pre-tax]	A\$m	119	84

Strong Returns in All Scenarios



Sustainability

Community
Culture
Environment

