

3 August 2021

Lake Wells Gold Project Results and Forward Exploration Program

Highlights

- Significant results returned from H2 FY21 drilling program, including:
- **2020LWDD0002** 1.9m @ 14.35 g/t Au from 73.5m including 1m @ 26.9 g/t Au from 73.5m
- **2020LWDD0001** 1.1m @ 1.14 g/t Au from 78.9m
1.8m @ 0.53 g/t Au from 82m
1.6m @ 3.46 g/t Au from 109.2m including 0.8m @ 6.51 g/t Au from 109.2m
2.5m @ 0.85 g/t Au from 116.5m including 1m @ 1.62 g/t Au from 117m
1.0m @ 0.52 g/t Au from 128m
7.0m @ 0.52 g/t Au from 140m including 2m @ 1.07 g/t Au from 144m
- A diamond drill program of up to 16 holes is planned for late Q1 FY22 mobilisation
- Geochemical signature analogous to a Kundana style of mineralisation

Australian Potash Limited (**ASX: APC** or the **Company**) is pleased to advise the final assay results for the diamond drilling (**DD**) completed at the Lake Wells Gold JV by joint venture partner St Barbara Limited (**SBM**)¹. A follow-up drill program to further understand the geographical scale of mineralisation has been planned, with mobilisation of field crew and a diamond drill rig in late Q1 FY22. The proposed follow up program comprises up to 16 diamond drill holes, for approximately 4,200m.

Australian Potash Managing Director and CEO, Matt Shackleton said, “The grade of gold mineralisation seen in only the second DD hole completed at this project is very encouraging. The Yamarna Shear Zone hosts numerous gold deposits, including the Golden Highway, strongly supporting the exploration model being followed by St Barbara. We look forward to the FY22 program and these additional diamond drill holes as we better understand the significance of what has been uncovered.”

¹ Refer ASX announcement 8 April 2021

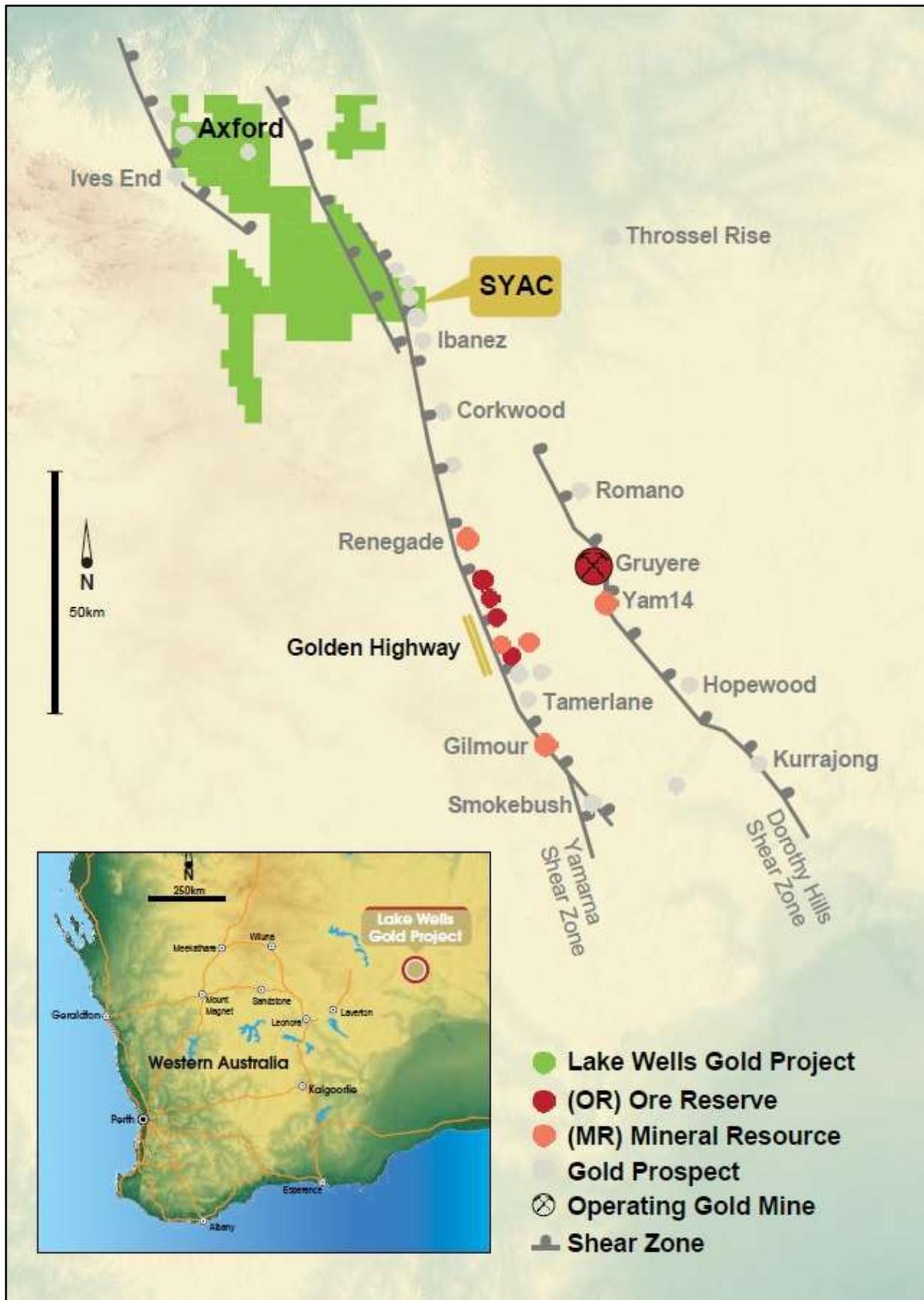


Figure 1: Location map for Lake Wells Gold JV, regional gold mineralisation and the South Yamarna Anomaly Camp (SYAC).

Technical Discussion

Preliminary exploration work conducted by APC, and continued by SBM, has sought to understand the geology and mineralisation potential of the Yamarna area which hosts the fertile Yamarna Shear Zone. During FY21, a third phase of aircore (AC) drilling was completed for an additional 19,853m. A first phase of reverse circulation (RC) (18 holes, 2,328m) and diamond drilling (three holes for 1,034m) was also completed.

Significant gold results have been returned from both the AC drilling and the diamond drilling, and these are outlined below.

Hole_ID	NAT_North	NAT_East	NAT_RL	Dip / Azi	Max_Depth	From (m)	To (m)	Length (m)	Grade (g/t)	Intercept
2020LWAC0824	6,958,796	543,176	506.8	-60 / 092	65	53	56	3	0.99	3m @ 0.99 g/t
2020LWAC0900	6,956,950	544,503	521.9	-60 / 092	53	47	48	1	3.88	1m @ 3.88 g/t
2020LWAC0979	6,954,997	545,401	519.7	-60 / 092	78	62	65	3	2.03	3m @ 2.03 g/t
2020LWAC1032	6,952,498	546,732	513.6	-60 / 092	51	40	41	1	0.74	1m @ 0.74 g/t
2020LWAC1075	6,952,878	545,101	517.4	-60 / 092	54	42	44	2	0.64	2m @ 0.64 g/t
2020LWAC1089	6,953,400	547,989	498.6	-60 / 092	90	77	78	1	0.44	1m @ 0.44 g/t

Table 1: Significant results received from FY21 exploration AC drilling

Hole_ID	NAT_North	NAT_East	NAT_RL	Dip / Azi	Max_Depth (m)	From (m)	To (m)	Length (m)	Grade (g/t)	Intercept
2020LWDD0001	6,951,901	546,832	519.1	-59/270	319	78.9	80	1.1	1.14	1.1m @ 1.14g/t
2020LWDD0001						82	83.8	1.8	0.53	1.8m @ 0.53g/t
2020LWDD0001						109.2	110.8	1.6	3.46	1.6m @ 3.46g/t
<i>including</i>						109.2	110	0.8	6.51	0.8m @ 6.51g/t
2020LWDD0001						116.5	119	2.5	0.85	2.5m @ 0.85g/t
<i>including</i>						117	118	1	1.62	1m @ 1.62 g/t
2020LWDD0001						128	129	1	0.52	1m @ 0.52g/t
2020LWDD0001						140	147	7	0.52	7m @ 0.52g/t
<i>including</i>						144	146	2	1.07	2m @ 1.07g/t
2020LWDD0002	6,958,001	543,756	512	-60/090	311	73.5	75.4	1.9	14.35	1.9m @ 14.35g/t
<i>including</i>						73.5	74.5	1	26.9	1m @ 26.9 g/t

Table 2: Significant results received from FY21 exploration diamond drilling

Supporting the gold mineralisation is multi-element geochemistry, typified by elevated arsenic as shown in Figure 2 below.

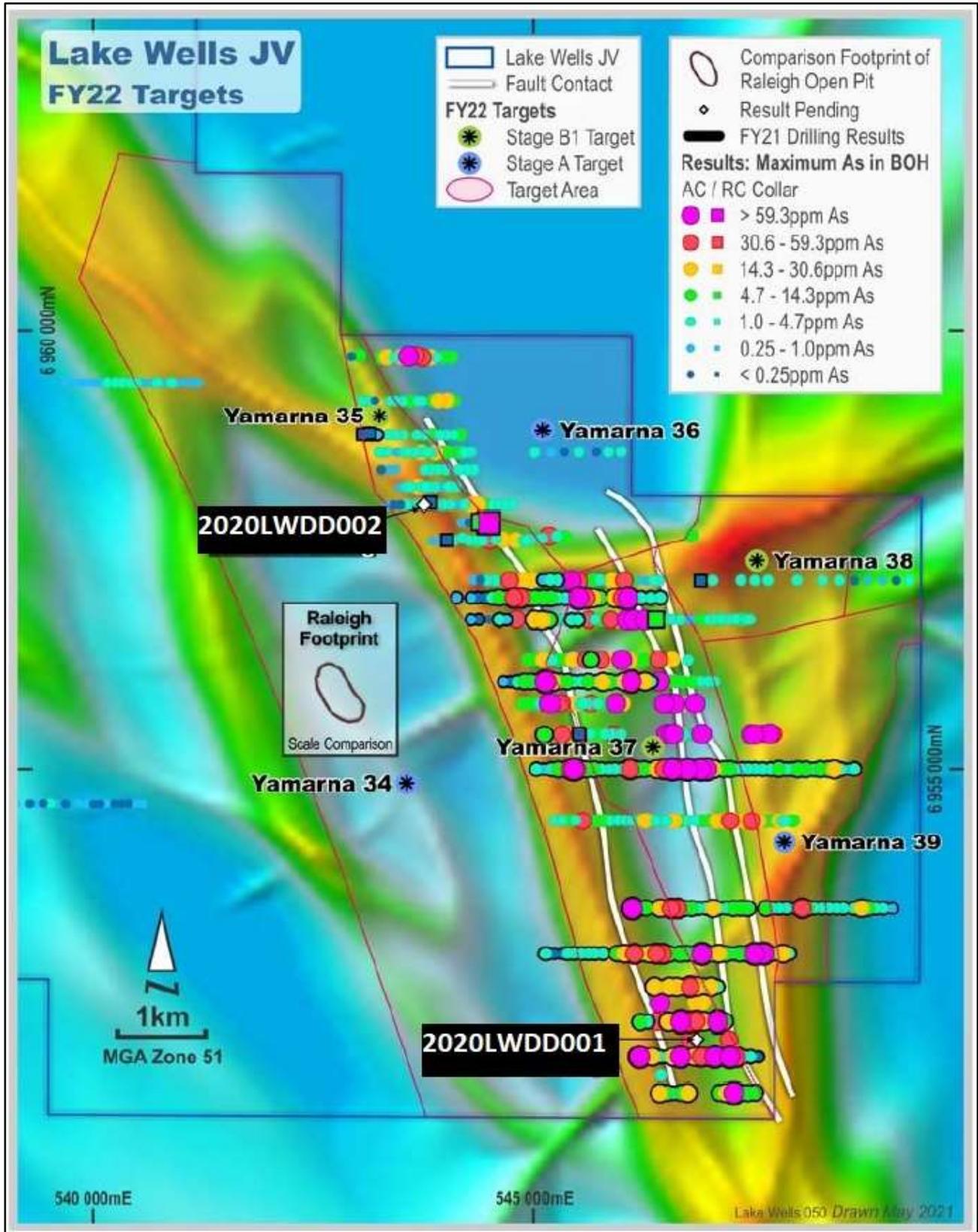


Figure 2: Exploration drill hole locations for the South Yamarna Anomaly Camp (SYAC) highlighting the elevated arsenic in bedrock and DD collar locations.

APC has been advised that a work program of up to 16 diamond drill holes for 4,200m is planned for FY22. Along with the diamond drilling there will be the associated assay and geochemical analysis, structural logging, and lithological analysis all to be completed to understand the scale and significance of the mineralisation discovered in the FY21 exploration programs.

Mobilisation for the diamond drilling program is anticipated to commence in late Q1 with the drilling component of the program to be completed by end of Q2.

This release was authorised by the Managing Director of the Company.

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Competent Persons 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



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

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.

Lake Wells Gold Project – JORC Code 2012 Edition

Appendix 1

Section 1: Sampling Techniques and Data

(Criteria in this section apply to the succeeding section)

Criteria	Commentary
Sampling techniques: Aircore	<ul style="list-style-type: none"> Sampling was conducted via Aircore drilling. Aircore drill holes were on 40 m or 80 m spacing with line spacing ranging between 200 m and 1,000 m or as individual scout lines. Samples were collected from a rig-mounted cyclone by bucket and were then placed directly on the ground in neat rows of between ten and fifty (depending on hole depth). Drill spoil was sampled with a scoop to 4 m composite samples of approximately 2.5 kg. The Aircore composites were submitted to Bureau Veritas Minerals Pty Ltd - Perth where they were sorted and dried, crushed to 10 mm and pulverised to -75 µm. A 40 g charge of pulverised sample was then digested with aqua regia with a gold analysis by ICP-MS to a detection limit of 1 ppb. The same digested sample was also tested for arsenic by ICP-AES to 1ppm detection limit. Anomalous Aircore composite samples (>100ppb Au) were subsampled on a metre by metre basis using an aluminium scoop. These samples were submitted to Bureau Veritas Minerals Pty Ltd- Perth where they were sorted and dried, crushed to 10mm and pulverised to -75 µm. A 40 g charge of pulverised sample was then analysed for Au, Pd & Pt by Fire Assay with an ICP-AES finish to a detection limit of 1ppb. Representative specimens from end of hole Aircore rock chips were stored in plastic chip trays for future reference. The EOH Aircore samples, were submitted to Genalysis and were prepared in the same manner as those samples submitted to Bureau Veritas. A 10g charge of pulverised sample was then digested by four acid digestion with analysis by the Scott Halley technique (ICP-OES & ICP-MS to ultra-trace levels) via 4A/OM20 method for 60 elements (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Ge, Hf, Ho, Ln, K, La, Li, Lu, Mg, Mn, Mo, Na, Nb, Nd, Ni, P, Pb, Pr, Rb, Re, S, Sb, Sc, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn & Zr).
Sampling techniques: Diamond Drilling	<ul style="list-style-type: none"> Half-core sampling of HQ2 and NQ2 diamond drilling with boundaries defined geologically. Samples are mostly one metre in length unless a significant geological feature warrants a change from this standard unit. The upper or right-hand side of the core is submitted for sample analysis, with each one metre of half core providing between 2.5 – 3 kg of material as an assay sample. Representative samples were chosen for analysis (ICP-OES & ICP-MS to ultra-trace levels) via 4A/OM20 method for 60 elements (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Ge, Hf, Ho, Ln, K, La, Li, Lu, Mg, Mn, Mo, Na, Nb, Nd, Ni, P, Pb, Pr, Rb, Re, S, Sb, Sc, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn & Zr).
Drilling techniques	<ul style="list-style-type: none"> Aircore drilling was carried out by an 85 mm bit. All holes were drilled to refusal, which was generally at the fresh rock interface. Drilling was carried out by Raglan Drilling who utilized a truck mounted R/A 180 Rig with 600 cfm and 350 psi. Diamond drilling using NQ2 (50.6mm) sized core (standard tubes). Holes have been surveyed using a north seeking gyro. All core is orientated using a Reflex ACT orientation tool.
Drill sample recovery:	<ul style="list-style-type: none"> Aircore sample recoveries and condition (wet/dry) were routinely recorded. The drill cyclone and sample buckets were cleaned regularly, in particular after wet ground was encountered. The cyclone was also cleaned several times during the course of each hole and after the completion of each hole. Diamond core is metre marked and orientated and checked against driller's blocks to ensure that any core loss is accounted for. Sample recovery is rarely less than 100%. Where minor core loss does occur, it is due to drilling conditions and not ground conditions.
Logging	<ul style="list-style-type: none"> All SBM holes are logged primarily for lithology, alteration and vein type/intensity which are key to modelling gold grade distributions. Validation of geological data is controlled via the use of library codes and reliability and consistency of data is monitored through regular peer review. All logging is qualitative.

Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> All Aircore samples were collected as both dry and wet samples using a sample scoop. All composite samples were sorted, dried, crushed and pulverised to produce a 40g charge prior to fire assay. Samples were collected at 1 m intervals and composited in 4 m samples using a scoop to sample individual metre samples. QC procedures for composite sampling involved the insertion of certified reference material, field duplicates and blanks at ratios of 1:50. Bureau Veritas inserted certified standards, replicates and lab repeats. SBM half core is cut using a core saw before being sent to Bureau Veritas in Perth where the entire sample is crushed to achieve particle size <4mm followed by complete pulverisation (90% passing 75 m).
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> All samples were sent to Bureau Veritas in Perth, where a 40 g charge was digested using Aqua regia digest. Arsenic levels were determined by Inductively Coupled Plasma (ICP) Mass Spectrometry and fire assay was used to give total separation of Gold, Platinum and Palladium in the sample. Certified reference material was inserted into the sample stream at a ratio of 1:50. Field duplicates and blanks were inserted at a ratio of 1:50. Bureau Veritas inserted certified standards, replicates and lab repeats.
Verification of sampling and assaying	<ul style="list-style-type: none"> Primary geological and sampling data were recorded into made for purpose excel spreadsheets. Data was then transferred into the St Barbara corporate DataShed database where it was validated by an experienced database geologist. No adjustments to assay data were made.
Location of data points	<ul style="list-style-type: none"> Prior to drilling, all Aircore holes were marked out using a handheld GPS with ± 3 m accuracy for easting, northings and ± 10m elevation. Upon completion of the program all holes were resurveyed using a DGPS with decimetre accuracy to determine the final collar positions. All diamond holes were marked out using a DGPS with decimetre accuracy prior to drilling and resurveyed after drilling to determine final collar positions. All locations were captured in MGA94 zone 51 grid.
Data spacing and distribution	<ul style="list-style-type: none"> Aircore drill holes were on 40 m or 80 m spacing with line spacings ranging between 200 m and 2,000 m or as individual scout lines. Reported Aircore results are based on the 1 m Fire Assay re-splits of original 4m composite samples or the original composite sampling. Diamond drill holes were located to test previously intersected anomalies and not planned on a regular drill pattern.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> The majority of Aircore drill holes had a dip and azimuth of -60/270 or -60/090. AC drill traverses were designed perpendicular to the regional structures known to control mineralisation. This is typically east – west. Diamond holes are designed perpendicular to regional geological features.
Sample security	<ul style="list-style-type: none"> Only trained and experienced contractors and company personnel were allowed to collect the samples; all samples were held within a secure company location before dispatch to Bureau Veritas in Perth for Au analysis.
Audits or reviews	<ul style="list-style-type: none"> Regular reviews of logging and sampling are completed through SBM mentoring and auditing. No significant issues were identified.

Section 2: Reporting of Exploration Results

(Criteria in the preceding section apply to this section)

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> The Lake Wells Gold Project comprises 13 tenements, which are part of the joint venture between Australian Potash Limited (30%) and St Barbara Limited (70%). These include: E38/3018, E38/1903, E38/2988, M38/1275, E38/3021, E38/3028, E38/2113, E38/3224, E38/3225, E38/3226, E38/2505, E38/3270 and E38/2901. St Barbara Limited entered into an Earn-In and Joint Venture with Australian Potash Limited on the Lake Wells Gold Project on 8 October 2018 and earned 70% interest in the abovenamed tenements in April 2021. APC is free-carried until completion of a bankable feasibility in the development of any non-potash resource.
Exploration done by other parties	<ul style="list-style-type: none"> There have been numerous historical holders of the project area which covers over ~976 square kilometres. Exploration has been conducted by numerous companies including but not limited to: Goldphyre Resources Ltd, AngloGold Ashanti Australia Ltd, Australian Potash Ltd, Utah Development Corporation, Gold Partners NL, Kilkenny Gold NL, Johnsons Well Mining, Croesus Mining NL, Oroya Mining Ltd, Western Mining Corporation Ltd and RGC Exploration Pty Ltd.
Geology	<ul style="list-style-type: none"> SBM is targeting Archean orogenic gold mineralisation near major regional faults. The tenement package covers Archaean greenstones within the highly prospective Yamarna Terrane of the Yilgarn Craton. The Lake Wells JV project covers portions of the prospective Yamarna Shear Zone, which passes through the southeastern portion of the project.

Criteria	Commentary
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • Drill hole information for holes returning significant results have been reported in the intercept table. Included in the intercept table are collar positions obtained by DGPS pickup, hole dip and azimuth (acquired from hand held compass and clinometre for aircore holes and Axis North Seeking Gyro for diamond holes), composited mineralised intercepts lengths and depth as well as hole depth.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • Broad down hole intercepts are reported as length weighted averages. • No high-grade cut is applied. • No metal equivalent values are used for reporting exploration results.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • Down hole length is reported for all holes; true width is not known as the orientation of mineralisation is not fully understood.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • Included in the body of the report.
<i>Diagrams</i>	<ul style="list-style-type: none"> • Diagrams show drill holes material and immaterial to Exploration Results.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • Details of holes material to Exploration Results have been reported in the intercept table, and other drill holes drilled during the relevant program are highlighted on diagrams included in the report.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • Included in the body of the report.
<i>Diagrams</i>	<ul style="list-style-type: none"> • Diagrams show all drill holes material and immaterial to Exploration Results.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • Details of holes material to Exploration Results have been reported in the intercept table, and other drill holes drilled during the relevant program are highlighted on diagrams included in the report.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • Data is included in the body of the report.
<i>Further Work</i>	<ul style="list-style-type: none"> • Further exploration is planned and is as discussed in the body of the report.