

7 August 2017

EXPLORATION PROGRAM ON YAMARNA GOLD PROJECT TO COMMENCE IMMEDIATELY

- Program recommendations from CSA Global for work programs across the Yamarna Gold Project to be implemented through 2H 2017
- Comprehensive review of existing drill chips and pulps to be conducted to develop lithological map of project area
- Data collection and analysis program directed by CSA to define geochemical variations leading to alteration maps on a project scale to further refine priority target areas
- Drill program to be developed around the results of these initial programs
- Company continuing to develop options to understand and realise the value of the Yamarna Gold Project to existing and future shareholders

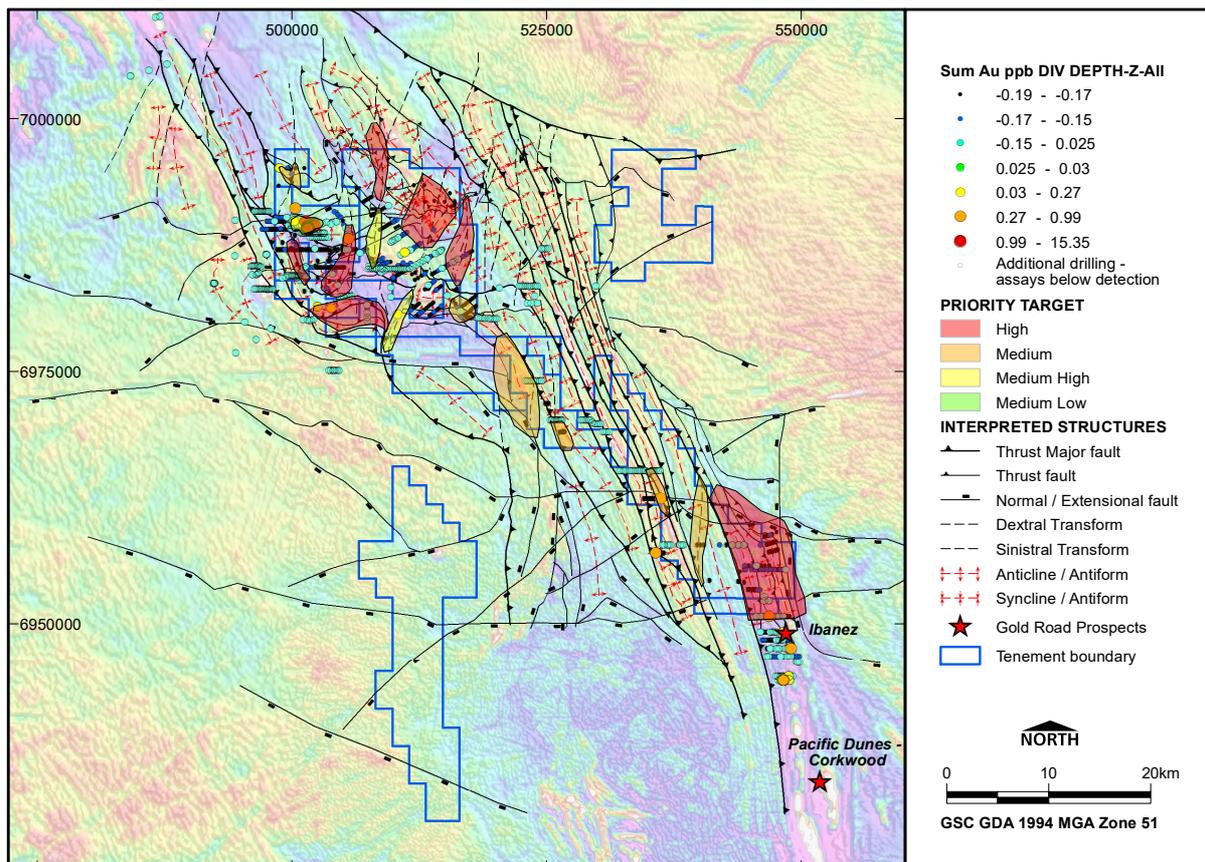


Figure 1: Structural interpretation and priority target areas along the 65km strike of greenstone belts in APC's Yamarna tenure



APC Executive Chairman Matt Shackleton said, "Following the Company receiving the review by CSA Global into the prospectivity of the Yamarna Greenstone Belt' tenements¹ and consideration of the recommendations, the Company is now preparing its first comprehensive exploration program on the Yamarna Gold Project. We look forward to the results of the work program, which we believe has the potential to deliver significant value for our shareholders, in addition to the progression of our high returning SOP project on which work continues unabated."

Technical Summary

In June 2017, adjoining tenement neighbour Gold Road Resources (ASX: GOR) released outstanding gold results, 2km south-east of APC's tenement holding, including 10m @ 28.76g/t Au and 9m @ 4.56g/t Au at the Ibanez prospect². Following this, APC commissioned experts in the Yamarna region, CSA Global, to conduct a structural interpretation and targeting exercise for gold mineralisation.

Australian Potash's (ASX: APC) tenements cover an estimated 65km of strike, 60km north-west & along strike of the 6-million-ounce Gruyere mine development.³

CSA Global's review of the Yamarna Gold Project, located at the northern end of the Yamarna Greenstone Belt in the Eastern Goldfields Province of Western Australia, shows the Project encompasses an interpreted lateral ramp thrust (LRT), which has offset the Yamarna Shear Zone to the west.

The review interpreted a significant dilational zone that opens up through the middle of APC's tenement holding (*Figure 1*) with 18 gold targets identified along a 62km strike length, including 9 areas considered highly prospective. It is anticipated that drill targets will be identified by the current work program.

The architecture of the LRT is favourable for orogenic gold mineralisation, being considered appropriate for hydrothermal fluid flow and in which structural-stratigraphic traps are considered likely to occur.

In general, greenschist facies metamorphic rocks are considered most conducive to orogenic gold mineralisation, however there are examples of major deposits being found in higher-grade metamorphic rocks. More specifically, the grade of metamorphic rocks is difficult to assess on the current data set.

CSA Global have noted that the structural setting interpreted for the Yamarna Gold Project has a number of points of similarity to the architecture and setting of the world-class Timmins district of the southern Abitibi in Canada. Timmins, and the southern Abitibi, hosts a number of world-class Archaean gold deposits, that have been mined since the early 1900s (e.g. the Hollinger-McIntyre and Dome Mines), including several identified during the 1990s (e.g. Hoyle Pond and Pamour, etc).

The recognition of this similar structural configuration at the Lake Wells project, in a prospective, but substantially underexplored, belt containing gold mineralising systems, is considered to represent a significant opportunity.

Given the substantial size of the project area, the lithology and alteration mapping project is intended to define areas of hydrothermal alteration associated with potential mineralisation. This can be used to provide greater focus for exploration drilling



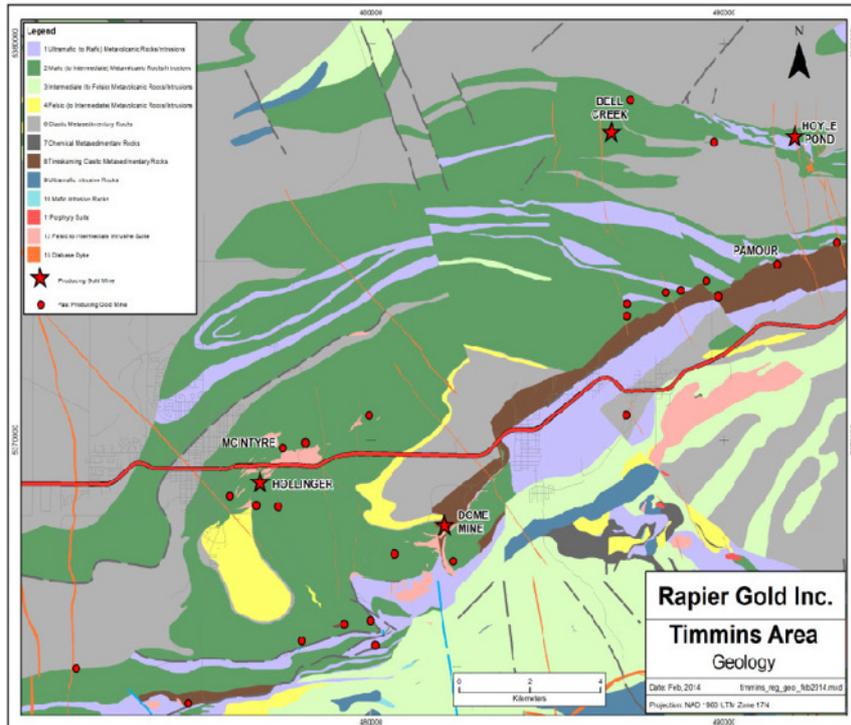
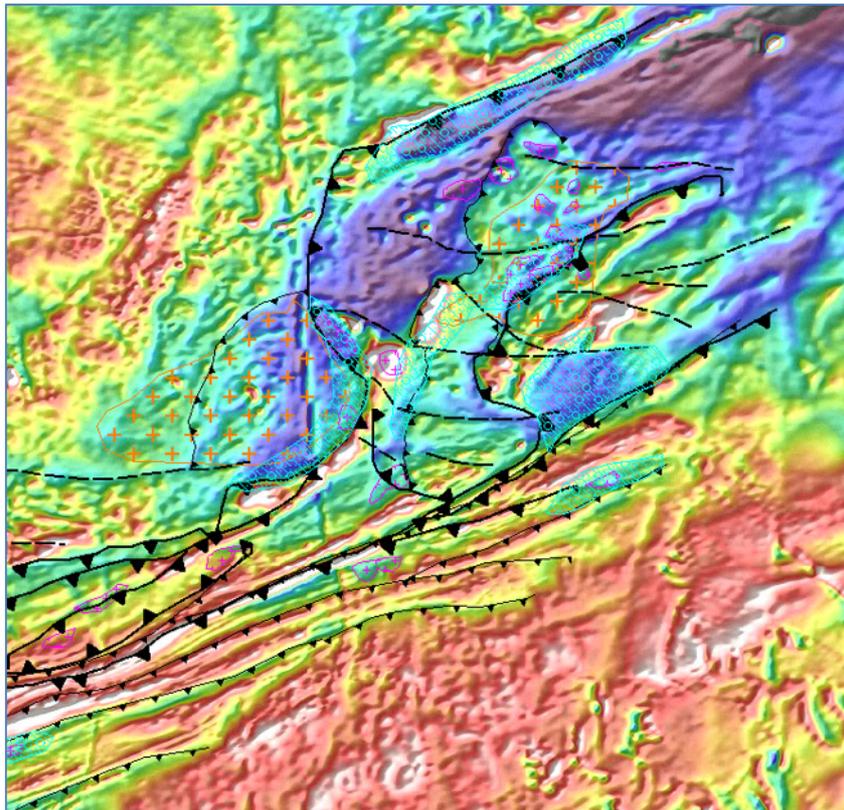


Figure 2: Subset of the Abitibi geology map (courtesy of Rapier Gold Inc.) showing the Timmins gold mining camp as a comparative structural setting to the Yamarna Gold Project⁴ (rotated 90°)



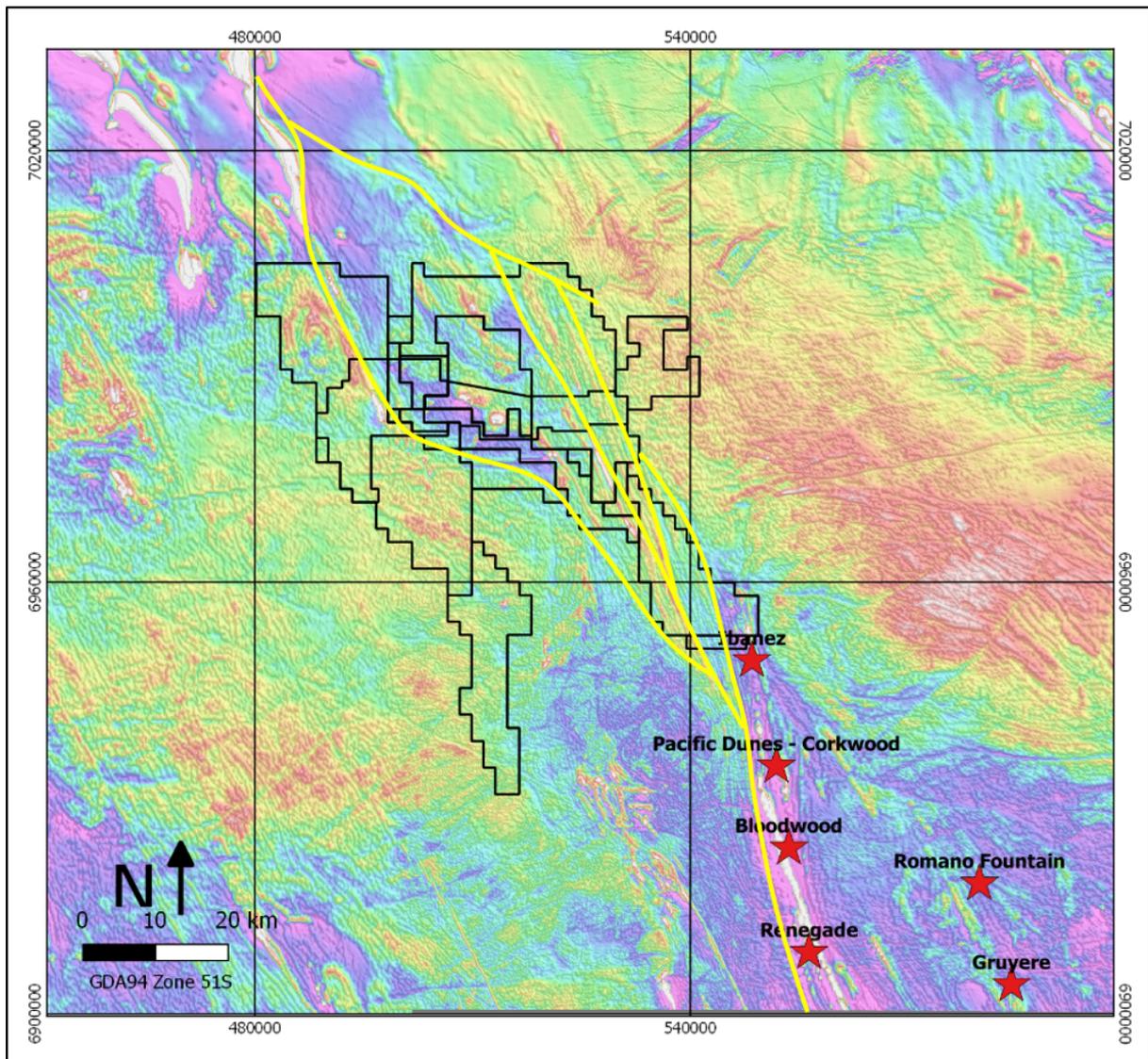


Figure 3: APC's ground position at Lake Wells extends to and is contiguous with the North Yamarna project being explored by Gold Road Resources Limited

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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.

Competent persons statement

The information presented here that relates to the gold portion only of this 'Exploration Program on Yamarna Gold Project' release is based on information compiled by Mr Marcus Willson of CSA Global Pty Ltd. Mr Willson takes overall responsibility for information relating to the gold related strategic review. Data was provided for the review by Australian Potash Limited. Mr Willson is a Member and Registered Professional Geoscientist



(Exploration) with the Australian Institute of Geoscientists and has sufficient experience which is relevant to this style of mineralisation under consideration and to the activity that has been 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 (JORC Code 2012)'. The Competent Person consents to the inclusion in this release of the matters based on the information in the form and context in which it appears.

¹Refer to ASX announcement 27 July 2017 'Yamarna Gold Assets Review and Exploration Plans'. 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 27 July 2017 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 27 July 2017 announcement continue to apply and have not materially changed.

²Gold Road Resources Limited, ASX announcement 27 June 2017, 'Yamarna Exploration Update: Significant Intersections Returned Across Tenement Package'.

³www.goldfields.com.au

⁴ This image is a subset of the Abitibi geology map of the Ontario Geological Survey (Ayers et al 2003) as modified by Batemen and Bierlein, 2007, rotated 900 anticlockwise. The structural scale can be considered equivalent. Note the "late-structural: basins in brown and blue/grey.

