

5 September 2017

## EXPLORATION UPDATE AHEAD OF GOLD DRILLING

### YAMARNA GOLD PROJECT

- Review of existing pulps and chips completed
- 230 samples prepared for multi-element assay
- Soil sampling program to be undertaken through September
- Alteration mapping of high-priority drill targets identified in CSA Global review to be conducted throughout September and October
- Gold drilling programs targeted to commence Q4 2017

Australian Potash Limited (ASX: APC) is pleased to provide an update on the progress of exploration at its Yamarna Gold Project, 130kms north-east of Laverton in Western Australia's Eastern Goldfields. APC's tenements cover an estimated 65 kilometres of strike, 60 kilometres north-west of the 6-million-ounce Gruyere mine development.

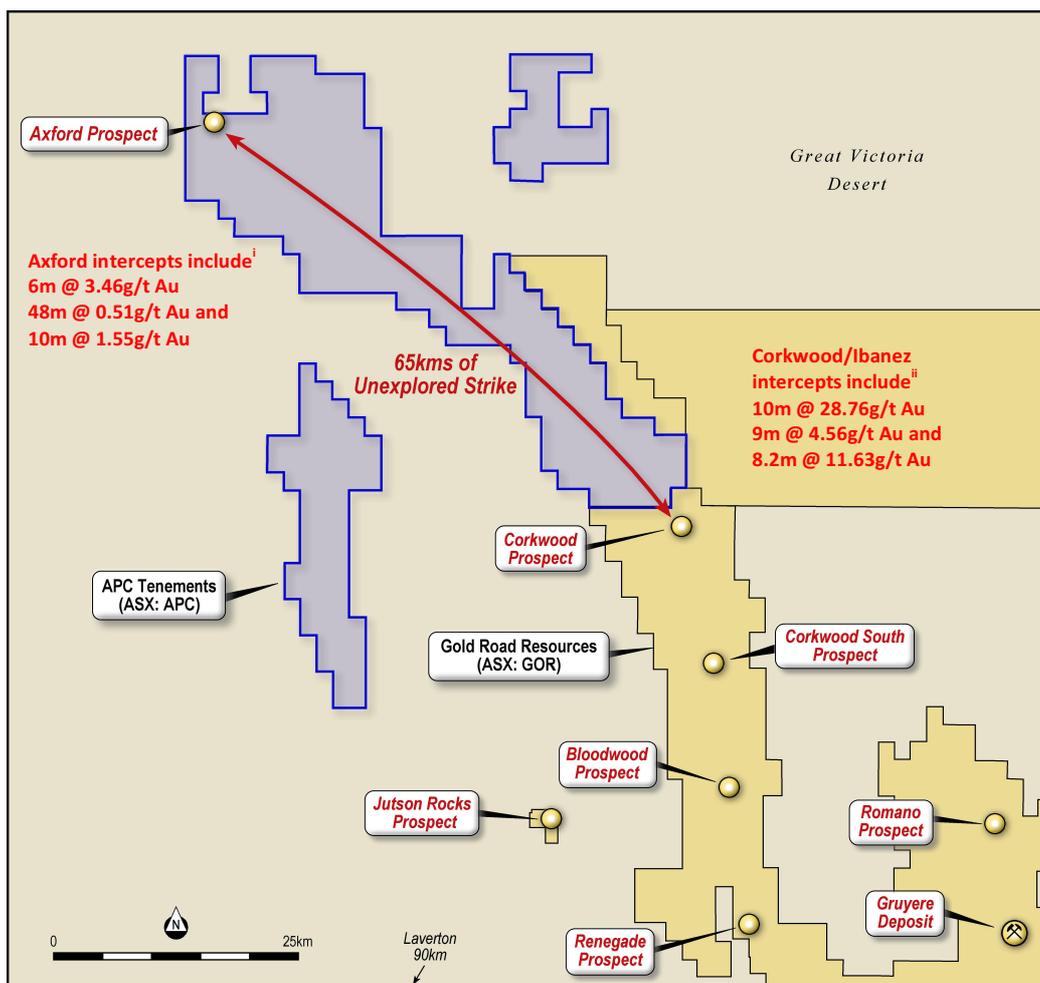


Figure 1: APC's Yamarna Gold Project is located in the Eastern Goldfields region of Western Australia

**APC Executive Chairman Matt Shackleton said,** “In progressing the exploration program on the Yamarna Gold Project, our geological team have this week finalised their review and resampling of pulps and chips from the limited amount of previous work done across the project area. 230 samples will be submitted for multi-element assay in the coming days.

“These multi-element assay results will feed into the model being developed by industry leading geological consultancy CSA Global, following their recent review into the prospectivity of the Yamarna Greenstone Belt’ tenements<sup>i</sup> and will significantly enhance understanding of regional level structural and mineralisation controls. CSA Global have extensive experience in mineralisation systems in Archaean greenstone settings, both in Australia and around the world.

“This presents a significant opportunity for our shareholders, as we replicate an exploration approach that has proven to be successful regionally and at other orogenic gold systems globally. The Yamarna greenstone belt is currently receiving some of the highest levels of greenfields exploration spending anywhere in the world.

“The next steps in this exploration program will be field based, collecting further samples for multi-element analysis, and detailed mapping to better define higher priority drill targets. We expect to have completed this first stage field program by the end of September, and very much look forward to commencing drilling in Q4.”

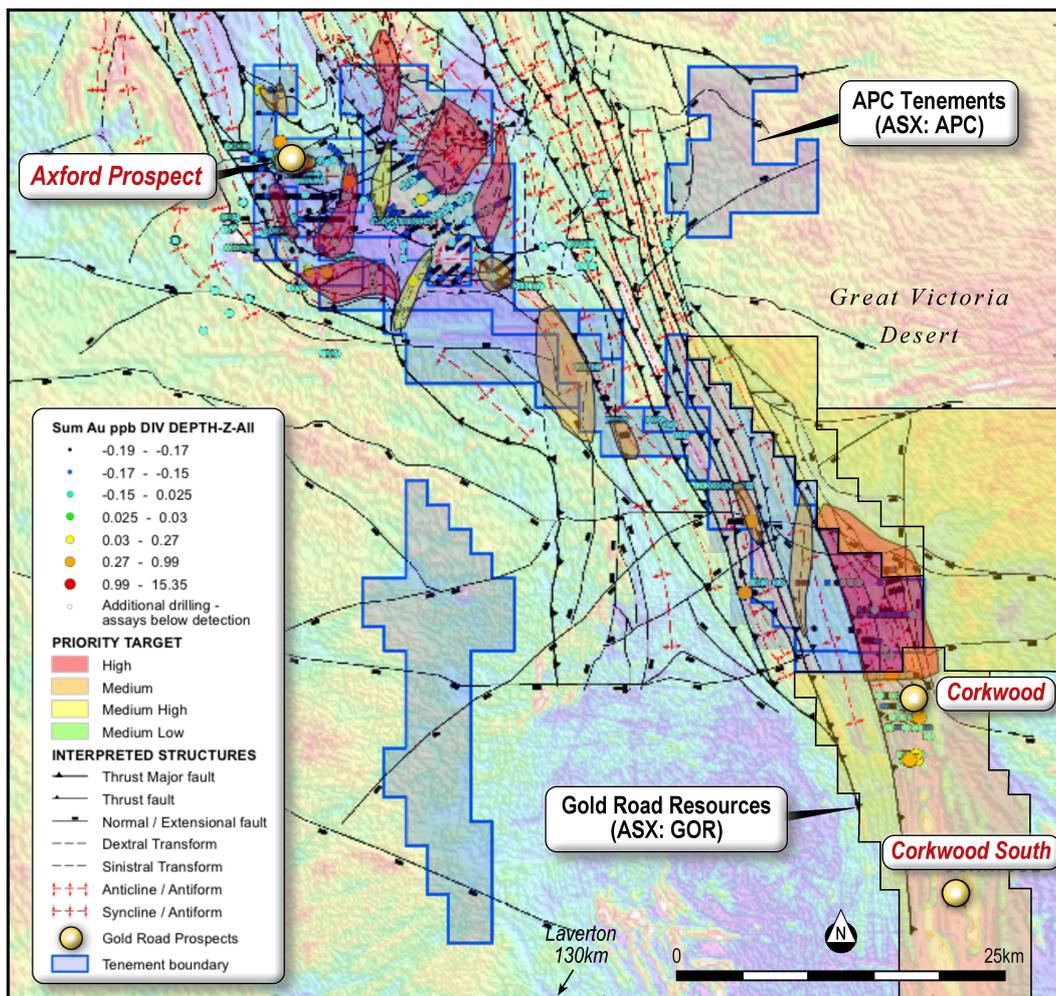


Figure 2: APC’s Yamarna Gold Project tenement area covers an extensive strike of the underexplored Yamarna Archaean Greenstone Belt, contiguous with and immediately north of Gold Road Resources Ltd’s North Yamarna Gold Project

### Technical Summary

In June and August 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, 9m @ 4.56g/t Au and 8.2m @ 11.63g/t Au at the Corkwood Ibanez prospect<sup>ii</sup>. Following this, APC commissioned experts in the Yamarna region, CSA Global, to conduct a structural interpretation and targeting exercise for gold mineralisation.

APC's tenements cover an estimated 65km of strike, 60km north-west & along strike of the 6-million-ounce Gruyere mine development.<sup>iii</sup>

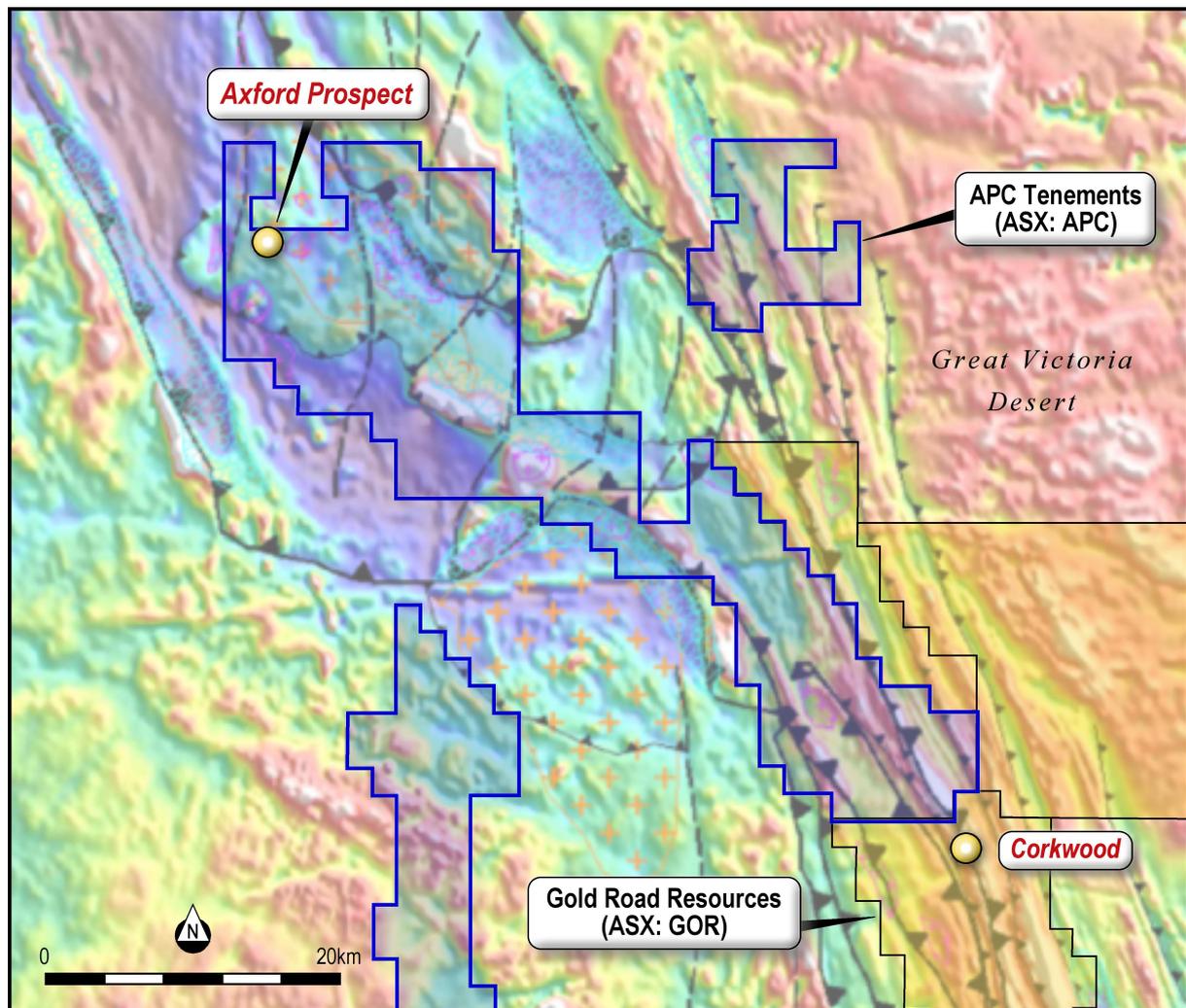


Figure 3: Simplified reproduction of full CSA Global interpretation showing significant dilation zone underlying APC's Yamarna Gold Project

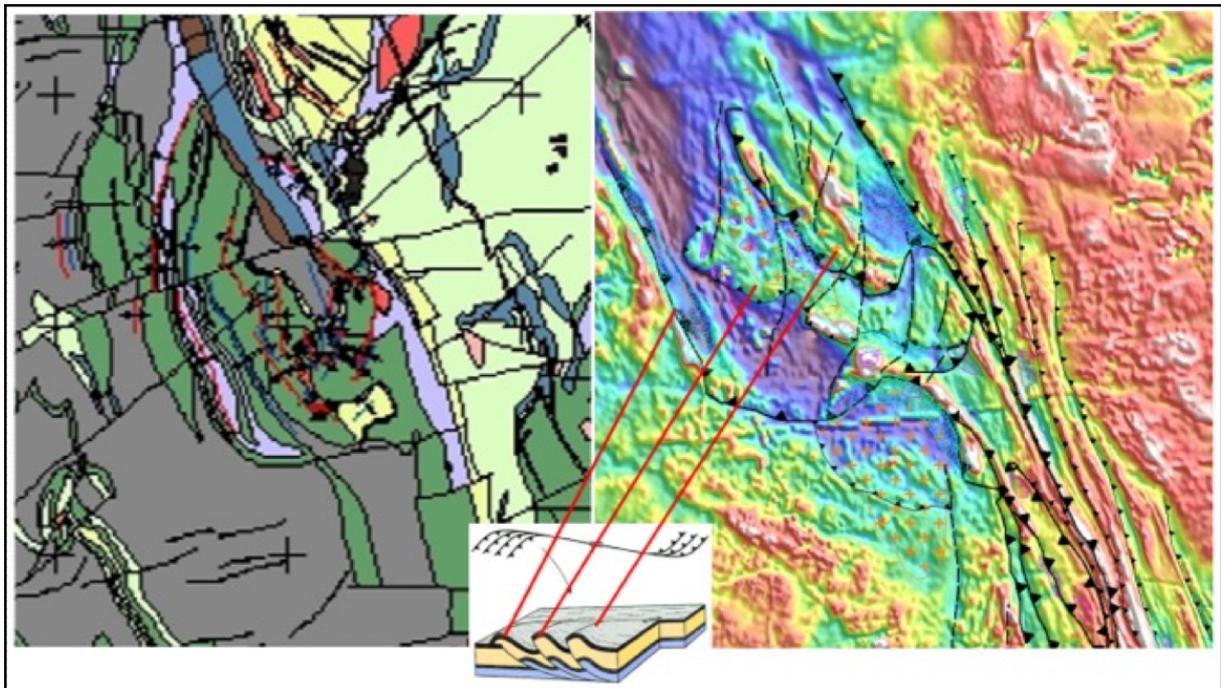
CSA Global's review of the Yamarna Gold Project, located at the northern end of the Yamarna Greenstone Belt in the Eastern Goldfields Province of Western Australia, shows the Project encompasses an interpreted lateral ramp thrust (LRT), which has offset the Yamarna Shear Zone to the west.

The review interpreted a significant dilational zone that opens up through the middle of APC's tenement holding (Figure 3) 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.

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).



*Figure 4: Subset of the Abitibi geology map, rotated 90°, (left hand side) showing the Timmins gold mining camp as a comparative structural setting to APC's Yamarna Gold Project (simplified reproduction of full CSA Global interpretation, right hand side)*

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.

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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.

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<sup>i</sup> Refer 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.

<sup>ii</sup> Gold Road Resources Limited, ASX announcement 27 June 2017, 'Yamarna Exploration Update: Significant Intersections Returned Across Tenement Package'.

<sup>iii</sup> [www.goldfields.com.au](http://www.goldfields.com.au)

