

9 September 2019

Lake Wells Sulphate of Potash Project

AUSTRALIAN POTASH LIMITED AGREEMENT WITH GERALDTON PORT CONFIRMS PATHWAY TO MARKET

Highlights

- APC signs Joint Cooperation Agreement (**Agreement**) with the operator and manager of the Port of Geraldton (**Geraldton Port**), the Mid West Ports Authority
- Agreement provides for Geraldton Port and APC to progress discussions on the export of Sulphate of Potash and import of Muriate of Potash
- Advances findings in the DFS that utilised a road haul solution to Geraldton Port
- Advances a critical component of the development and operation of the Lake Wells Sulphate of Potash Project



Figure 1: Aerial view of Geraldton Port

Australian Potash Limited (ASX:APC) (**APC** or the **Company**) is pleased to announce the signing of a Joint Cooperation Agreement with the operator and manager of Geraldton Port,

the Mid West Ports Authority. The Agreement allows APC to continue to optimise its logistics and port options for the Lake Wells Sulphate of Potash Project (LSOP).

Managing Director and CEO, Matt Shackleton, commented: “This Agreement allows APC to further optimise the logistics and port options for the Project, and is the first of a number of material development and operational agreements we will finalise during the Front End Engineering Design (FEED) Study.”



Figure 2: The location of LSOP provides multiple options for export and domestic distribution

About Australian Potash Limited

Australian Potash Limited (ASX: APC) is an ASX-listed Sulphate of Potash (**SOP**) developer. The Company 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**)¹ in August 2019, APC is focused on the 6 month 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
- 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.

Competent Persons Statement

The information in this announcement that relates to Mineral Resources and Reserves 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 palaeochannel 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.

¹ 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.