

17 June 2020

# **AUSTRALIAN POTASH LIMITED**

## **ENVIRONMENTAL PROTECTION AUTHORITY**

### **Approvals Pathway Progress**

#### **Highlights**

- **Environmental Review Document (ERD)** has been accepted for **final assessment by the EPA**
- **The Environmental Protection Authority (EPA)** has advised a timetable for the completion of the assessment of the proposed development of the Lake Wells Sulphate of Potash project

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) is pleased to advise the progress of the Company's Environmental Review Document for the development of the Lake Wells Sulphate of Potash project (LSOP).

The Environmental Protection Authority Services has reviewed the LSOP Environmental Review Document and considers it an acceptable basis for advancing the assessment to the Environmental Protection Authority (EPA) for consideration.

The EPA has advised the target timeframe below for the progression of the assessment, however as with all applications, reserves the right to raise additional issues for the Company to address.

Ministerial Consent is required by all of the SOP projects being proposed or developed in WA, with the Minister taking into consideration the advice given by the EPA in its Report. The EPA have advised the following timetable for the balance of the assessment process.

Stage 3 Assessment of the ERD	6 weeks (July 2020)
Preparation of Report to Minister (for Consent)	6 weeks (August 2020)
Appeals period	2 weeks (September 2020)
<b>Ministerial Statement of Consent</b>	<b>September 2020</b>

**Managing Director and CEO, Matt Shackleton, commented:** *"We are very pleased to*

advise further progress in the approvals pathway for the Lake Wells SOP project.

*“The LSOP’s Environmental Review Document (ERD) has now been accepted for final assessment by the EPA. This follows an extensive period of consultation between the Company and the EPA Services, where the Company addressed queries and issues raised by the various decision-making authorities relevant to mining operations.*

*“Importantly for the Company, there is now a timetable for the balance of the assessment process, which targets Ministerial Consent to proceed with the development Q3 2020.”*

The assessment of the LSOP ERD is in addition to the Minor and Preliminary Works Consent received in May 2020, which includes consent to proceed with the following works:

- Upgrading the camp access track to more durable/all-weather access condition;
- Constructing and maintaining the western borefield track, the pond perimeter track and the eastern borefield track, in preparation for the civil and construction works associated with developing the entire borefield and pre-concentration ponds;
- Building a construction village including accommodation camp, fuel storage and wastewater treatment plant; and
- Developing several borrow areas to source material for the above.

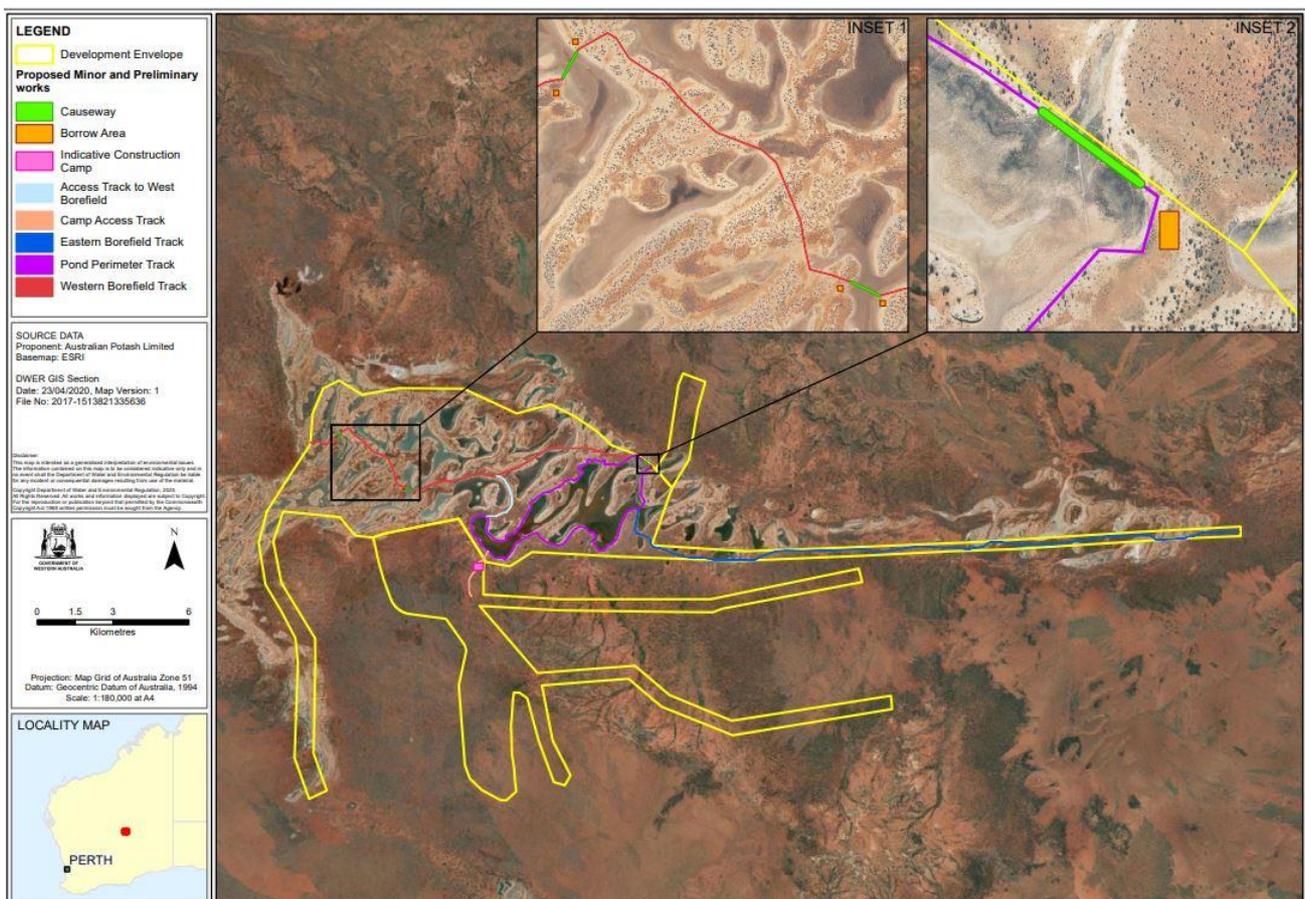


Figure 1: Location of minor and preliminary works

This announcement is authorised for release by the Managing Director.

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## About Australian Potash Limited



K-Brite is a registered trademark brand of Australian Potash Limited (ASX: APC), representing the premium Sulphate of Potash (SOP) to be produced from the Company's flagship Lake Wells Project.

APC 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) in August 2019<sup>i</sup>, APC is focused on the Front-end Engineering Design (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 utilising approximately 21% of the total Measured Resource estimate
- 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.

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<sup>i</sup> 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

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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.