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LAKE WELLS SULPHATE OF POTASH PROJECT ENVIRONMENTAL APPROVALS UPDATE

- **Level 2 short range endemic species (SREs) field program completed**
- **Level 2 stygofauna field program completed**
- **Final seasonal fauna, flora and Tecticornia field program planned for Q3 2018**
- **Environmental Review Document being prepared for submission to the EPA H2 2018**

Australian Potash Limited (ASX: APC) is pleased to provide an update on the approvals process being followed under the Definitive Feasibility Study into the development of the Lake Wells Sulphate of Potash Project (LWPP), 160kms north-east of Laverton in Western Australia's Eastern Goldfields.

Environmental Review Document

The Environmental Protection Authority (EPA) determined in January 2018 that the LWPP development proposal will be assessed by way of an Environmental Review Document with no public consultation. APC's environmental consultants have prepared a draft Environmental Scoping Document, which in consultation with the EPA will define the form, content, timing and procedure of the Environmental Review Document.

The Environmental Review Document is targeted for completion and submission to the EPA H2 2018. The EPA's final assessment report and recommendations are anticipated Q1 2019. It is further anticipated that these recommendations will then be provided to the Minister for consideration in Q1 2019.

In general, the Environmental Review Document will address the following:

- Project background and key characteristics;
- An assessment of the preliminary key environmental factors (including flora and vegetation, terrestrial fauna, subterranean fauna, and hydrological processes), with specific requirements determined through the consultation process;
- An assessment of other environmental factors or matters (inlands waters and social surroundings), with specific requirements determined through the consultation process;
- Stakeholder consultation, and;
- Decision making authorities.

As part of the identification and assessment of the key environmental factors, Level 2 short range endemic, fauna and stygofauna surveys were recently completed. The full reports and assessments on the findings of these surveys are being compiled now and will be submitted with the Environmental Review Document.

Additional fauna and flora surveys are scheduled for the third quarter of this calendar year.

A detailed hydrological assessment of the LWPP development area and hydrogeological investigations for process water were completed in 2017.

The preliminary brine hydrogeological flow model is being finalised by consulting hydrogeologists AQ2, which model will also support the ERD.



Additional Permitting and Licenses

Throughout the EPA's assessment process, APC continues to liaise with the various WA Government Departments responsible for additional required permits, licenses and approvals.

These include:

The Department of Water and Environmental Regulation with respect to;

- Works approvals,
- Operating license to operate a solar salt operation, and
- Groundwater abstraction (5C) Licenses;

The Department of Mines, Industry Regulation and Safety (DMIRS) with respect to;

- Mining Leases, which have already been recommended for grant by DMIRS,
- Approval of the Mining Proposal, Mine Closure Plan and updated Project Management Plan, and,
- Native vegetation clearing permits.

There are no Native Title claims over the Lake Wells Sulphate of Potash Project development area, or over any of the Company's tenements at the Lake Wells/Yamarna project area.

APC Executive Chairman Matt Shackleton said, "The Company's approvals and permitting process remains firmly on track, with the finalisation of two key areas of fieldwork over the past 2 months. APC's environmental consultants, MBS Environmental, have significant experience working through the Western Australian regulatory framework, and more particularly with respect to project developments in the Yamarna region where the Lake Wells SOP project is located.

"Our project schedule currently plans for final development approval being granted through H1 2019, which will allow us to meet our goal of development through 2019/2020. We continue to work closely with the EPA to ensure their information requirements are met in the most efficient way, in preparation for lodging the final ERD in the second half of this year."

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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.

