

21 March 2019

APC KICKS OFF WESTERN AUSTRALIAN SOP TRIAL

An Australian first, two-year controlled environmental study and broadacre field trials, will commence in this growing season, analysing the benefits of WA produced sulphate of potash fertiliser.

The **Australian Potash Limited, Sulphate of Potash for WA Farmers** (SOPWA) project will compare commonly used muriate of potash (MOP) with sulphate of potash (SOP) and investigate the full effects of both potassium sources on crop yield, quality, safety and value.

Another first is the research collaboration between the Western Australian No-Tillage Farmers Association (WANTFA), The University of Western Australia's Institute of Agriculture, and Australian Potash (ASX: APC), for the research programs.



These trials will also investigate crop response to SOP and soil biology in comparison to MOP. Such comparative studies have not been done in the past. WANTFA has selected paddock trial sites in Bolgart, Grass Patch, Kojonup, Southern Cross and Yuna. Each site will receive four to six treatments of SOP and MOP, with differences to crops and soil recorded over two seasons.

UWA will add scientific rigour by studying the yield and quality of key grain crops applied with SOP and MOP on soils collected from the paddocks.

At the same time as the scientific studies are happening, APC will release its Definitive Feasibility Study (DFS) of its Lake Wells Sulphate of Potash Project.

APC plans to initially produce 150,000t per annum of premium SOP commencing 2020 for the local and overseas markets. The next stage is expected to commence in 2026 providing an additional 150,000t per annum.

“The co-operative relationship APC has developed with WANTFA is paramount to our strategy to distribute Lake Wells SOP through the WA ag sector,” APC Managing Director and CEO Matt Shackleton said.

“As one of the state’s most highly influential, broadacre grower groups, their technical agronomic leadership skills lend immense authority to the work APC is part of. In conjunction with UWA’s Institute of Agriculture, arguably one of the world’s leading agricultural research institutions, APC is proud to be part of what will be a game-changing shift for WA and Australian agriculture.”

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 Potash Project located approximately 500kms northeast of Kalgoorlie, in Western Australia’s Eastern Goldfields.

Following the release of a Scoping Study (detailed below) in 2017, APC has been conducting a Definitive Feasibility Study (DFS) into the development of the Lake Wells Potash Project. The Company is aiming to release the findings of the DFS in H2 2019.

The Lake Wells Potash Project is a palaeochannel brine hosted sulphate of potash project. Palaeochannel bore fields supply large volumes of brine to many existing mining operations throughout Western Australia, and this technique is a well understood and proven method for extracting brine. APC will use this technically low-risk and commonly used brine extraction model to further develop a bore-field into the palaeochannel hosting the Lake Wells SOP resource.

A Scoping Study on the Lake Wells Potash Project was completed and released on 23 March 2017. The Scoping Study exceeded expectations and confirmed that the Project’s economic and technical aspects are all exceptionally strong, and highlights APC’s potential to become a significant long-life, low capital and high margin sulphate of potash (SOP) producer.

Key outcomes from the Scoping Study are as follows:

- Stage 1 production rate of 150,000tpa of premium-priced sulphate of potash (years 1 – 5)
- Stage 2 production rate of 300,000tpa of premium-priced sulphate of potash (years 6 – 20)
- Upgraded JORC 2012 Mineral Resource Estimate comprising 14.7M tonnes of SOP, including 12.7mt in the Indicated category 1
- At a SOP price of A\$795 per tonne SOP, the Project generates LOM annual operating pre-tax cashflow² of A\$118M/US\$81M
- Pre-production capital expenditure (Stage 1) of A\$175m/US\$135m and Stage 2 of A\$163m/US\$125m

1 Refer to ASX announcement 23 March 2017 'Scoping Study Confirms Exceptional Economics of APC's 100% Owned Lake Wells Potash Project In WA'. 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 23 March 2017 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 23 March 2017 announcement continue to apply and have not materially changed. 2 Operating cashflows include all revenue and operating expenditure, but exclude capital expenditure. Australian Potash Limited (ASX:APC) • Life of Mine (LOM) is 20 years (inc. Stage 1 & Stage 2) –upside to LOM through continued exploration 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 in the announcement that relates to Exploration Targets and Mineral Resources 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). My Storey has experience in the assessment and development of paleochannel 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.

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