

6 May 2019

APPOINTMENT OF CHIEF FINANCIAL OFFICER

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) is pleased to advise the appointment of Mr Scott Nicholas to the position of Chief Financial Officer.

Mr Nicholas brings significant experience to the Company across a broad range of financial disciplines in the resources sector, including large scale debt and equity project financings, construction and operations contract negotiations, asset acquisitions, and the negotiation and execution of offtake agreements.

Managing Director and CEO, Matt Shackleton, commented: “As we progress through the final two programs of work in the field, we are turning our attention to the next phase in our development and are very pleased to welcome to our team a person of Scott’s proven experience and abilities.

“As an experienced CFO, Scott has in the past built debt-equity project financing books in excess of A\$500m and been instrumental in all facets of project development, from asset acquisition through to production, including the detailed and complex contract negotiations those processes entail. Scott is going to be a tremendous addition to our team.”

Mr Nicholas is a Chartered Accountant, who holds a Graduate Diploma of Applied Finance and a Bachelor of Laws & Commerce.

In 2015, he was one of the founding directors and CFO of MACH Energy Australia Pty Ltd, a company that acquired the greenfield Mt Pleasant coal project from Rio Tinto for \$US220m. He subsequently lead the debt, equity and guarantee financing for the development of the 10.5mtpa operation and was involved in the tender & negotiation processes for the construction, operations, and offtake contracts.

Prior to MACH, Mr Nicholas acquired significant ASX and compliance experience with Atlantic Limited as CFO. In this role Mr Nicholas was instrumental in raising over A\$500m in debt and equity to acquire, develop, and commission a Western Australian vanadium project.

Mr Nicholas began his career at KPMG and subsequently at Ernst & Young in the Corporate Finance practice.

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 2017ⁱ. 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^{Error! Bookmark not defined.}
- At a SOP price of A\$795 per tonne SOP, the Project generates LOM annual operating pre-tax cashflowⁱⁱ of A\$118M/US\$81M
- Pre-production capital expenditure (Stage 1) of A\$175m/US\$135m and Stage 2 of A\$163m/US\$125m
- Life of Mine (LOM) is 20 years (inc. Stage 1 & Stage 2) –upside to LOM through continued exploration



Figure 1: The Lake Wells Sulphate of Potash project is located close to rail infrastructure at Leonora in WA’s north-eastern Goldfields

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). Mr 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.

For further information, please contact:

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ⁱ Refer to ASX announcement 23 March 2017 ‘Scoping Study Confirms Exceptional Economics of APC’s 100% Owned LWPP 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.

ⁱⁱ Operating cashflows include all revenue and operating expenditure, but exclude capital expenditure.

