

8 October 2018

\$7 MILLION JOINT VENTURE AGREEMENT BETWEEN AUSTRALIAN POTASH LIMITED AND ST BARBARA LIMITED

Highlights:

- **Australian Potash Limited (ASX: APC) and St Barbara Limited (ASX: SBM) have entered into an Earn in & Joint Venture Agreement covering tenure at the Lake Wells Gold Project**
- **SBM will pay APC \$1.25M cash consideration for entering into the Agreement and a minimum exploration expenditure of \$1.75M in the first year**
- **After the first year SBM can elect to earn a 70% interest in the tenements by spending a further \$3.5M for exploration and reimbursing APC up to \$0.5M in prior exploration costs (aggregate expenditure \$7M)**
- **APC to be free-carried at 30% until the completion of a Bankable Feasibility Study**
- **APC to retain all rights to Potash on the tenements**

Australian Potash Limited (**APC**) is pleased to advise that it has entered into an Earn-In & Joint Venture Agreement with Australian mid-tier gold producer, St Barbara Limited (**SBM**) at the Lake Wells Gold Project.

Under the terms agreed, covering the tenements identified in Figure 1, SBM will pay APC A\$1.25M cash consideration for entering the Agreement, and a minimum exploration spend of \$1.75M during the initial 12 month Earn-In period.

After the first year Earn-In period, SBM can elect to earn a 70% interest in the tenements by spending a further \$3.5M over a 24 month Joint Venture period on exploration, and reimburse APC up to \$0.5M in costs previously spent on exploration at Lake Wells.

APC will retain 100% of all potash mineral rights.

APC's 30% interest will be free-carried to the completion of a Bankable Feasibility Study (BFS), following which industry standard contribution and dilution clauses apply.

Managing Director Matt Shackleton commented: "The strategic intent of the board of APC is to focus on the completion of the Definitive Feasibility Study into the development of the Lake

Wells SOP Project. At the same time, however we have always been very aware of the inherent value of the Lake Wells Gold Project.

“We are looking forward to building our relationship with the St Barbara team. I am confident that we now have the right people, right companies and right project area in place to generate some significant success at what is one of the state’s very prospective and important mineral regions.”

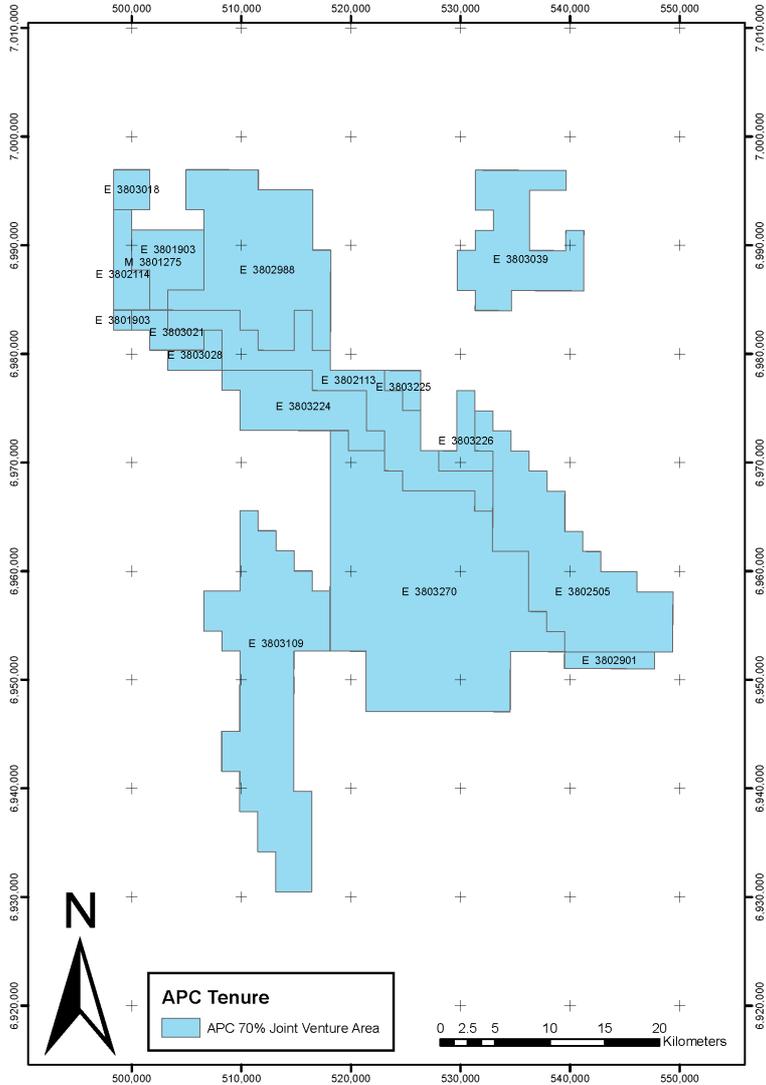


Figure 1: APC-SBM Earn-In and Joint Venture Agreement tenure

For further information, please contact:

Matt Shackleton
Managing Director and CEO

@ m.shackleton@australianpotash.com.au

+61 (0) 438 319 841

Sophie Raven
Company Secretary

@ s.raven@australianpotash.com.au

+61 (0) 400 007 906