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14 December 2016

STRONG FLOW RATES FROM TEST-PRODUCTION BORES AT LAKE WELLS

Excellent results ensure Scoping Study on WA potash project is on track for completion in March quarter next year

Highlights

- Test-pumping of 3 bores at **2 test-production sites** at the Lake Wells Potash Project completed
  - 2 bores screened into the basal sand layer of the deep aquifer produced step-test yields of up to **27 litres per second**
    - Site B constant rate yield over **10 days of 20 litres per second**
    - Site A constant rate yield over **10 days of 16 litres per second**
- Very positive aquifer responses (draw down) show that these production yields were limited by bore design and brine properties: higher yields can be expected with future upgraded production bores
- Level 2 fauna and flora studies completed with no threatened species identified
- International Standard Class A Evaporation pan trial commenced and 14 module weather station fully commissioned, with data contributing to scoping and feasibility study programs

Next Steps

- Publication of **JORC Mineral Resource** upgrade to indicated level on track for March quarter 2017
- **Scoping study** being lead by expert Canadian based potash consultants NovoPro and local consultants on track for completion in March quarter 2017
- In a well-funded position with **~$5 million cash** heading into 2017

Australian Potash (ASX: APC) is pleased to advise that a scoping study on its Lake Wells Potash Project, located 500km north-east of Kalgoorlie, is on track for completion in the March quarter of next year following the receipt of excellent results from the maiden test-pumping program.

The two test-pumping sites produced flow rates of up to 27 litres per second (l/s) under step-test conditions, and constant rates over 10 days of between 16l/s and 20l/s (see further details below – **Test Pumping Program**). Importantly, the duration of the constant rate tests gives a good indication that these yields may be sustainable in the long term.

Given the observed aquifer drawdown, these flow rates appear limited by the capacity of the submersible pumps and current bore design, not by the aquifer. Under production conditions average bore flow rates may be expected to be higher.

The brine solution pumped from the bores contains the potash, which can be extracted using a simple evaporative process, producing the premium-priced sulphate of potash, or SOP. The test-pumping results are comfortably in line with the Company's expectations and confirm Lake Wells' potential to be an important and first mover potash supplier.

A JORC Mineral Resource upgrade to the Indicated category is also underway and combined with these successful pump-tests, will allow specialised Canadian potash consultants NovoPro to rapidly progress the scoping study on Lake Wells.

Australian Potash Executive Chairman Matt Shackleton said the strong flow test results meant the Company had now ticked another box on the path to demonstrating the project's economic and technical viability.

"We were looking for these test-production sites to produce 14 – 18 litres per second, which is in line with what the current available research indicates was possible for palaeochannel systems in the Northern Goldfields. Major Chinese and South American brine pumping operations achieve flow rates of between 10l/s and 18l/s," Mr Shackleton said. These first test-production bores were designed to achieve this rate.

"We were naturally very surprised with the air-lift development yields, which were achieved using air-injection at pressures of c.2,500kpa (vs. downhole pumps at pressures of c.1,250kpa). However, by the time the test-production bores were airlifted as part of their development, the bores' dimensions (bore diameter, size of the pumps, screens) were fixed. With the information from this first test-production programme, the production bore designs will be upgraded in future programs."

"This year has been without doubt the most important year for us, with very successful seismic and drill exploration programs, publication of our maiden JORC Mineral Resource Estimate, the identification of a substantial basal aquifer with bonus upper aquifer, and now the completion of a very successful test pumping program.

"We very much look forward to 2017, the publication of an upgraded JORC Mineral Resource estimate, and the completion of the scoping study into the potential development options for the Lake Wells Potash Project."

Test Pumping Program

During the second half of the year APC installed 3 test-production bores at two sites (**Site A** and **Site B**) across the high-grade zone of the Inferred SOP resource (10Mt @ 9.0kg/m^3 SOP[i]) (Figure 1).

At Site A, TPB001 was screened in the upper aquifer, and TPB002 was screened in the deeper, basal aquifer (Figure 2). TPB003 at Site B was similarly screened into the basal aquifer (Figure 3).

APC announced spectacular air-lift development yields on these bores in October 2016[ii] and moved immediately to a test-pumping program to demonstrate production yields.

The test-pumping program at each bore was conducted with submersible pumps and comprised a series of step tests to quantify the bores' performance at different flow rates, followed by pumping continuously over a period of 7 – 10 days to demonstrate the sustainability of longer term brine abstraction.

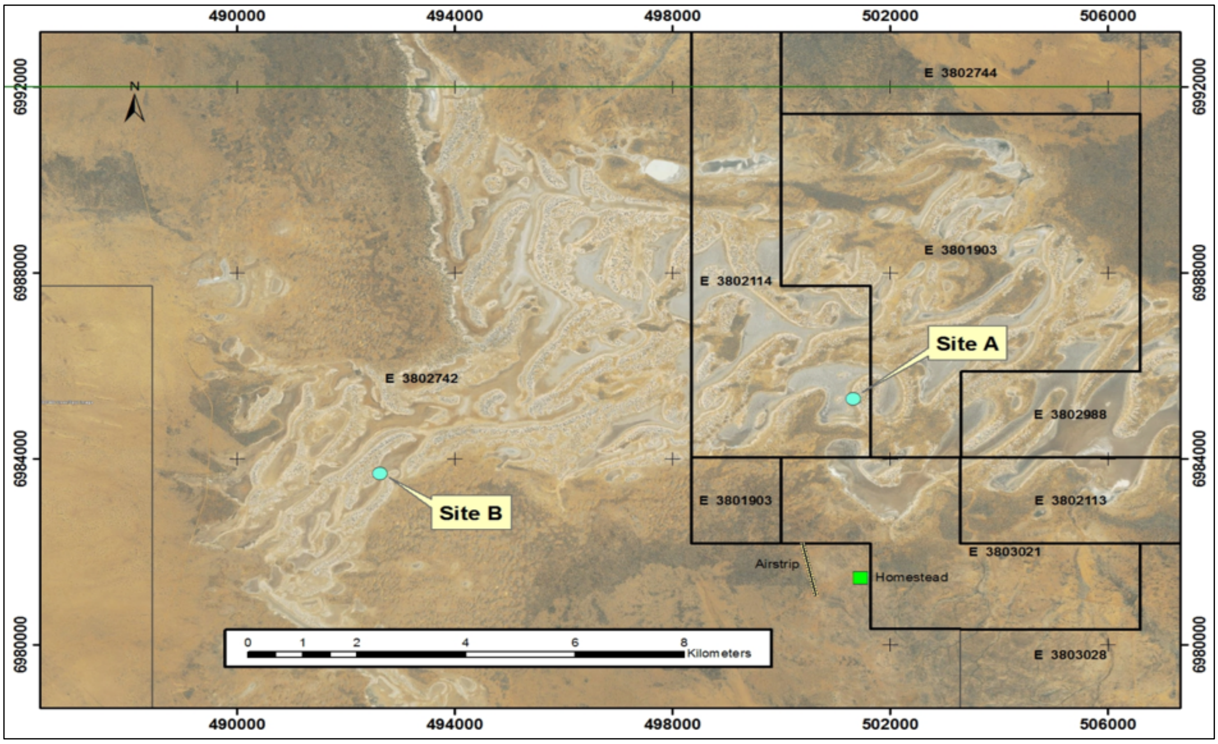

Figure 1: Test-production bore location plan

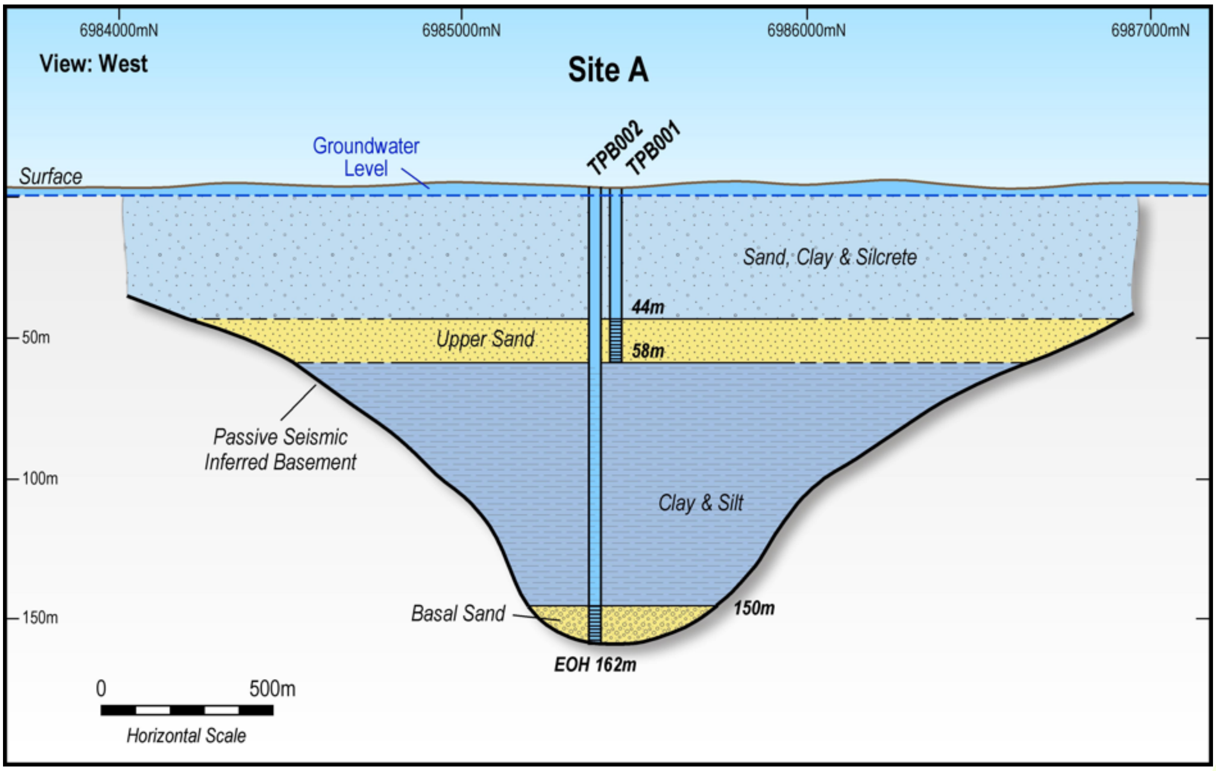

Figure 2: Site A showing test-production bores TPB001 and TPB002 into the shallow and basal aquifers

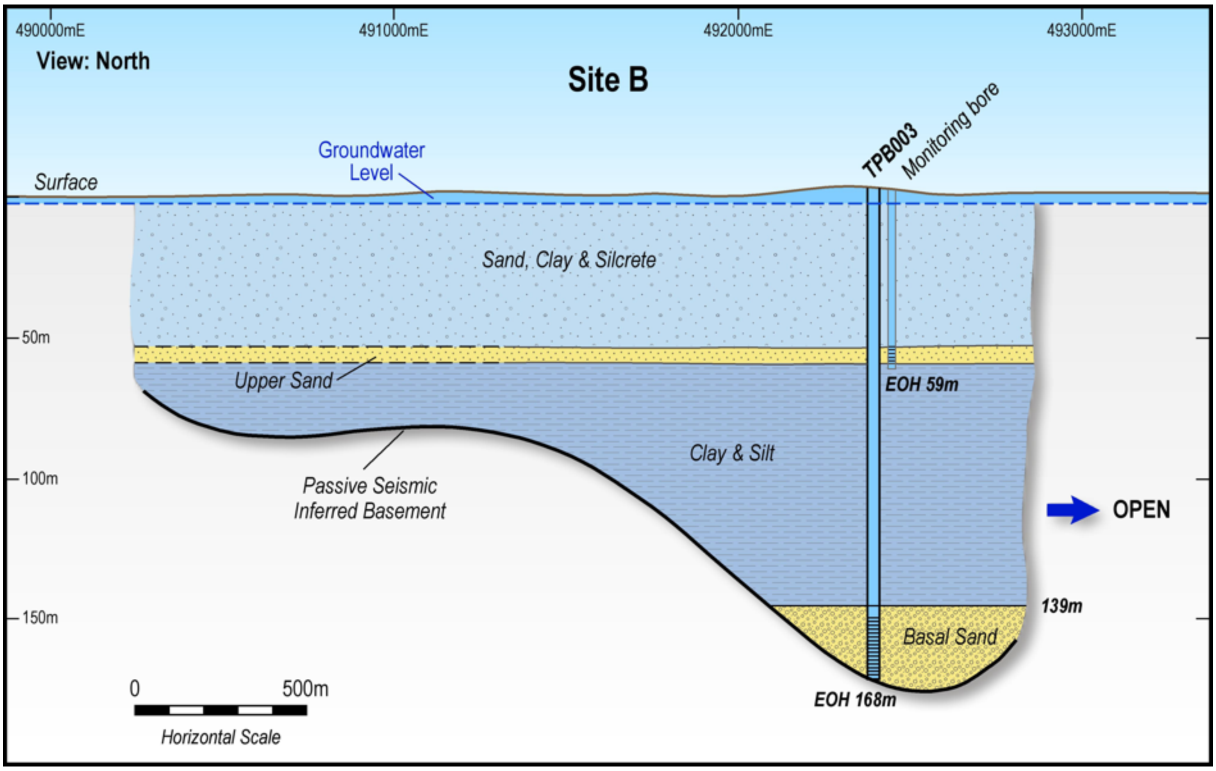

Figure 3: Site B showing TPB003 and monitoring bore

Figure 4: Test-flow pumping at TPB002 and potential evaporation pond site on the playa surface in the background

Both Site A and Site B have demonstrated excellent test pumping yields in line with production models being developed through the scoping study.

While the capacity of the pumps that could be used in the test-production bores were limited by the bore diameter (200mm) and specific gravity (SG) of the brine, it is evident from the aquifer response that, with larger diameter bores, higher production yields may be achievable.

TPB001 – 003 were developed with designs consistent with historic palaeochannel flow rates of approximately 18l/s[iii], however they still appear to be design and pump limited. Customised pumps were sourced to partly address potential design limitations indicated by the surprisingly high air-lift development yields, and consideration will be given to future bore design to accommodate higher yields.

Test-production bore	Screen Interval (metres below ground level)	Step test pumping rate yield range (litres per second)	Constant rate yield (litres per second)	Days pumped at constant rate	Aquifer drawdown (metres)
TPB001	44 – 50 & 54 – 58	4 – 12	4	7	3
TPB002	150 – 162	12 – 27	12	10	85
Site A		***16 – 39***	***16***		
TPB003	144 – 168	15 – 27	20	10	41
Site B		***15 – 27***	***20***		

Table 1: Test-flow pumping yields from the 2 test-production sites developed into the high-grade zone

Flora and Fauna studies

Level 2 flora and fauna surveys have been successfully conducted at the Lake Wells Potash Project, with the second phases to be completed in Autumn 2017.

No Threatened Flora taxa, pursuant to subsection (2) of section 23F of the *Wildlife Conservation (WC) Act 1950* and the Commonwealth *Environment Protection and Biodiversity Conservation (EPBC) Act 1999* were identified within the survey area. None of the vegetation communities within the survey area were found to have National Environmental Significance as defined by the Commonwealth EPBC Act. No Threatened Ecological Communities (TEC) pursuant to Commonwealth or State legislation were recorded within the survey area. The survey area is not located within an Environmentally Sensitive Area (ESA) listed under the *Environmental Protection (EP) Act 1986*. The survey area is not located within a Priority Ecological Community (PEC) or a listed or proposed conservation area managed by the Department of Parks and Wildlife (DPaW).

Phase one of a two season level 2 fauna survey was carried out within Australian Potash' Lake Wells Potash Project area between 10 September and 20 September 2016. A total of 124 fauna species was recorded including 23 mammals (including 8 bats and 6 introduced species), 61 birds, 39 reptiles and 1 frog.

No Threatened Fauna taxa, pursuant to subsection (2) of section 23F of the *Wildlife Conservation (WC) Act 1950* and the *Commonwealth Environment Protection and Biodiversity Conservation* (EPBC) Act 1999 were identified within the survey area. No Department of Parks and Wildlife (DPaW) listed Priority Fauna were recorded.

Taxonomic identifications of some potential terrestrial short range endemic (SRE) invertebrates collected are still pending.

At this stage phase 2 of the fauna survey is planned for early Autumn 2017.

Evaporation Pan trial

Figure 5: Class A evaporation pan trial

APC has successfully installed and commissioned an evaporation pan trial which will provide critical design data to size the full-scale evaporation ponds for the Lake Wells Potash Project.

The trial is designed to simulate the evaporation rates of the Lake Wells brine as it is concentrated through an evaporation pond network. The first pan contains water which forms a baseline reading for the trial. The second pan contains brine obtained from the Lake Wells aquifer and the remaining 4 pans contain increasing concentrations of brines. These brines were synthetically generated to simulate the brine composition as it concentrates through the evaporation ponds and unwanted salts are precipitated out.

The brine concentration has a strong influence over the evaporation rate with higher concentrations seeing a reduction in evaporation. The data collected from this trial across the annual weather cycle is therefore key to be able to accurately design and size the full-scale evaporation ponds and to de-risk this aspect of the pond design.

Due to the importance of the evaporation data, APC has chosen to undertake the trial outdoors in an area close to the project site to obtain "real world" evaporation data as opposed to performing the trial in a laboratory which can only approximate the weather conditions. Partial burying of the pans in the earth is also fundamental in obtaining accurate evaporation data reflective of what would be expected from full-size ponds.

The trial will be monitored continuously over the next 12 months with evaporation rates and climatic data being recorded daily. Initial evaporation data from the trial will be used to feed into the scoping study and other study work over the coming 6 to 12-month period.

Weather station

ACP has installed and commissioned a 14 module permanent weather station at the Lake Wells Potash Project. The station is equipped with a remote satellite system, meaning the Company and its consultants are able to collate meteorological data, such as air temperature, barometric pressure and humidity, 24/7. This data will continue to be collected into the life of the project, and feed into the models being built around pond sizing.

Figure 6: Weather station with installed satellite telemetry system

Appendix 1: Collar table

Hole	Hole Type	Northing (m)	Easting (m)	RL (m)	Dip	Azimuth	Hole Depth (m)
TPB001	MR	6985421	501355	447	-90	0	58
TPB002	MR	6985400	501343	446	-90	0	162
TPB003	MR	6983732	492411	444	-90	0	168

Appendix 2: Reporting of exploration results under JORC 2012 requirements

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Lithological samples were obtained at 1m intervals from the top of the open hole by sieve during mud rotary drilling. The mud samples were logged and used to confirm the geological strata encountered were equivalent to the adjacent aircore hole drilled previously on the same pad. • Brine samples were collected daily from a sampling tap during bore test pumping. • The pumps used during test pumping were 178mm diameter Grundfos SP77 and SP95 (for shallow and deep bores, respectively) • The test pumping methodology involved calibration testing, 60 minute step flow rate testing, and constant rate pumping for periods of 7 to 10 days. • Drawdown in the pumping bore and 4 monitoring bores was recorded using data loggers. All data will be used in the interpretation. • The discharge line outlet was 150 to 200 metres from the pumping bore, and no recirculation effects were detected due to the confined nature of the aquifer.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Mud Rotary (MR) (3 holes, Appendix 1) was completed by Austral Drilling Services, Perth, using a Schramm 685 rig equipped to construct water bores with hole diameters of 300mm. • All holes vertical.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• See Sampling Techniques. • Lithological samples were recovered every metre. • Brine sample recovery during test pumping was relevant to the bulk chemistry of the screened section of the bore being tested. • Sample recovery/grade relationship not applicable to groundwater brine sampling. Brine samples collected in 80ml or 250 ml bottles during test pumping after bore construction was completed.

Criteria	JORC Code Explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Qualitative lithological logging was conducted by qualified geologist of samples obtained at 1m intervals from the top of the open hole by sieve during mud rotary drilling.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Brine samples were collected daily during test pumping from a sampling port on the bore headworks. • All brine samples taken in the field are split into two sub-samples: primary and duplicate. • Reference brine solution provided by independent laboratory (Intertek Genalysis, Perth) used for QA/QC analysis with a sample ratio of approx. 1:10. • Duplicate samples (approx. 1:20) were also analysed for QA/QC purposes and despatched to the laboratory for brine analysis. Archive brine sample were collected for each laboratory sample. A small sample batch (~10%) despatched to umpire lab for comparison purposes. • Once collected, brine samples were kept in cool to cold, dark storage and delivered to laboratory within 7 days of field collection. Major cations were analysed using either ICP-AES or ICP-MS techniques. Analysis of cations in brine solution by Mohr Titration. Sulphate was determined by either: ICP-AES Determination or dissolved sulphate in a 0.45um filtered sample with sulphate ions converted to a barium sulphate suspension in an acetic acid medium with barium chloride. Light absorbance of the BaSO4 suspension measured by a photometer and the SO4-2 concentration is determined by comparison of the reading with a standard curve. Specific Gravity (SG) calculated using Pycnometric method. Total Dissolved Solids (TDS) calculated by Gravimetric method. • Sample size (80 and 250 ml plastic bottles) appropriate for brine being sampled. • Brine samples are not able to be collected during mud rotary (MR) drilling • Lithological samples were collected in plastic chip trays for future reference.
Quality of assay data and	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and*	• The samples were collected for major cation (Ca, K, Na, Mg) and anions (Cl, sulphate), alkalinity, Specific Gravity,

Criteria	JORC Code Explanation	Commentary

laboratory tests	*whether the technique is considered partial or total.*
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*
		Total Dissolved Solids (TDS) and selective multi-element (dissolved metals) analysis. Drill samples (2016) were completed at Bureau Veritas Laboratory, Perth. These samples were analysed with Lab Codes GC006, GC026, GC033, GC004, and SO101 and SO102 methods. Reference brine solution samples dispatched to laboratory reported an average error of <10%.
		Drill samples (2015) were assayed at ALS Laborotary (Perth) with Lab Codes ED093F, ED041G, ED045G, EA050, ED037-P,EG020A-F.
		Duplicate and reference brine samples were submitted to MPL Laboratory (Perth) and ALS Metallurgy Laboratory (Perth).
		• Potash brine results calculated with primary potassium (K) values and K_2SO_4 equivalent. No upper and lower cuts applied. For multi-element suite - (Bureau Veritas Lab Code SO101 and SO102) elements included (but not limited to): Al, As, Cr, Co, Fe, Pb, Ni, U, Th, Zn, V). No anomalous or significant multi-element results recorded in brine samples.
		• Quality control process and internal laboratory checks demonstrate acceptable levels of accuracy.
		• Further Data QA/QC checks undertaken include:
		  ○ Database QA/QC reporting including box and whisker plots
		  ○ Primary laboratory duplicate comparison and interlaboratory duplicate comparison
		  ○ Charge balance check
		  ○ Ionic ratio analysis
		• These checks demonstrate acceptable levels of accuracy and consistency in the dataset.

Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• QA/QC procedures included reference solution and duplicate samples collected and analysed at both the primary and independent umpire laboratory to evaluate analytical consistency. Internal laboratory standards and instrument calibration are completed as a matter of course. • Sample data was captured in the field and digital data entry completed both in the field and in the Company's Perth office. All drill and sample data was then loaded into the Company's DATASHED database and validation checks completed to ensure data accuracy. Analytical results as csv and pdf files were received from the laboratory.

Criteria	JORC Code Explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collars were surveyed by handheld Garmin 64S GPS with horizontal accuracy (Easting and Northing values) of +-5m. • Grid System – GDA94 Zone 51. • Topographic elevation using published GSWA geological maps and hand held GPS with Z range +-15m suitable for relatively flat salt lake/dune terrain.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Bore holes targeted upper and basal paleochannel sand zones at two locations approximately 8 km apart to confirm aquifer parameters in the interpreted deepest sections of the palaeochannel. The radius of influence induced by test pumping is likely to be in the order of 8 km.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Vertical drill holes targeted the deepest sections of the palaeovalley system within interpreted flat lying transported sedimentary profile and weathered-transitional basement rocks. • Vertical drill orientation not considered to have introduced any sampling bias with regard to sampling relatively flat lying regolith units.
Sample security	• *The measures taken to ensure sample security.*	• Samples collected from the field airfreighted to Perth laboratories with sealed eskies or delivered by Company personnel to laboratory direct.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Data reviews are summarised in Quality of assay data and laboratory tests, and Verification of sampling and assaying, No audits were undertaken.

Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The LAKE WELLS POTASH PROJECT, located 140 km northeast of Laverton, Western Australia consists of tenements: E38/1903, E38/2113, E38/2114, E38/3021, E38/3039, E38/2742 and E38/2744. All tenements held 100% by Australian Potash Limited (ASX: APC) [nee Goldphyre Resources Limited (GPH)] except E38/2742 and E38/2744 held by Lake Wells Exploration Pty. Ltd. (LWE). GPH has entered into a Sale and Split Commodity Agreement (dated on or about 11th December, 2015) with LWE. • All tenements are in good standing. There is no Native Title Claim registered in respect of the project tenure. Accordingly, there is no requirement for a Regional

Criteria	JORC Code Explanation	Commentary
		Standard Heritage Agreement to be signed. • At time of writing, the tenements have expiry dates ranging between 1/5/2017 and 9/8/2020.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous reconnaissance AC and Goldphyre AC/RC drilling has been completed in the Lake Wells Area. Companies that have completed previous exploration in the region include WMC Ltd, Gold Partners Ltd, Kilkenny Gold NL, Anglogold Ashanti Australia Ltd, Croesus Mining NL and Terra Gold Mining Ltd.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Targets include: Brine hosted potash mineralisation associated with the Lake Wells playa lake system.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Mud Rotary drill data completed by Goldphyre Resources Limited included in report with collar information for drill holes included in Appendix 1.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• All analytical results previously reported and referenced in accompanying report with no minimum and/or maximum grade truncations applied. • Average Sulphate of Potash (SOP) values were previously reported from brine samples collected in a particular interval although several drill holes returned sample intervals in which groundwater was present but insufficient brine sample was available for sampling and analysis. • No metal equivalent values or formulas used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• The brine deposit is understood to be essentially a flat resource hosted within a sedimentary aquifer and the underlying weathered basement. Vertical drillhole intercepts are interpreted to represent the true thickness of the deposit.

Criteria	JORC Code Explanation	Commentary
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate summary diagrams with Scale and North Point shown along with cross section figures are included in the accompanying report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All previously reported K, SO4, and Mg brine results for the samples collected are referenced in the accompanying report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• AC drilling in 2015 and 2016 provided encouragement for further potash brine exploration. Geophysical data (TMI, FVD, Gravity and passive seismic survey) processing along with extensive previous explorers' drill data has contributed further to the understanding of the salt lake system and palaeotopography on the project area.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Based on results returned **and *Other Substantive Exploration data*** summarised above, the design of follow up drilling program(s) (including test bore drilling and pump testing) are under preparation. • Numerical hydrogeological modelling to be completed that incorporates the results of test pumping. The model will be the basis of the borefield layout, annual brine abstraction rate and mine life

Competent Person's Statement

The information in the announcement that relates to Exploration Results is based on information that was compiled by Mr Carsten Kraut. Mr Kraut is a principal hydrogeologist with Flux Groundwater, a firm that provides consulting services to the Company. Neither Mr Kraut nor Flux Groundwater own either directly or indirectly any securities in the issued capital of the Company. Mr Kraut has over 20 years of international experience. He is a member of the AIG, the International Association of Hydrogeologists and the International Mine Water Association. Mr Kraut has experience in the assessment and development of palaeochannel groundwater resources, including the development of hypersaline water supplies in Western Australia. His experience and expertise is 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 Kraut consents to the inclusion in this report on the matters based on his information in the form and context in which it appears.

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.

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[i] Refer to ASX announcement 29 June 2016 'Maiden SOP Resource Estimate'. 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 29 June 2016 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 29 June 2016 announcement continue to apply and have not materially changed.

[ii] Refer to ASX announcement 31 October 2016 'Exceptional Air-lift Development Yields'. 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 are not aware of any new information that materially affects the information contained in the 31 October 2016 announcement.

[iii] JOHNSON, S. L., COMMANDER, D. P. & O'BOY, C. A. 1999, Groundwater resources of the Northern Goldfields, Western Australia: Water and Rivers Commission, Hydrogeological Record Series, Report HG 2, 57p.