



Australian Potash Limited

Annual General Meeting Presentation

29 November 2018

The Celtic Club, West Perth, Western Australia





Important Statements & Disclaimers

Scoping study – cautionary statement

The Study referred to in this announcement is a preliminary technical and economic investigation of the potential viability of the Lake Wells Potash Project. It is based on low accuracy technical and economic assessments, (+/- 35% accuracy) and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage; or to provide certainty that the conclusions of the Study will be realised.

Approximately 86% of the existing Mineral Resource is in the Indicated category, with the remainder in the Inferred category. There is a low level of geological confidence associated with Inferred mineral resources and there is no certainty that further exploration work will result in the determination of Indicated or Measured Mineral Resources. Furthermore, there is no certainty that further exploration work will result in the conversion of Indicated and Measured Mineral Resources to Ore Reserves, or that the production target itself will be realised.

The Scoping Study is based on the material assumptions outlined below. These include assumptions about the availability of funding. While Australian Potash Limited considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be accurate or that outcomes indicated by the Study will be achieved.

To achieve the outcomes indicated in this Study, initial funding in the order of A\$175m/US\$135m will likely be required. Investors should note that there is no certainty that Australian Potash Limited will be able to raise funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Australian Potash Limited's existing shares.

It is also possible that Australian Potash Limited could pursue other value realisation strategies such as sale, partial sale, or joint venture of the Project. If it does this could materially reduce Australian Potash Limited's proportionate ownership of the Project.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of this Scoping Study.

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 Person 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 palaeochannel 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.

Footnotes to Disclosures

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.





Investment Highlights

Premium fertiliser product

- Sulphate of Potash (SOP or K_2SO_4) is *the premium* potassium fertiliser
- Potash provides potassium, an essential, non-substitutable fertiliser essential for ALL plant growth

Compelling macro-economics

- Structural changes occurring in China through environmental clean-up
- 25% – 35% reduction in supply chain from 2018 onwards
- Australia has never produced ANY potash: Import replacement opportunity

Very strong project technicals

- Low risk, low cost scalable operation
- Strong SOP grade in brine: 14MT SOP JORC Resource
- Highly-capital efficient CAPEX development
- Granted Mining Leases
- Lowest quartile cost of production
- Compelling Logistical Solution

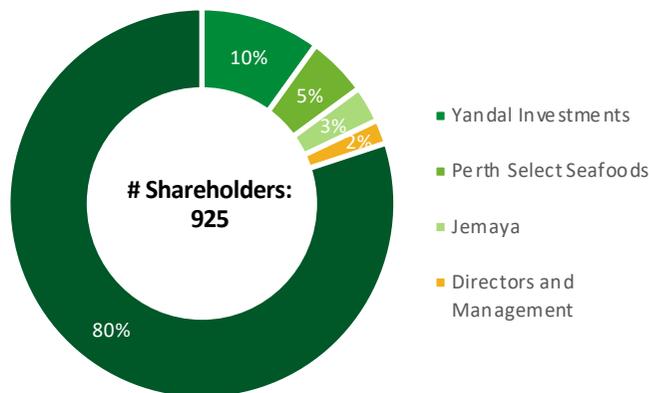
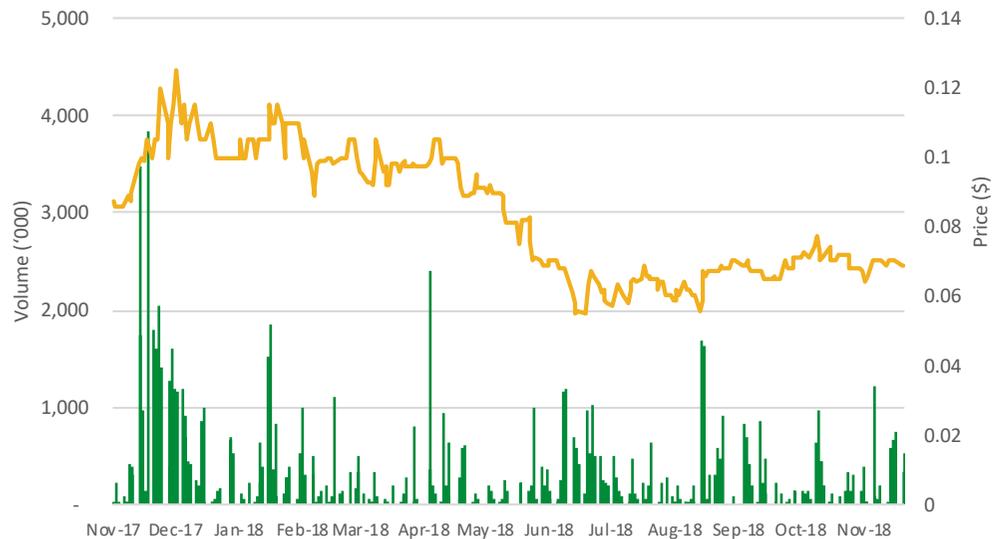
Commercial milestones

- Two Memorandum of Understanding for off-take with large Chinese agricultural companies: Sino-Agri and Hubei-Agri
- Australian fertiliser companies: off-take positions?
- Gold project exploration farm-out



Corporate Snapshot

Share Price Performance and Volume



Capital Structure

Share Price (28 November 2018)	A\$0.068
Shares on Issue (ASX: APC)	305m
Listed Options (ASX: APCOA, 20c, 10/2019)	38m
Unlisted Options (10c - 22.5c, 2021)	34m
Market Capitalisation	A\$21m
Cash (30 September 2018)	A\$2.5m
Enterprise Value	A\$18.5m
Top 40	55%

- **Scoping Study March 2017¹**
 - A\$500m NPV₁₀
 - IRR 33%
- **Definitive Feasibility Study** targeting completion H1 2019



Board and Management

Board

Jim Walker

Non-Executive Chairman

Management

Mr Walker has 45 years' experience in the resources industry, at both senior management and board level. Prior to retiring from the position in 2013, Jim was the Managing Director and Chief Executive Officer of WesTrac Pty Ltd, during which time that company enjoyed significant expansion across Australia and into north-east China. From January 2015 through to July 2015, Jim performed the Executive Chairman's role at Macmahon Holdings Ltd (ASX: MAH) as that company sought a replacement CEO. Jim has been a member of the Macmahon board since 2013, and now serves in a non-executive capacity as Chair. In addition to his role as Chairman at Macmahon, Mr Walker is Chairman of Austin Engineering Ltd (ASX: ANG), Wesley College and the State Training Board. He is Deputy Chairman of Seeing Machines Ltd (AIM: SEE), RACWA Holdings Pty Ltd and the WA Motor Museum.

Matt Shackleton

Managing Director & CEO
B.Comm. (Economics & Accounting), MBA, FICAA

Mr Shackleton is a Chartered Accountant, and has more than 20 years experience in senior management and board roles. Previously the Managing Director of Western Australian gold developer Mount Magnet South NL (ASX: MUM), Matt was the founding director of West African gold and bauxite explorer Canyon Resources Limited (ASX: CAY). He has also held senior roles with Bannerman Resources Limited (ASX: BMN), a uranium developer, Skywest Airlines, iiNet Limited (ASX: IIN) and London investment bank DRCM Global Investors.

Rhett Brans

Non-Executive Director
Dip.Engineering (Civil),
MIEAUST CPENG

Mr Brans is an experienced director and civil engineer with over 45 years experience in project developments. He is currently a Non-executive director with Carnavale Resources Ltd (ASX: CAV) and AVZ Minerals Ltd (ASX: AVZ). Previously, Mr Brans was a Non-executive Director of Syrah Resources (ASX: SYR), a founding director of Perseus Mining Limited (ASX: PRU) and served on the boards of Tiger Resources Limited (ASX: TGS) and Monument Mining Limited.

Brett Lambert

Non-Executive Director
B.App.Sc. (Mining Engineering), MAUSIMM

Mr Lambert is a mining engineer and experienced company director in the Australian and international mineral resources industry. Over a career spanning 35 years, Mr Lambert has held senior management roles with Western Mining Corporation, Herald Resources, Western Metals, Padaeng Industry, Intrepid Mines (ASX: IAU), Thundelarra Exploration (ASX: THX) and Bullabulling Gold. He has successfully managed a number of green-fields resource projects through feasibility study and development and has been involved in numerous facets of financing resource project development. Mr Lambert is a Non-executive director of Mincor Resources NL.

Sophie Raven

Company Secretary

Ms Raven is a lawyer and professional company secretary, with 20 years' experience in corporate law and company secretarial roles within the resources industry. Sophie has held positions as Company Secretary with various ASX-listed companies, including Sunbird Energy Limited, Wildhorse Energy Limited (now Salt Lake Potash Limited), Whitebark Energy Ltd, and Cradle Resources Limited.



Management Team & Consultants

Stewart McCallion

Project Manager (Blackham, Hancock, Lycopodium)

Chris Shaw

Exploration Manager (AngloGold, Avonlea, Iluka)

Jay Hussey

Chief Commercial Officer (Valleyfield, Migao)



Process Engineering



Design Engineering



Geotechnical & Pond Design



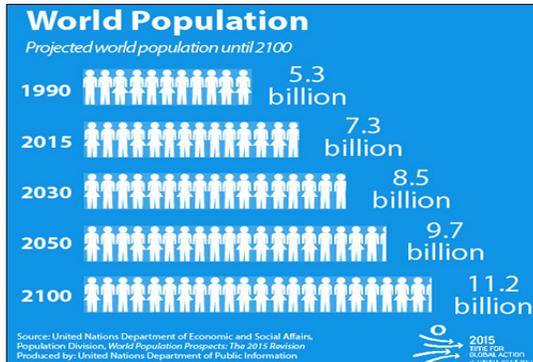
Hydrogeology & Resource Estimation



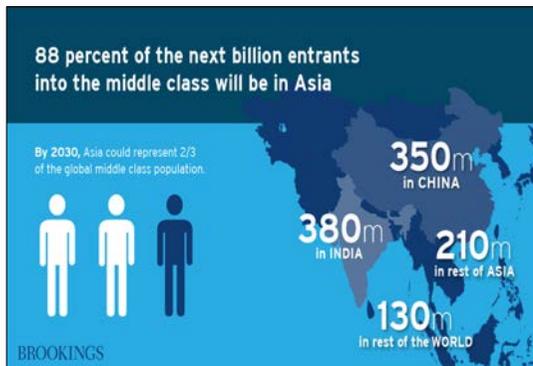
Environmental & Approvals



What's Driving Increased Fertiliser Demand?



More people = more food = **more & better fertiliser**



More middle class = better food = **more & better fertiliser**



Less arable land per person = higher yields = **more & better fertiliser**



Potash: Essential, Non-Substitutable



The three key, plant macro-nutrients essential for all plant growth:



Nitrogen



Phosphorous



Potassium = **POTASH**

There are two main types of Potash:

Muriate of Potash ('MOP')

- KCl
- +60M tonnes per annum
- US\$290/tonne into China
- Canada, FSU, Germany

Lake Wells Potash Project

Sulphate of Potash ('SOP')

- K_2SO_4
- +6M tonnes per annum
- US\$540/tonne
- China, South America, Belgium



Sulphate of Potash (SOP): the Premium Potash

SOP is ideally suited to chloride sensitive, high-value crops



cotton



coffee



tobacco



grapes



tea

Bright, leafy green vegetables,
tomatoes,
beans and potatoes



Citrus fruit, deciduous
fruits, tree nuts,
strawberries and
melons



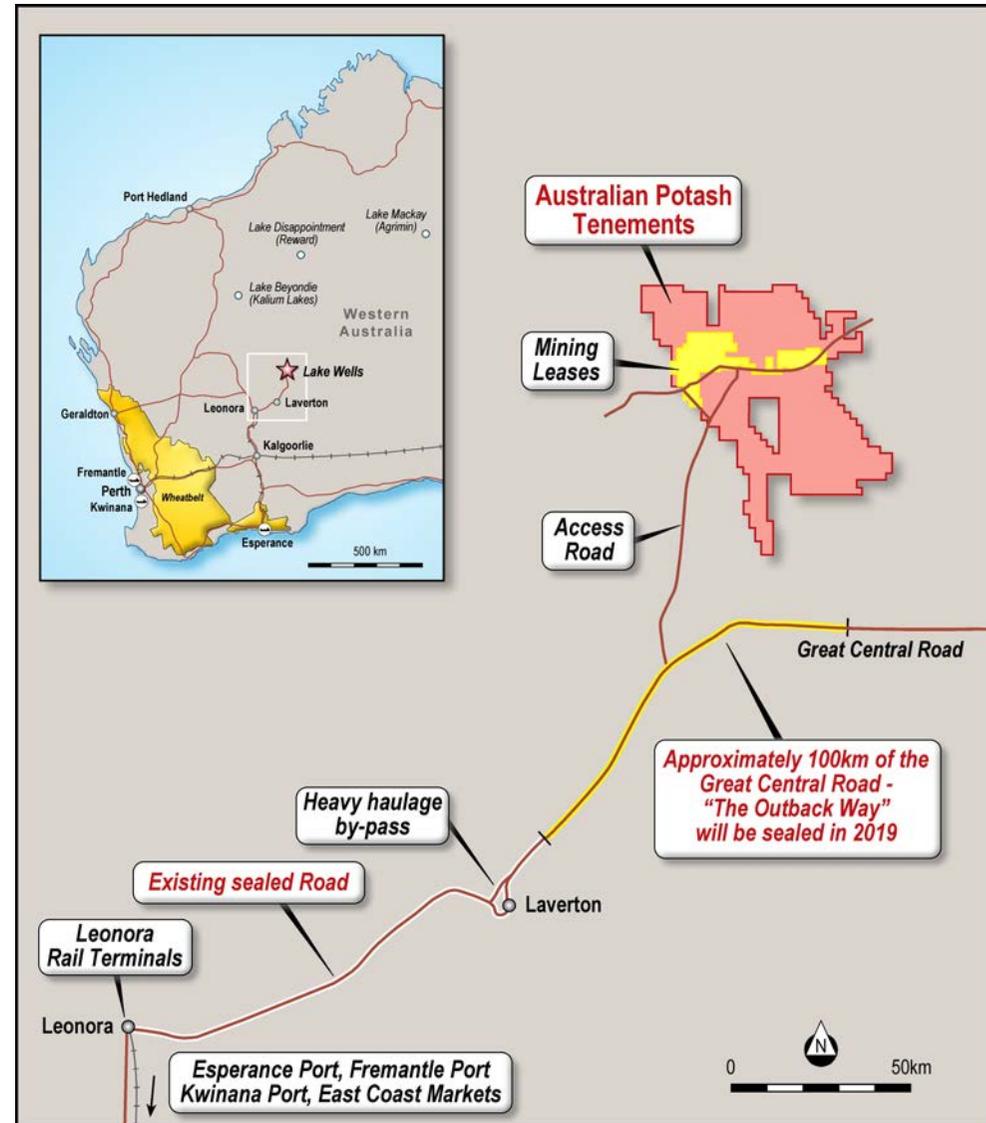
And ... avocados,
cashews, cucumbers,
onions, lettuce,
raspberries,
blackberries, blueberries
and mangoes ...





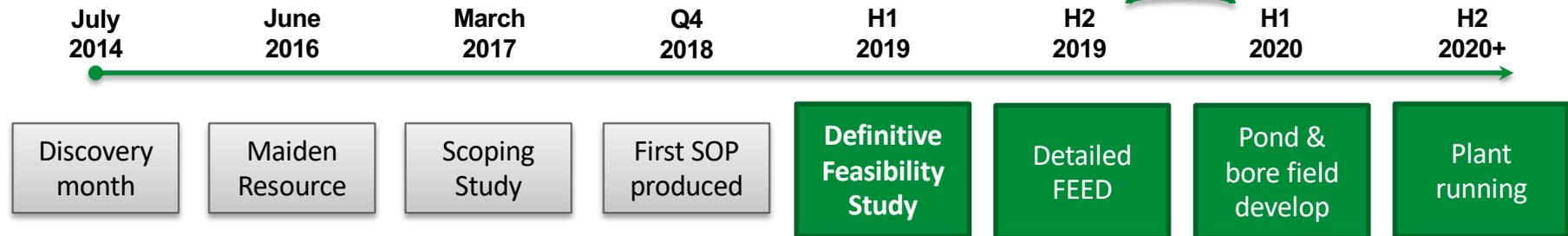
Milestones to Development

- ✓ Secure 100% ownership of Project area
 - ✓ Complete Scoping Study
 - ✓ Finalise MOUs for up to 200,000 tpa off-take
 - ✓ Develop on-site pilot evaporation ponds
 - ✓ Secure grant of Mining Leases
- H2 2018 Begin production work for FIRST Lake Wells SOP trade samples
- H1 2019 Upgrade JORC Resource estimate to Reserve
- H1 2019 Deliver Definitive Feasibility Study
- H1 2019 Finalise Off-Take agreements: China & Australia
- H2 2019 Finalise Project financing
- H2 2019 FEED/Commence construction
- H2 2020+ Ship Australia's first commercial SOP product**





Late Stage Definitive Feasibility Study



APC has spent A\$12.5m to get the Project to this stage



- **DFS modelling:**
 - Trade-off studies across several development scenarios
 - Development strategy to minimise debt payback period
 - Development timeline 0 – 18 months to harvest pond conditioning
 - Production timeline 0 – 6 months from install to SOP production
 - Early production leading into steep ramp-up



Superior Mining & Logistics Jurisdiction

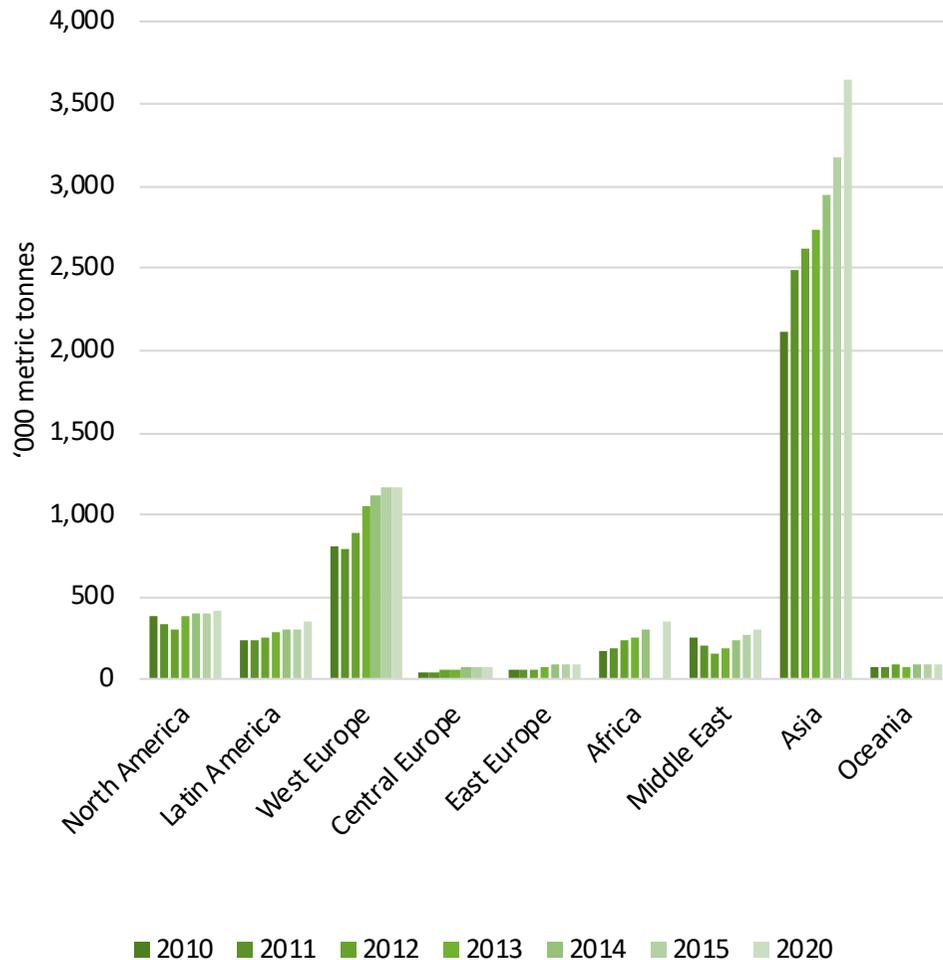
- Western Australia consistently ranks Top 5 most desirable mining investment jurisdictions in the World
fraserinstitute.org
- North-Eastern Goldfields region serviced by rail, road, air
- Cheap logistics vital to bulk operations
- Lake Wells SOP Project located 280 kilometres from bulk rail terminals at Leonora
- Rail terminals connect to 3 WA ports and the east-coast of Australia





Focused on Marketing Agreements

Global SOP Demand



- MOUs with 2 of China's largest agricultural companies
 - *Sino-Agri*
 - *Hubei-Agri*
- Supply disruption through Chinese environmental clean-up initiatives: structural change
- Domestic Australian consumption of SOP small at 50ktpa, but ...
- 100% imported product to Australia with incentive pricing opportunity



Approvals to Development

- **Environmental Scoping Document (ESD) has been approved by the EPA**
 - All other approvals on hold until the EPA finalise their review
- **Environmental Review Document (ERD) being finalised now**
 - Anticipated completion H1 2019
 - **Mining Proposal**
 - **Mine Closure Plan**
 - **Water Abstraction Licenses**
 - **Works Approval**





JORC Compliant Mineral Resource Estimate

Hydrogeological Unit	Volume of Aquifer MCM	Specific Yield Mean	Drainable Brine Volume MCM	K Concentration (mg/L) Weighted Mean Value	SOP Grade (mg/L) Weighted Mean Value	SOP Resource MT
Indicated Resources						
Western High Grade Zone						
Surficial Aquifer	5,496	10%	549	3,738	8,336	4.6
Upper Sand	37	25%	9	4,017	8,958	0.1
Clay Aquitard	4,758	6%	308	4,068	9,071	2.8
Basal Sand Aquifer	214	29%	63	4,520	10,080	0.6
Sub Total (MCM / MT)	10,505		919	3,904	8,706	8.1
Eastern Zone						
Surficial Aquifer	3,596	10%	359	3,416	7,617	2.7
Upper Sand	22	25%	5	3,345	7,459	0.04
Clay Aquitard	2,689	6%	174	3,362	7,497	1.3
Basal Sand Aquifer	237	29%	69	3,352	7,475	0.5
Sub Total (MCM / MT)	6,545		602	3,391	7,563	4.6
Total Indicated						
Surficial Aquifer	9,092	10%	907	3,610	8,051	7.3
Upper Sand	59	25%	15	3,769	8,404	0.1
Clay Aquitard	7,447	6%	482	3,813	8,503	4.1
Basal Sand Aquifer	452	29%	132	3,906	8,711	1.1
Indicated Resource (MCM / MT)	17,050		1,521	3,707	8,267	12.7
Inferred Resources						
Southern Zone						
Surficial Aquifer	1,296	16%	207	2,742	6,115	1.3
Clay Aquitard	1,901	6%	114	2,620	5,842	0.7
Basal Sand Aquifer	82	23%	19	2,871	6,401	0.1
Inferred Resources (MCM / MT)	3,279		340	2,674	5,963	2.1
Summary						
Indicated Resources	17,050		1,521	3,707	8,267	12.7
Inferred Resources	3,279		340	2,674	5,963	2.1
Total Resources	20,329		1,861	3,541	7,896	14.7

Indicated Resource based modelled aquifer volume, mean specific yield and weighted mean K concentrations (derived from modelling)

Resources do not include exploration target at Lake Wells South (tenement areas south of Southern Zone)



31 Ord Street, West Perth WA 6005
PO Box 1941, West Perth WA 6872



+61 8 9322 1003



m.shackleton@australianpotash.com.au



+61 438 319 841



www.australianpotash.com.au



[@OzPotash](https://twitter.com/OzPotash)

