

6 November 2019

ASX ANNOUNCEMENT

ASX:APC

# AUSTRALIAN POTASH LIMITED

## APPROVALS UPDATE

### LAKE WELLS SULPHATE OF POTASH PROJECT

#### Highlights

- **Environmental Review Document (ERD) for the Lake Wells Sulphate of Potash Project submitted to the Environmental Protection Authority (EPA)**
- **The ERD is the comprehensive environmental approvals document assessed prior to the granting of licences and permits required for Project development**
- **Granted mining leases cover the proposed Project development area**
- **APC remains firmly on track to meet Project approvals development timeline**

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) is pleased to advise that the Environmental Review Document (**ERD**) for the Lake Wells Sulphate of Potash Project (LSOP) has been submitted to the EPA.

The LSOP was referred to the EPA in December 2017, which determined that the Project's development proposal, as detailed in the ERD, will be assessed under Part IV of the Environmental Protection Act 1986 by way of an *Environmental Review with No Public Consultation* (refer to ASX announcement 6 February 2018<sup>i</sup>).

In September 2018 the APC received approval from the EPA for the Environmental Scoping Document (ESD) submitted for review. The ESD defines the form, content, timing and procedure of the **ERD**.

The **Environmental Review Document** is the comprehensive environmental approval document submitted for assessment by the EPA. It comprises a thorough understanding of the environmental setting in the Project area, developed through detailed flora and fauna surveys and studies. Along with details of the LSOP's operation, this information is assessed by the EPA to determine its approval for Project implementation under Part IV of the EP Act 1986.

Following ERD approval under Part IV, other Decision Making Authorities (DMAs) can commence providing operating licenses and permits through Part V of the Environmental Protection Act and Mining Act 1978 etc. (see Table 1 below) DMAs, including the Department of Water and Environmental Regulation (DWER), and Department of Mines, Industry Regulation and Safety (DMIRS), will only progress with APC's licence and permit applications once the LSOP's ERD is approved under Part IV.

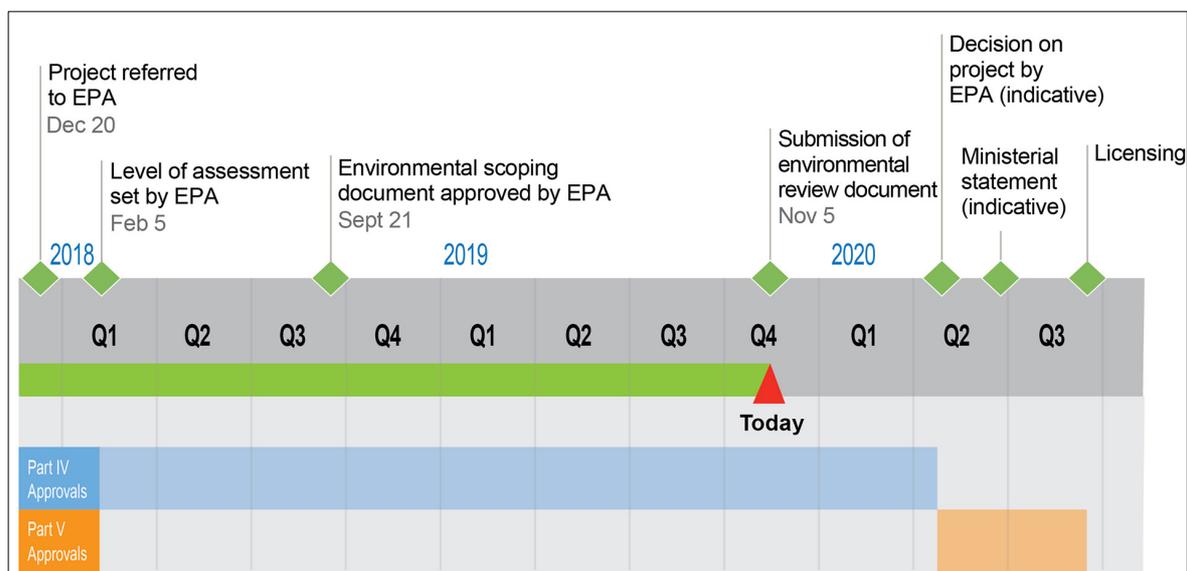


Figure 1: The LSOP development approvals, permits and licensing timeline

Legislation	Summary of approvals, permits and licences
Environmental Protection Act 1986	Part IV – EPA approvals Part V – Licensing <ul style="list-style-type: none"> <li>• Native vegetation clearing permits</li> <li>• Works approval</li> </ul> Mine closure plan
Mining Act 1978	Miscellaneous licence for potable water, power & access corridors Mining proposal
Mines Safety and Inspection Act 1994	Project management plan (PMP)
Rights in Water and Irrigation Act 1914	26D bore construction licences 5C groundwater abstraction licences
Building Act 2011	Approval for non-ore processing site infrastructure
Health Act 1911	Approval for WWTP installation and supply of potable water

Table 1: Summary of required key LSOP approvals, permits and licences

## 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 Sulphate of Potash Project (LSOP) located approximately 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.

Following the release of the Definitive Feasibility Study (DFS) in August 2019<sup>ii</sup>, APC is focused on the FEED Study, finalising offtake discussions and securing financing to develop the LSOP.

The DFS confirmed that the LSOP will be a long life, low capital intensity and high margin SOP producer.

### Key outcomes from the DFS included:

- 30 year mine life producing 150,000tpa of premium grade SOP
- Long mine life underpinned by 3.6Mt Ore Reserve (3,325 mg/l K) and 18.1Mt drainable SOP Measured Resource (3,343 mg/l K) estimate
- Pre-tax NPV<sub>8</sub> of A\$665m and an IRR of 25%
- Development capex of A\$208M with sector leading capital intensity of A\$1,387/t
- First quartile industry opex of US\$262/t providing high cash operating margins

For further information:

**Matt Shackleton**

Managing Director & CEO

m.shackleton@australianpotash.com.au

+61 (0) 438 319 841

For media enquiries:

**Rueben Hale**

Communications Manager

r.hale@australianpotash.com.au

+61 (0) 437 736 098

For investor enquiries:

**Phil Retter**

Cannings Purple

pretter@canningspurple.com.au

+61 (0) 407 440 882

## Forward Looking Statements

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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<sup>i</sup> Refer to ASX Announcement 06 February 2018 'EPA to assess Project development with no public comment'. 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 06 February 2018 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 06 February 2018 announcement continue to apply and have not materially changed.

<sup>ii</sup> Refer to ASX Announcement 28 August 2019 'Definitive Feasibility Study Outstanding Financial Outcomes'. 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 28 August 2019 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 28 August 2019 announcement continue to apply and have not materially changed.