

8 May 2020

# **AUSTRALIAN POTASH LIMITED**

## **ENVIRONMENTAL PROTECTION AUTHORITY**

### **MINOR AND PRELIMINARY WORKS CONSENT**

#### **Highlights**

- **Consent received from the Environmental Protection Authority (EPA)** to proceed with Minor and Preliminary Works
- **Environmental Review Document** currently at Stage 3 of the EPA's four stage Assessment of Proposal process

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) is pleased to advise the Decision to Consent to Undertake Minor or Preliminary Works by the Environmental Protection Authority under section 41A(3) of the Environmental Protection Act 1986.

The Company sought consent to proceed with Minor and Preliminary Works at its **Lake Wells Sulphate of Potash Project (LSOP)** 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields. This decision to consent is in advance of the EPA's pending report on the LSOP development proposal, as detailed in the Environmental Review Document (ERD), and the decision by the Minister for Environment, once he has considered the recommendation made in that report. Ministerial approval is required by all of the SOP projects being proposed or developed in WA, and APC's LSOP proposal is the most advanced in the EPA assessment process<sup>1</sup>.

**Managing Director and CEO, Matt Shackleton, commented:** *"As flagged in recent announcements, we are very pleased to advise further progress in the approvals pathway for the Lake Wells SOP project.*

*"Our team has been working closely with the EPA to ensure all aspects of the proposed LSOP development meet or exceed required standards for the protection of the broader environment at Lake Wells. The LSOP's Environmental Review Document (ERD) is now at Stage 3 of the four stage EPA assessment process.*

*"Concurrently, the Company applied to proceed with what are referred to as Minor and Preliminary Works. The EPA is willing to grant this approval ahead of its recommendations to the Minister for Environment on the full development, when a company can demonstrate*

responsible, recoverable and minimal impact on the environment, of these works.

“APC is the second SOP project developer to receive M&PW approval. We very much look forward to providing further updates on the approvals pathway, offtake agreements and project financing in coming weeks.”

The minor and preliminary works the subject of this consent include:

- Upgrading the camp access track to more durable/all-weather access condition;
- Constructing and maintaining the western borefield track, the pond perimeter track and the eastern borefield track, in preparation for the civil and construction works associated with developing the entire borefield and pre-concentration ponds;
- Building a construction village including accommodation camp, fuel storage and wastewater treatment plant; and
- Developing several borrow areas to source material for the above.

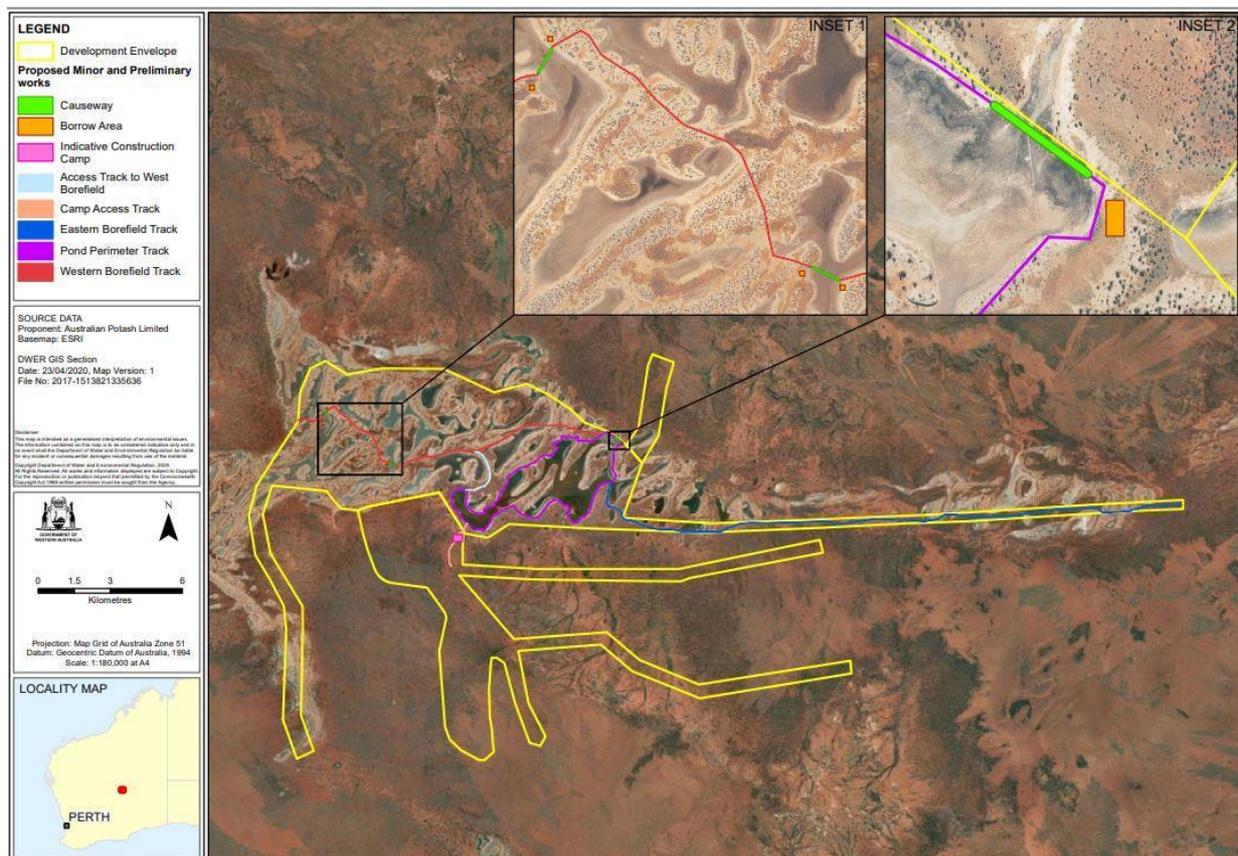


Figure 1: Location of minor and preliminary works

This announcement is authorised for release by the Managing Director.

For further information:

**Matt Shackleton**

Managing Director & CEO

[m.shackleton@australianpotash.com.au](mailto:m.shackleton@australianpotash.com.au)

+61 (0) 438 319 841

For investor enquiries:

**Warrick Hazeldine**

Cannings Purple

[whazeldine@canningspurple.com.au](mailto:whazeldine@canningspurple.com.au)

+61 (0) 417 944 616

## About Australian Potash Limited



K-Brite is a registered trademark brand of Australian Potash Limited (ASX: APC), representing the premium Sulphate of Potash (SOP) to be produced from the Company's flagship Lake Wells Project.

APC 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 Front-end Engineering Design (FEED) Study, finalising offtake discussions and securing financing to develop the LSOP.

The DFS was underpinned by extensive and rigorous testwork, data, and modelling. The DFS confirmed that the LSOP will be a long life, low capital and high margin SOP producer.

### Key outcomes from the DFS include:

- 30-year mine life producing 150,000tpa of premium grade SOP utilising approximately 21% of the total Measured Resource estimate
- Long mine life underpinned by 3.6Mt reserve and **18.1Mt** Measured Resource estimate
- Pre-tax NPV8 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

### 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> As at 23 April 2020 (<http://www.epa.wa.gov.au/active-assessments>) Agrimin Ltd (Lake Mackay) and Salt Lake Potash Ltd (Lake Way) are responding to comments on their respective projects' Environmental Scoping Documents (**ESD**) which precedes the Environmental Review Document (**ERD**). It is only on the proposal outlined in the ERD that the EPA makes a recommendation to the Minister for Environment.

Australian Potash Ltd (Lake Wells) has submitted the ERD and the EPA are now assessing that document to make a recommendation to the Minister.

The Beyondie Lakes (Kalium Lakes Ltd) and Lake Disappointment (Reward Minerals Ltd) SOP project development proposals have completed the EPA Assessment Process.

<sup>ii</sup> Refer to ASX Announcement 28 August 2019 'Definitive Feasibility Study Outstanding Financial Outcomes'. That announcement contains the relevant statements, data and

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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.