

5 March 2020

AUSTRALIAN POTASH LIMITED

APPENDIX 3B - ISSUE OF PERFORMANCE RIGHTS

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) advises that, following the adoption by shareholders of an Incentive Performance Rights Plan at the Annual General Meeting of the Company held on 18 November 2019 (**AGM**), it has issued the following number of performance rights (**Performance Rights**) to the Company's employees:

- 3,271,608 Performance Rights (Tranche A), vesting on the Company completing its FEED Study for the Lake Wells Sulphate of Potash Project (**Project**);
- 3,271,608 Performance Rights (Tranche B), vesting on a final investment decision to develop the Project; and
- 3,307,131 Performance Rights (Tranche C), vesting on the commencement of commercial production at the Project.

3,550,906 Performance Rights were issued to the Company's Managing Director & CEO, Matt Shackleton, as approved by shareholders at the AGM.

The Performance Rights were issued for nil cash consideration, with the performance period for vesting conditions to be met being the earlier of four (4) years from the grant date of the Performance Rights or the commencement of commercial production at the Project.

Any shares issued on exercise of the Performance Rights will be subject to a restriction period of twelve (12) months from the date of issue of the shares.

An Appendix 3B in relation to the Performance Rights Shares is to follow.

This announcement is authorised for release by APC's Managing Director & CEO.

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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 2019ⁱ, APC is focused on the 6 month 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
- 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.

ⁱ 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.