

17 December 2019

ASX ANNOUNCEMENT
ASX: APC

AUSTRALIAN POTASH LTD ADVANCES FEED PROGRAM WITH \$1.6M PLACEMENT

LAKE WELLS SULPHATE OF POTASH PROJECT

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) is pleased to advise that it has completed a bookbuild for a placement to sophisticated and professional investors to raise \$1.6 million through a placement of approximately 22,857,142 fully paid ordinary shares (**New Shares**) at an issue price of 7.0 cents each (**Placement**), to fund ongoing pre-development activities at its 100% owned Lake Wells Sulphate of Potash Project (**LSOP**) in Western Australia.

The New Shares will be issued on the same terms as, and rank equally in all respects with, the existing fully paid ordinary shares in the Company. The allotment of the Placement is not subject to shareholder approval (other than indicated below) and will fall within the Company's 15% placement capacity under ASX Listing Rule 7.1. Settlement is expected on or around Tuesday, 24 December 2019. The Company was pleased to receive the support of its Non-Executive Chairman, Jim Walker, in the placement (for 857,142 New Shares), subject to shareholder approval.

Proceeds from the Placement will be applied towards finalising the LSOP permitting and approvals process and progressing FEED and optimisation activities.

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)ⁱ in August 2019, 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; and
- First quartile industry **opex of US\$262/t** providing high cash operating margins.

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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.