

MINERAL RESOURCE STATEMENT AS AT 30 JUNE 2019

On the 5 August 2019 Australian Potash Limited (“APC”) released an undated Mineral Resource Estimate (MRE) containing 18.1Mt of SOP in the Measured category. As the release of the updated MRE was after the 30 June reporting date the following Mineral Resource Statement refers to the estimated resource available as at 30 June 2019. The Mineral Resource estimates are grouped by deposit which form part of the Lake Wells Sulphate of Potash Project in Western Australia.

No Ore Reserves had been reported for these deposits as at the report date, though an Ore Reserve was announced in conjunction with a Definitive Feasibility Study on the 28 August 2019 of 3.6Mt SOP.

Lake Wells Sulphate of Potash Project - Mineral Resource Estimate

In compliance with internationally recognised reporting standards, APC has reported its Resource estimate using **specific yield**¹, or **drainable porosity**. The Company believes this is an accurate estimate of the amount of brine that can be abstracted from the aquifers.

On 29 June 2016, APC announced a Maiden Sulphate of Potash (SOP) JORC compliant Mineral Resource Estimate², using specific yield (*drainable* porosity). The maiden resource estimate sat in the Inferred Mineral Resource category and contained 18.4 million tonnes of SOP at 8.05 kg/m³ including a high-grade zone: 10.5 Mt of SOP at 9.03 kg/m³.

With additional information and increased confidence in the mineral resource, on 23 March 2017 APC announced an updated Sulphate of Potash (SOP) JORC compliant Mineral Resource Estimate³, with the majority being in the Indicated Category. Using specific yield (*drainable* porosity), the JORC 2012 compliant Mineral Resource Estimate currently comprises 14.7m tonnes of SOP, including 12.7mt in the Indicated category. Refer to table 1 below.

The Mineral Resource, which has taken into account potential future economic abstraction, has been classified as Indicated, with the Southern Zone remaining Inferred (Table 1). The Indicated Resource is estimated at 12.7 Mt at 8,267 mg/L (8.267 kg/m³) SOP. The Southern

¹ Specific yield reflects the amount of recoverable Sulphate of Potash, in compliance with NI43-101, the only CRIRSCO reporting code to include a brine standard.

² Refer to ASX announcement 29 June 2016 ‘Maiden SOP Resource Estimate’. That announcement contains the relevant statements, data and consents referred to in this announcement. Apart from that which is disclosed in this document, Goldphyre Resources Limited, its directors, officers and agents: 1. Are not aware of any new information that materially affects the information contained in the 29 June 2016 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 29 June 2016 announcement continue to apply and have not materially changed.

³ 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 all the material assumptions and technical parameters underpinning the production target and the forecast financial information derived from a production target in the 23 March 2017 announcement continue to apply and have not materially changed.



Zone of the Lake Wells Sulphate of Potash Project (LWPP), has an Inferred estimate of 2.1 Mt at 5,963 mg/L (5.963 kg/m³) SOP.

The Indicated Mineral Resource is a static estimate. It represents the volume of potentially recoverable brine that is contained within the defined aquifer. It does not take into account modifying factors such as the design of bore fields (or other pumping scheme), which will affect both the proportion of the Indicated Mineral Resource that is ultimately recovered and changes in grade associated with mixing between each aquifer unit. The Southern Zone remains a data constrained Inferred Resource, with planned future drilling aiming to bring it into the Indicated category.

JORC 2012 Mineral Resource Estimate Summary

Hydrogeological Unit	Volume of Aquifer	Specific Yield	Drainable Brine Volume	K Concentration (mg/L)	SOP Grade (mg/L)	SOP Resource
	MCM	Mean	MCM	Weighted Mean Value	Weighted Mean Value	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

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

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

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





Table 1: Indicated and Inferred Mineral Resource estimate measured using Specific Yield (drainable porosity)⁴

Annual Statement of Mineral Resources

The Annual Statement of Mineral Resources as at the 30 June 2019 presented in this Report has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition (the JORC Code 2012) and ASX listing Rules.

Subsequent to 30 June 2019, on 5 August 2019, APC announced an upgrade to the JORC 2012 Compliant Mineral Resource Estimate⁵. Ore Reserves were declared as part of the Definitive Feasibility Study released on the 28 of August 2019⁶.

APC is not aware of any other new information or data that materially affects the information included in this Annual Statement and confirms that the all the material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Mineral Resources Corporate Governance

Due to the nature, stage and size of APC's existing operations, the Board believes there would be no efficiencies gained by establishing a separate mineral reserves and resources committee responsible for reviewing and monitoring APC's processes for estimating mineral resource and ore reserves and for ensuring that the appropriate internal controls are applied to such estimates. However, APC ensures that any mineral reserve and ore resource estimations are prepared by competent geologists and hydrogeologists and are reviewed independently and verified including estimation methodology, sampling, analytical and test data. APC reports mineral resources estimates in accordance with the 2012 JORC Code.

Competent persons statement

The information in the announcement that relates to Mineral Resources and Reserves 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

⁴ Rounding may affect sub-totals and totals in all tables.

⁵ Refer to ASX announcement 8 August 2019 'Major Resources Estimate Upgrade'. 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 8 August 2019 announcement, and 2. State that all the material assumptions and technical parameters underpinning the production target and the forecast financial information derived from a production target in the 8 August 2019 announcement continue to apply and have not materially changed.

⁶ Refer to ASX announcement 28 August 2019 'Australian Potash Ltd Announces Definitive Feasibility Study'. That announcement contains the relevant statements, data and consents referred to in this announcement. Apart from that which is disclosed in this document.



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.

The information in this report that relates to Exploration Results is based on information compiled by Christopher Shaw who is a member of the Australian Institute of Geoscientists (AIG). Mr. Shaw is an employee of Australian Potash Ltd. Mr. Shaw has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Shaw consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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.

