

19 July 2021

Lake Wells Potash Project Development Update

- **Construction of the Lake Wells Village has commenced with initial accommodation units on-site and in use**
- **Borefield development drill rigs are on-site and development of the Western borefield is underway**
- **Mobilisation of civil earthmoving fleet has commenced with surveys to construct the initial crystalliser ponds complete**

Australian Potash Limited (**ASX: APC** or the **Company**) is pleased to provide this project update on the development of the Lake Wells Sulphate of Potash Project (**LSOP**) and scheduled activities for Q3 2021.



Figure 1: Lake Wells Village

Australian Potash Managing Director and CEO, Matt Shackleton said, “We are very proud to provide shareholders with this project development update on the LSOP. Globally, potash prices have risen materially year-on-year, with strong premiums being paid for organic, green SOP products that we will produce at Lake Wells.

“Mirroring the significant work that went into identifying, measuring and testing Australia’s largest Measured JORC compliant SOP Mineral Resource Estimate¹, we have applied the same stringent planning and design to the early works program. Construction camp, wet and dry mess and fresh and wastewater treatment facilities are commissioned and operational, and drill rigs are on site developing what we are referring to as the western borefield.

“The debt program is progressing quickly, and we look forward to being in a position to update shareholders on that, and provide further news on the LSOP development, over the coming weeks.”

¹ ASX Announcement 8 August 2019 ‘Major Resources Estimate Upgrade’ (refer below for further details)

Scheduled activities Q3 2021

- Continued development of the western borefield
- Commencement of civil earth work program for the crystalliser pond network
- Facilitate Aboriginal business' sandalwood clearing program within the development envelope (program managed by the Forest Products Commission)
- Documentary close on the development debt program



Figure 2: Lake Wells Village messing and accommodation



Figure 3: Lake Wells Village permanent accommodation units



Figure 4: Fresh water treatment facilities have been commissioned that have been designed to service full-scale village operations



Figure 5: Wastewater treatment facilities have been commissioned that have been designed to service full-scale village operations



Figure 6: Two drill-rigs have been mobilised to site preparing and developing the western borefield



Figure 7: The Great Central Road hard-surfacing program is approaching completion, significantly improving the LSOP's road access

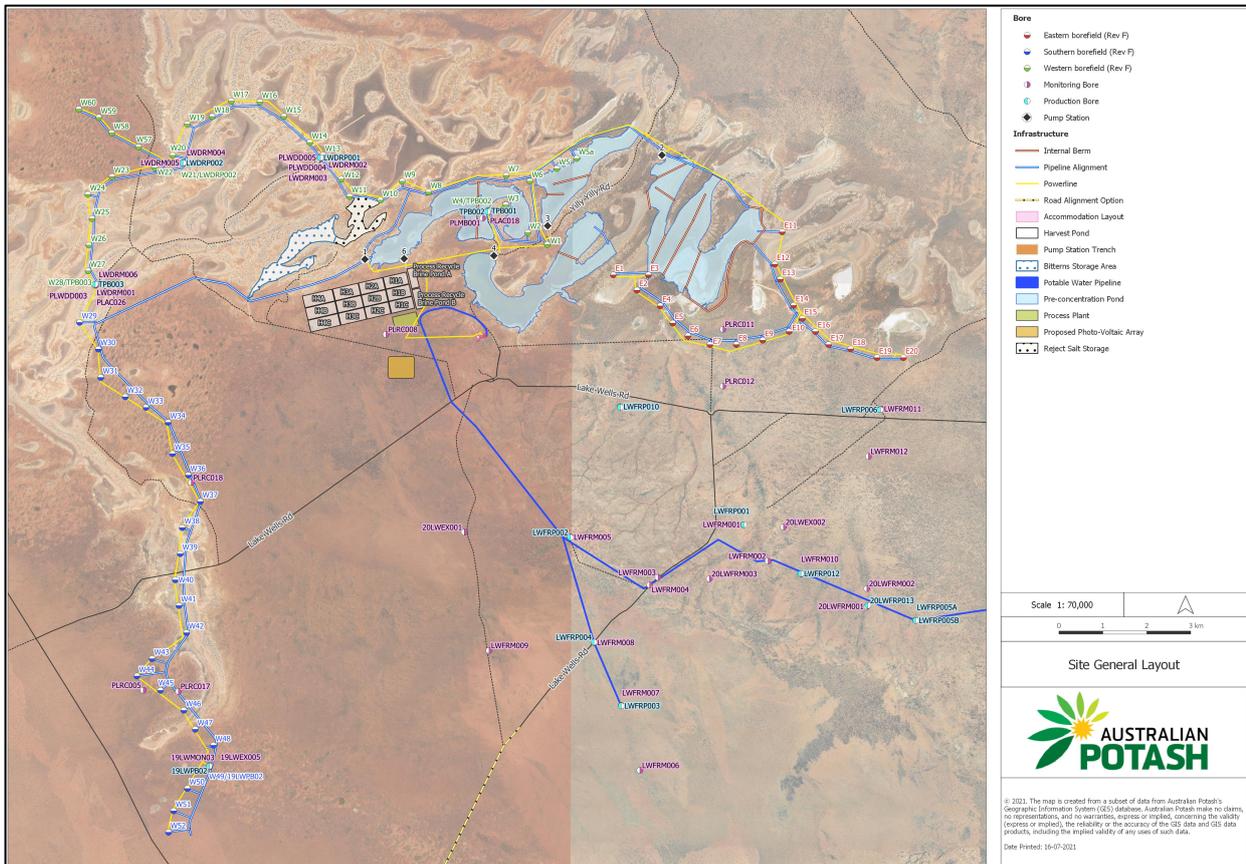


Figure 8: Lake Wells Sulphate of Potash Project general arrangement

This release was authorised by the Board of the Company.

Matt Shackleton

Managing Director & CEO

m.shackleton@australianpotash.com.au

+61 (0) 438 319 841

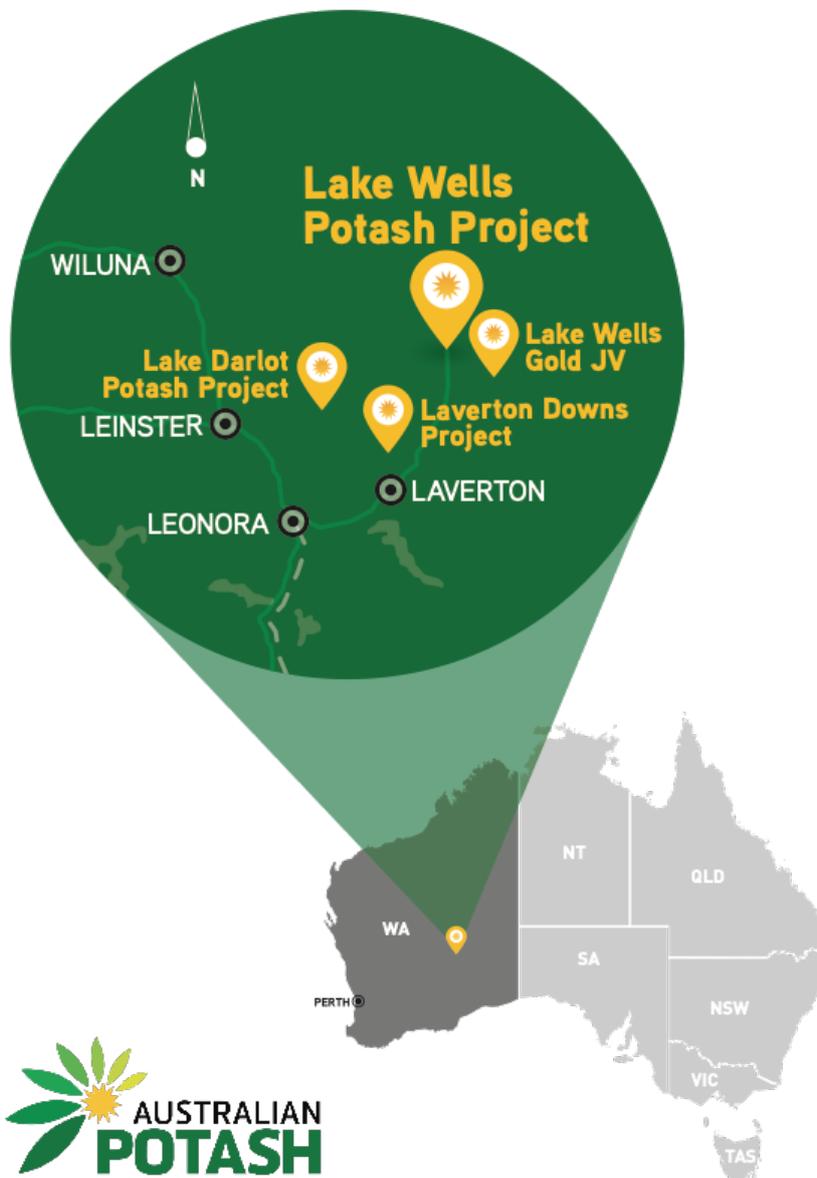
Michelle Blandford

Company Secretary

m.blandford@australianpotash.com.au

+61 (0) 408 088 295

About Australian Potash Limited



APC holds a 100% interest in the **Lake Wells Sulphate of Potash (LSOP)**, located approximately 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields. The Company is finalising pre-development plans for commencement of construction. First production from the LSOP is scheduled mid-2023.ⁱ

K-Brite is a registered trademark brand of Australian Potash Limited and the brand under which the suite of high quality, premium SOP products from the LSOP will be marketed.

APC holds a 100% interest in the **Laverton Downs Project**, located 5kms north of Laverton, in Western Australia's Eastern Goldfields.ⁱⁱ

APC holds a 30% free-carried interest in the **Lake Wells Gold Project**, located 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.ⁱⁱⁱ

Please visit www.australianpotash.com.au for more information.

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 forward-looking 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.

Mineral Resource Estimate

The information in this report that relates to the Mineral Resource is based on information announced to the ASX on 8 August 2019. APC confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the Estimate in the relevant market announcement continue to apply.

Hydrogeological Unit	Volume of aquifer (MCM)	Specific Yield (mean)	Drainable Brine Volume (MCM)	K Concent ⁿ (mg/L, weighted mean value)	SOP Grade (mg/L, weighted mean value)	SOP Resource (MT)
Loam	5,180	10%	518	4,009	8,941	4.6
Upper aquitard	10,772	7%	754	3,020	6,735	5.1
Crete	479	5%	24	2,386	5,320	0.1
Upper sand	801	17%	136	3,435	7,660	1.0
Lower aquitard	9,502	8%	760	3,367	7,509	5.7
Mixed aquifer	440	17%	75	3,645	8,129	0.6
Basal sand	503	23%	116	3,415	7,616	0.9
Total (MCM/MT)	27,678		2,383	3,343	7,455	18.1

Table 1: Measured JORC Mineral Resource Estimate for Lake Wells Sulphate of Potash Project based on modelled aquifer volume, specific yield and weighted mean K concentrations (derived from modelling)

ⁱ Refer to ASX Announcement 20 April 2021 'FEED positions K-Brite at the Premium End of SOP Market'. 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 20 April 2021 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 20 April 2021 announcement continue to apply and have not materially changed.

ⁱⁱ Refer to ASX Announcement 9 April 2021 'Massive Nickel Sulphide Targets Identified at Laverton Downs'. 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 9 April 2021 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 9 April 2021 announcement continue to apply and have not materially changed.

ⁱⁱⁱ Refer to ASX Announcement 8 April 2021 'SBM Acquires 70% Interest in Lake Wells Gold Project'. 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 April 2021 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 8 April 2021 announcement continue to apply and have not materially changed.