AUSTRALIAN POTASH

The Australian SOP Company

MINERAL RESOURCE STATEMENT AS AT 30 JUNE 2020

The Company has upgraded mineral resource estimates for the LSOP as new information has come to hand. Confidence in the resource has grown along with the size of the resource with each exploration or test pumping program adding significant amounts of information building the robustness of the geologic and hydrologic models.

A Probable Ore Reserve for the LSOP was announced in conjunction with a Definitive Feasibility Study on the 28 August 2019 of 3.6Mt SOP. Recovering 81.5 percent of the Probable Reserve (pond and process losses) is sufficient to supply the LSOP with 95 percent of the brine required to produce 100,000t premium SOP per annum from brine for the proposed 30 year mine life.

Supporting the Probable Ore Reserve is a Measured Mineral Resource Estimate that was reported on the 5th August 2019. In accordance with the JORC code the results of the MRE are reported in terms of potassium (K), and SOP.

Lake Wells Sulphate of Potash Project - Mineral Resource Estimate

In compliance with Australian and internationally recognised reporting standards, APC has reported a Measured Resource estimate using **specific yield**[1], or **drainable porosity** that contains 8.1MT of potassium. The Company believes this is an accurate estimate of the amount of potassium that can be abstracted from the measured aquifers and used in the production of sulphate of potash (**SOP**).

A Mineral Resource Estimate (MRE) [1]. has been calculated on the LSOP's potassium deposit under the guidelines of both JORC 2012 and the recently adopted Guidelines for Resource and Reserve Estimation for Brines 2019. Under these internationally recognised guidelines the mineral resource is reported in terms of gravity recoverable brine as measured by the Specific Yield (Sy) of the host lithology.

The Measured Resource is a static estimate; it represents the volume of potentially recoverable brine that is contained within the defined aquifer. It takes no account of modifying factors such as the design of a borefield (or other pumping scheme), which will affect both the proportion of the Resource that is ultimately recovered and changes in grade associated with mixing between each aquifer unit and the surrounding geology, which will occur once pumping

[1] 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.

starts. The Measured Resource also takes no account of recharge to the upper-most aquifer which is a modifying factor that may increase brine-recovery from this unit.

With combined resources of 8.1 Mt potassium, that results in 18.1Mt SOP, APC has delineated a substantial resource on which to base its planned operation for a sustained period.

The MRE covers the four key parameters as outlined in the brine resource guidelines:

- Determination of the Specific Yield (Sy) of the brine-aquifer;
- Definition of the brine-aquifer geometry;
- Determination of the concentration of the elements of interest;
- Determination of appropriate boundaries for the Mineral Resource Estimate.

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

Measured Resource for APC Lake Wells Sulphate of Potash Project (JORC Compliant)

Hydrogeological unit	Volume of Aquifer MCM	Specific Yield Mean	Drainable Brine Volume MCM	K Conc (mg/l) Wgt Mean Ave	K Tonnes MT	SOP[1] MT
Loam	5180	10%	518	4009	2.08	4.6
Upper Aquitard	10772	7%	754	3020	2.28	5.1
Crete	479	5%	24	2386	0.06	0.1
Upper Sand	801	17%	136	3435	0.47	1.0
Lower Aquitard	9502	8%	760	3367	2.56	5.7
Mixed Aquifer	440	17%	75	3645	0.27	0.6
Basal Sand	503	23%	116	3415	0.40	0.9
Total	**27677**	**9%**	**2383**	**3402**	**8.11**	**18.1**

Lake Wells Sulphate of Potash Project – Probable Ore Reserve

As part of the LSOP DFS report[2] APC reported a Probable Ore Reserve estimate of 3.6MT SOP. Where the Measured Resource is a static estimate of the volume of potentially recoverable brine, an Ore Reserve is calculated from a groundwater flow model that was developed to simulate brine abstraction scenarios, and other modifying factors, including pond evaporation and processing plant.

The model predictions indicate that for the first 20 years of abstraction the target SOP production of 100,000 tpa can be achieved from a borefield comprising 78 bores, located along the thalweg of the paleochannel at approximately 800 m spacing. Modelled bore yields, drawing from both the upper and basal sand aquifers, range between 4 L/s to 17 L/s per bore, based on the variable aquifer parameters and sand intervals. Target production can be sustained for a further 10 years (i.e. 30 years in total) with the progressive addition of 30 additional bores pumping only from the upper sand aquifer. The potassium concentrations are predicted to range between 3,570 mg/L to 3,255 mg/L over the 30 year life of mine.

[2] 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.

There is inherent uncertainty in the modelling of groundwater systems for long periods into the future. This uncertainty limits the Reserve categorisation to Probable and is addressed with sensitivity and risk analysis, using a plausible range of more conservative aquifer parameters. Over 30 years, the base case SOP abstraction is 3.8 Mt (which represents 21% of the in-situ Measured Mineral Resource). For all sensitivity scenarios, brine production remains within 5% of the base-case estimate. The Reserve has been conservatively limited to the lower end of the sensitivity analysis which provides 3.6 Mt SOP for a 30 year mine life.

Annual Statement of Mineral Resources

The Annual Statement of Mineral Resources as at 30 June 2020 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.

On the 8th of August 2019, APC announced an upgrade to the JORC 2012 Compliant Mineral Resource Estimate[3]. Ore Reserves were declared as part of the Definitive Feasibility Study released on the 28 of August 2019[4].

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

[3] 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.

[4] 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.

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 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.