

24 April 2019

JOINT ORE RESERVES COMMITTEE ADOPTS BRINE GUIDELINE

Collaborative effort by SOP industry group leads to formal brine resource framework

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) is pleased to advise that the Joint Ore Reserves Committee (JORC) has formally adopted the **Brine Guideline** developed by an AMEC lead sub-committee of hydrogeologists.

The Guideline is intended to describe the unique technical considerations that are required to report brine mineralisation, Resources and Reserves in relation to the JORC Code (2012).

The Guideline requires among other things, consideration by the Competent Person(s) of the temporal component of brine composition and grade during abstraction, and applying this consideration during the conversion of Mineral Resources to Ore Reserves.

This is necessary because unlike solid minerals the valuable elements in the brine (for example SOP and other minerals) are mobile, as they are dissolved in the brine.

Please see the following link:

https://www.amec.org.au/Public/Media/AMEC_Publications/AMEC_Brine_Guidelines.aspx

Managing Director and CEO, Matt Shackleton, commented: “APC has developed a strong relationship with expert sub-committee member firm AQ2, since we began understanding the potential of the Lake Wells SOP project. Their guidance lends significant confidence to us around APC’s published Resource estimates and the work programs we have underway to finalise the pending Reserve estimate. Not surprisingly, APC is in full compliance with the JORC 2012 Brine Guideline.

“With the nascent SOP brine industry developing rapidly in Western Australia it is gratifying to see a formal, professional structure established around that most integral of mining concepts, the Resource estimate. This can only lead to better quality investor information.”

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 Potash Project located approximately 500kms northeast of Kalgoorlie, in Western Australia’s Eastern Goldfields.

Following the release of a Scoping Study (detailed below) in 2017, APC has been conducting a Definitive Feasibility Study (DFS) into the development of the Lake Wells Potash Project. The Company is aiming to release the findings of the DFS in H2 2019.

The Lake Wells Potash Project is a palaeochannel brine hosted sulphate of potash project. Palaeochannel bore fields supply large volumes of brine to many existing mining operations

throughout Western Australia, and this technique is a well understood and proven method for extracting brine. APC will use this technically low-risk and commonly used brine extraction model to further develop a bore-field into the palaeochannel hosting the Lake Wells SOP resource.

A Scoping Study on the Lake Wells Potash Project was completed and released on 23 March 2017¹. The Scoping Study exceeded expectations and confirmed that the Project’s economic and technical aspects are all exceptionally strong, and highlights APC’s potential to become a significant long-life, low capital and high margin sulphate of potash (SOP) producer.

Key outcomes from the Scoping Study are as follows:

- Stage 1 production rate of **150,000tpa** of premium-priced sulphate of potash (years 1 – 5)
- Stage 2 production rate of **300,000tpa** of premium-priced sulphate of potash (years 6 – 20)
- Upgraded JORC 2012 Mineral Resource Estimate comprising 14.7M tonnes of SOP, including 12.7mt in the Indicated category¹
- At a SOP price of A\$795 per tonne SOP, the Project generates LOM annual operating pre-tax cashflow² of A\$118M/US\$81M
- Pre-production capital expenditure (Stage 1) of A\$175m/US\$135m and Stage 2 of A\$163m/US\$125m
- Life of Mine (LOM) is 20 years (inc. Stage 1 & Stage 2) –upside to LOM through continued exploration

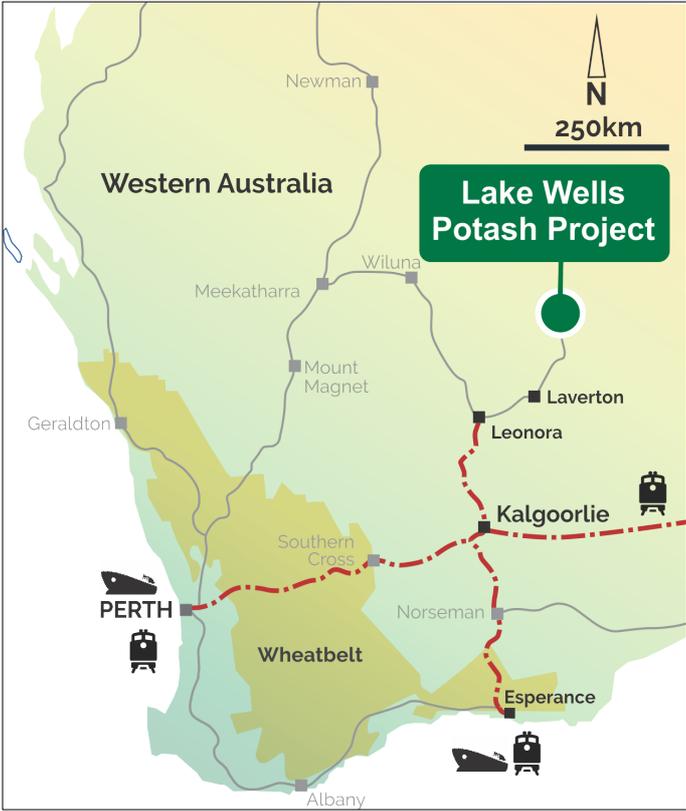


Figure 1: The Lake Wells Sulphate of Potash project is located close to rail infrastructure at Leonora in WA’s north-eastern Goldfields

¹ 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 the material assumptions and technical parameters underpinning the estimates in the 23 March 2017 announcement continue to apply and have not materially changed.

² Operating cashflows include all revenue and operating expenditure, but exclude capital expenditure.

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.

Competent persons statement

The information in the announcement that relates to Exploration Targets and Mineral Resources 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 paleochannel 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.

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