

31 July 2019

FINAL FIELD PROGRAMS CONCLUDED

DEFINITIVE FEASIBILITY STUDY DOCUMENTATION NEARING COMPLETION

Lake Wells Sulphate of Potash (SOP) Project (LWPP) – 100% Owned, Western Australia

Highlights

- **Imminent Resource upgrade and maiden Reserve estimate at the LWPP reflecting over 60,000m of drilling data;**
- **Class A pan evaporation trial and pilot evaporation pond program conducted over 12 months to validate comprehensive evaporation modelling;**
- **Laboratory scale testwork and processing completed in Denver and Perth - 250 kilograms of 98% pure SOP grading 53% K₂O produced;**
- **LWPP contained entirely within granted Mining Leases with Environmental Scoping Document approved by the EPA.**

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) is pleased to advise as to a significant development milestone with the conclusion of the final field programs supporting the Definitive Feasibility Study (DFS) on the Lake Wells SOP Project.

Managing Director and CEO, Matt Shackleton, commented: “A seminal milestone in the Lake Wells development timeline has been achieved with the demobilisation of the last test-pumping crew from site today.

“Final documentation of DFS findings is underway, with CAPEX modelling complete, logistics pathway finalised, and optimal energy solution and associated cost identified.

“I look forward to updating our shareholders in the near-term with the complete findings of the DFS into this high-quality, eastern Goldfields SOP project.”

Description of Works completed by APC to facilitate LWPP DFS include:

- Data collection program for the estimation of Resource and Reserve complete
 - Over **60,000 metres** of drilling facilitating a Resource upgrade & Reserve estimate
 - **305,000 metres** of passive seismic surveys shaping the Project palaeovalley
 - **1,329 exploration** holes confirm palaeovalley depth and lithology
 - 6 test production wells developed to average depths of 165 metres
 - Upper and lower (basal) aquifers identified
 - 13 fresh water production wells developed to average depths of 74 metres

- 32 monitoring wells developed across the Project
 - Up to **15 litres per second for 30 day** long-term pump test recorded from basal aquifer
 - BMR logging of 18 holes for 1,500 metres of collected data confirming and expanding the findings of over 100 particle size distribution analyses
 - Magnetic data flown and analysed for entire Project area confirming palaeochannel continuity
- Evaporation
 - 3 years of on-site weather station data recorded
 - 12 month Class A pan evaporation trial completed
 - Comprehensive reconciliation of weather station and pan trial data to 3 regional meteorological data sets made to determine Project evaporation model
 - Pilot evaporation pond program conducted over 12 months verifying accuracy of Project evaporation model
 - **500 kilometres** of airborne LIDAR surveys flown for accurate surface modelling
 - 106 cone penetrometer test holes and 40 test pits of geotechnical samples informing pond development model
 - Pond construction trial completed with long-term seepage monitoring established
- Processing
 - Initial PHREEQC™ and METSIM™ modelling confirmed at Hazen Research, Inc.'s Denver facility (laboratory scale test-work)
 - 3 tonnes of feeder salts harvested from Pilot evaporation ponds and processed at Bureau Veritas' Perth facility
 - **250 kilograms of 98% pure SOP grading 53% K₂O** produced, confirming the quality of the Lake Wells SOP Project **K-Brite™** product
- Approvals
 - Project development envelope contained entirely within existing **granted Mining Leases**
 - Environmental Scoping Document approved by EPA

APC is well funded with cash holdings of \$3.2 million (30 June 2019 + 2018 R&D incentive) with up to an additional \$1.5m in receipts expected by 30 September from 2019 Research and Development incentive.

Mr Shackleton also commented, "We have completed the datasets across the abstraction, evaporation and processing modules in the Project. Our environmental survey programs are complete, and the preparation of the EPA approvals document, the ERD, is advanced.

"Our innovative people solution, supporting the on-going co-operative relationship with the Laverton Shire, is also complete. The Company is entering an exciting phase as it progresses towards development of the Lake Wells Potash Project."





Key Milestones achieved by APC since acquisition of the LWPP

10 March 2015	High-Grade Brine Exploration Project in the Eastern Goldfields
11 June 2015	Drilling Indicates Extensive Brine Aquifer with Substantial Potash Potential
26 August 2015	Outstanding High-Grade Sulphate of Potash Results to Depths of Over 100m
2 December 2015	Goldphyre (now APC) Triples Lake Wells Potash Project Area
15 December 2015	Seismic Survey Defines Deep Palaeovalley Highlighting Significant Potential of the Lake Wells Potash Project
8 February 2016	Highly Successful Seismic Survey Doubles Size of Deep Palaeovalley at Lake Wells Potash Project
8 March 2016	Goldphyre Outlines Major Sulphate of Potash Exploration Target at Lake Wells
7 April 2016	Drilling Intersects Substantial Widths of Key Basal Sands at Lake Wells Potash Project in WA
23 May 2016	High-Grade Assays Point to Significant Maiden Resource at Lake Wells Potash Project in WA

29 June 2016	Strong Maiden Resource Underpins Goldphyre's WA Potash Development Strategy
31 October 2016	Exceptional Airlift Development Flow Rates from First Test-Production Bores
14 December 2016	Strong Flow Rates from Test-Production Bores at Lake Wells
23 March 2017	Scoping Study Confirms Exceptional Economics of APC's 100% Owned Lake Wells Potash Project in WA
30 May 2017	Additional SOP Production Levels Confirmed
3 October 2017	Pilot Solar Evaporation Ponds Commissioned at Lake Wells Potash Project, WA
27 October 2017	Pond Development Program Identifies Surface Clay Layer, Supports On-Lake Unlined Evaporation Ponds
21 November 2017	Pumping Test Confirms Drainage from Entire Palaeochannel Sequence into Basal Production Aquifer
12 September 2018	Grant of Mining Leases at Lake Wells Sulphate of Potash Project
5 October 2018	Logistics Upgrade: \$35m Committed Federal and State Funding
22 January 2019	Global Topping Grade Revealed for Australia's First Field Evaporated SOP
11 June 2019	Project Topping High Yielding Basal Sand Intersections with Compelling Development Flow Rates

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