

87 October 2019

**ASX ANNOUNCEMENT**  
ASX: APC

## **\$1.4M R&D TAX INCENTIVE RECEIVED**

Australian Potash Limited (ASX: APC) (APC or the Company) is pleased to advise that it has received a A\$1.4 million refundable Research and Development (R&D) Tax offset from the Australian Taxation Office. The R&D Tax incentive recognises the innovative abstraction bore construction and pre-concentration pond testwork trials on the Lake Wells Sulphate of Potash Project undertaken by the Company during the financial year ending 30 June 2019. The funds will be used to continue the work streams for the Front End Engineering Design study (due to be delivered in H1 CY20), which will see the Company and the Lake Wells Sulphate of Potash Project well positioned to play a leading part in the emerging SOP landscape in Western Australia.

### **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 Sulphate of Potash Project (**LSOP**) located approximately 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.

Following the release of the Definitive Feasibility Study (DFS)<sup>1</sup> in August 2019, APC is focused on the 6 month FEED Study, finalising offtake discussions and securing financing to develop the LSOP.

The DFS was underpinned by extensive and rigorous testwork, data, and modelling. The DFS confirmed that the LSOP will be a long life, low capital and high margin SOP producer.

Key outcomes from the DFS include:

- **30 year mine life** producing 150,000tpa of premium grade SOP
- Long mine life underpinned by **3.6Mt reserve** and 18.1Mt Measured Resource estimate
- Pre-tax NPV8 **of A\$665m** and an IRR of 25%
- Development **capex of A\$208M** with sector leading capital intensity of A\$1,387/t
- First quartile industry **opex of US\$262/t** providing high cash operating margins

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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.

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<sup>i</sup> Refer to ASX Announcement 28 August 2019 'Definitive Feasibility Study Outstanding Financial Outcomes'. 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 28 August 2019 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 28 August 2019 announcement continue to apply and have not materially changed.

