

23 October 2020

ASX ANNOUNCEMENT
ASX: APC

AUSTRALIAN POTASH LIMITED

EXPORT FINANCE AUSTRALIA

DUE DILIGENCE TO COMMENCE

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) is pleased to advise that the Australian Government's export credit agency **Export Finance Australia** (EFA) has agreed to commence a detailed assessment of, and due diligence on, the Lake Wells Sulphate of Potash project.

Highlights

- **EFA** will undertake detailed due diligence on providing an additional tranche to the proposed multi-tranche senior debt facility
- This tranche will be in addition to, and not replacement of, the previously announced potential Northern Australia Infrastructure Facility (NAIF) tranche and the commercial bank tranche being considered by APC
- The Company is now reviewing indicative terms sheets provided by commercial lenders following due diligence conducted through September and is aiming to appoint a Lead Arranger for the multi-tranche syndicated debt facility by mid Q4

Managing Director and CEO, Matt Shackleton, commented: *"The export opportunity that our brand new Western Australian based ag-minerals project development at Lake Wells presents is compelling, with 130,000 tonnes of the forecast output under contracted offtake agreement. At a minimum, 110,000 tonnes of the offtake portfolio will be distributed into the international market, showing once again the enormous opportunity operating in the world's most attractive mining jurisdiction provides."*

"Export Finance Australia is instrumental in delivering simple and creative solutions for Australian companies to help them grow internationally, through achieving export success. We very much look forward to assisting EFA in the next steps in their process."

This release was authorised by the Managing Director of the Company.

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About Australian Potash Limited



K-Brite is a registered trademark brand of Australian Potash Limited (ASX: APC), representing the premium Sulphate of Potash (SOP) to be produced from the Company's flagship Lake Wells Sulphate of Potash Project (LSOP).

APC holds a 100% interest in the LSOP, located approximately 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.

Following the release of the Definitive Feasibility Study (DFS) in August 2019ⁱⁱ, APC is focused on the Front-end Engineering Design (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 utilising approximately 21% of the total Measured Resource estimate
- 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

ⁱ Fraser Institute Annual Survey of Mining Companies, 2019

<https://www.fraserinstitute.org/sites/default/files/annual-survey-of-mining-companies-2019-execsum.pdf>

ⁱⁱ 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.