Australian Potash Limited (ASX:APC)

Investor Presentation

October 2018

Important Statements & Disclaimers

Scoping study – cautionary statement

The Study referred to in this announcement is a preliminary technical and economic investigation of the potential viability of the Lake Wells Potash Project. It is based on low accuracy technical and economic assessments, (+/- 35% accuracy) and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage; or to provide certainty that the conclusions of the Study will be realised.

Approximately 86% of the existing Mineral Resource is in the Indicated category, with the remainder in the Inferred category. There is a low level of geological confidence associated with Inferred mineral resources and there is no certainty that further exploration work will result in the determination of Indicated or Measured Mineral Resources. Furthermore, there is no certainty that further exploration work will result in the conversion of Indicated and Measured Mineral Resources to Ore Reserves, or that the production target itself will be realised.

The Scoping Study is based on the material assumptions outlined below. These include assumptions about the availability of funding. While Australian Potash Limited considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be accurate or that outcomes indicated by the Study will be achieved.

To achieve the outcomes indicated in this Study, initial funding in the order of A$175m/US$135m will likely be required. Investors should note that there is no certainty that Australian Potash Limited will be able to raise funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Australian Potash Limited's existing shares.

It is also possible that Australian Potash Limited could pursue other value realisation strategies such as sale, partial sale, or joint venture of the Project. If it does this could materially reduce Australian Potash Limited's proportionate ownership of the Project.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of this Scoping Study.

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 Person 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). My 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 Hydrogeological information in this report has been prepared by Carsten Kraut, who is a member of the Australasian Institute of Geoscientists (AIG), and International Association of Hydrogeologists (IAH). Carsten Kraut is contracted to the Company through Flux Groundwater Pty Ltd. Carsten Kraut has experience in the assessment and development of palaeochannel groundwater resources, including the development of water supplies in hypersaline palaeochannels in Western Australia. His experience and expertise is such that he qualifies 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 Kraut consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Footnotes to Disclosures

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. Disclosures made in the Peer Comparison slide are sourced from peer company announcements made through the Australian Securities Exchange platform and include:

- Agrimin Limited: Pre-Feasibility Study Completed for Mackay SOP Project 7 May 2018
- Kalium Lakes Limited: Bankable Feasibility Study Completed with Exceptional Financial Outcomes 18 September 2018
- Salt Lake Potash Limited: Scoping Study Confirms Lake Wells' Potential as a Major Low Cost SOP Project 29 August 2016
- Reward Minerals Limited: PFS Confirms LD Project as a Globally Significant SOP Project 1 May 2018, Note 3: Update Corporate Presentation 5 September 2018

Investment Highlights

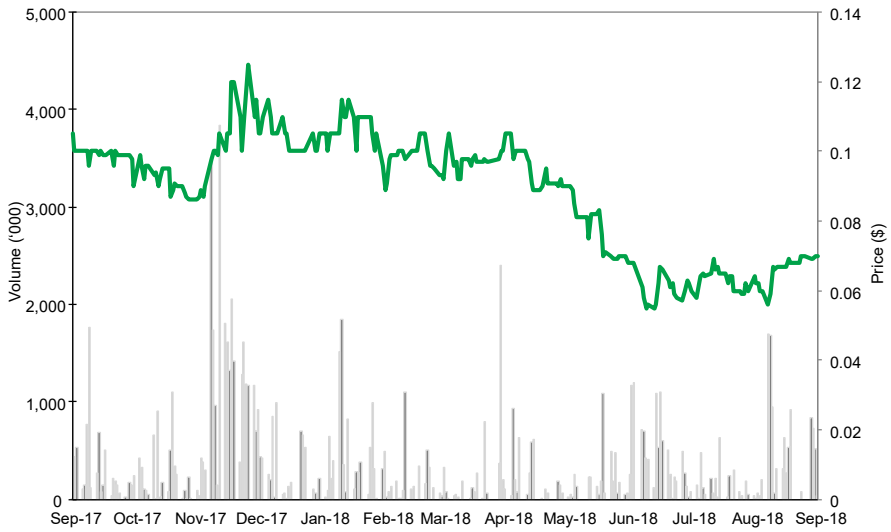
APC is focused on the production of the premium specialty fertiliser potassium sulphate ("SOP") from its Lake Wells Project in the Eastern Goldfields of Western Australia

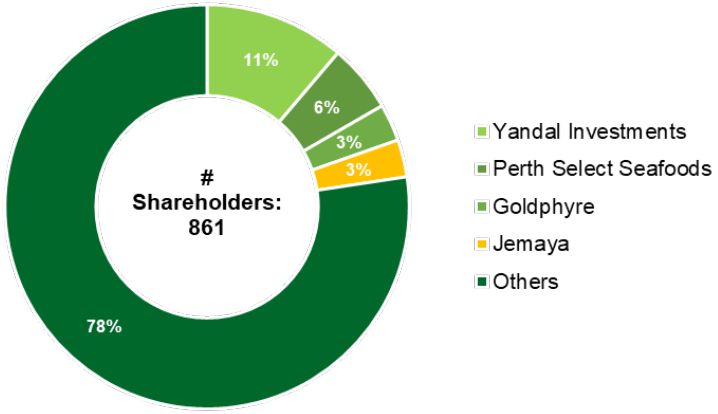
SOP is used in the production of high value, chloride-sensitive crops such as fruits, vegetables, and tree nuts

- Being assessed for Development Approval by the EPA
  - Environmental Scoping Document Approved (SEP 2018)
- Granted Mining Leases over development area (SEP 2018)
- Highly experienced Board and Management
  - Jim Walker appointed Chairman (AUG 2018)
  - Jay Hussey Chief Commercial Officer (MAY 2018)
- MOUs in place with two of China's largest agricultural companies (Sino-Agri and Hubei-Agri) for up to 200,000 tpa offtake
- 280kms from bulk rail infrastructure with road access
- Not subject to Native Title
- Two stage development
  - Stage 1 150,000 tpa CAPEX A$174m[1]
  - Stage 2 150,000 tpa CAPEX A$160m[1]
- Project LOM NPV_{10} of A$500m and IRR of 33%[1]

Corporate Snapshot

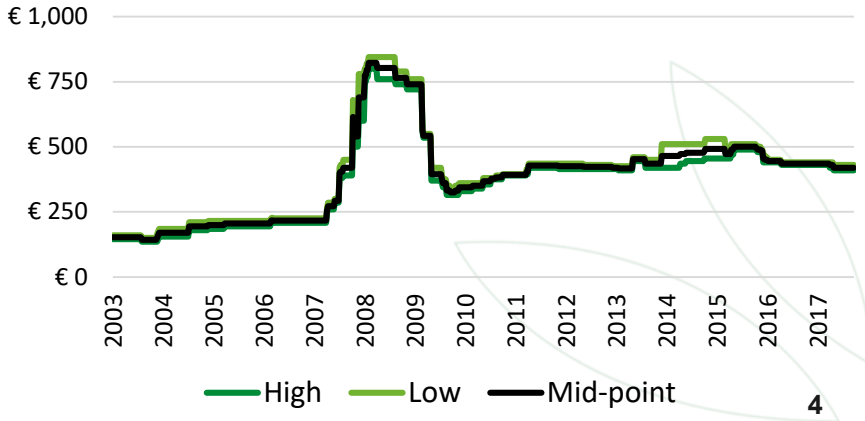
12 Month Share Price Performance and Volume





Capital Structure	
Share Price (1 October 2018)	A$0.071
Shares on Issue (ASX: APC)	305m
Listed Options (ASX: APCOA, 20c, October 2019)	38m
Unlisted Options (10c - 22.5c, 2021)	34m
Market Capitalisation	A$21.3m
Cash	A$2.5m
Enterprise Value	A$18.8m
Top 20	43%

SOP Pricing - Bulk FOB NWE



Board and Management

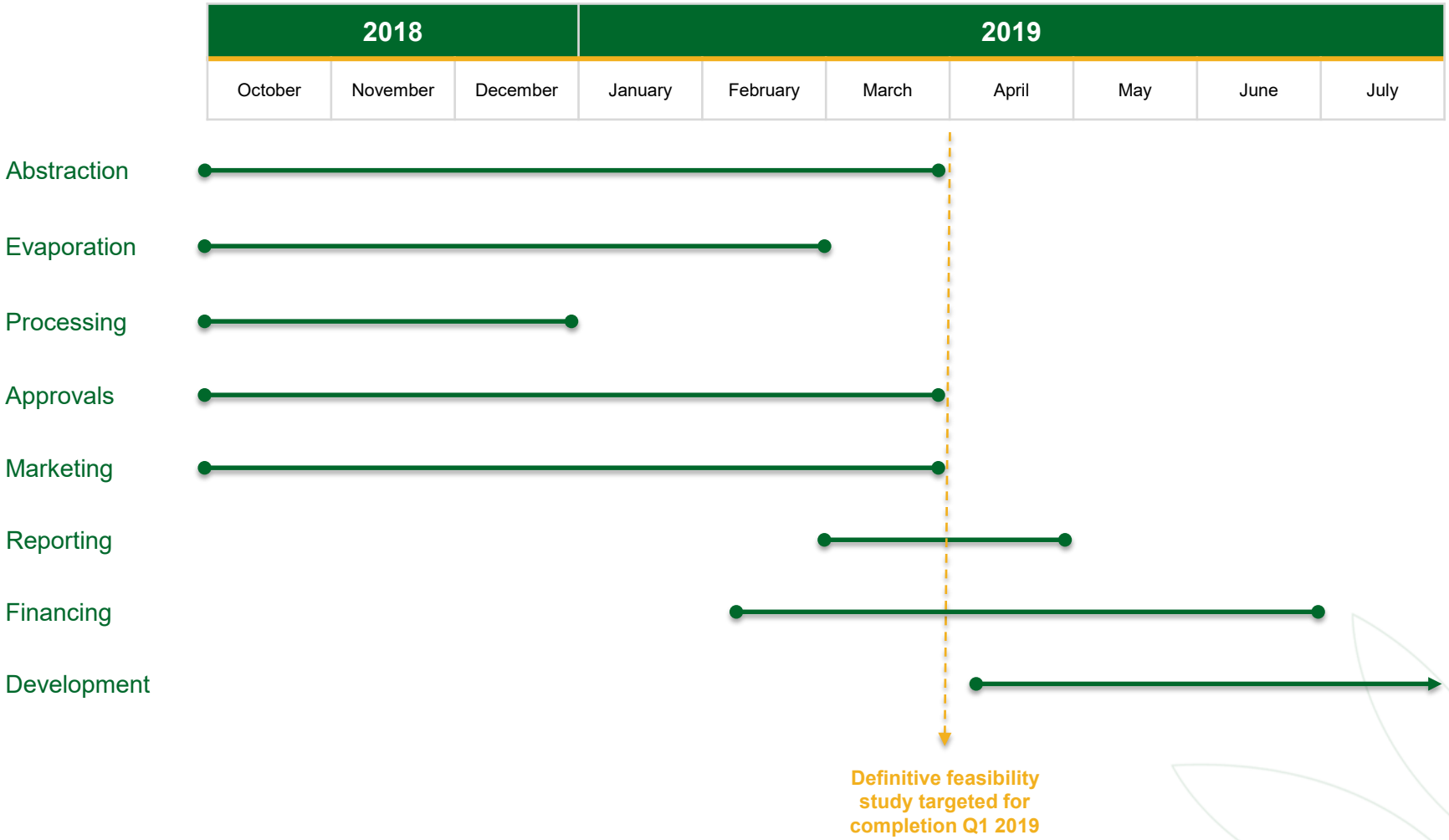
Board	Management
James Walker **Executive Chairman**	Mr Walker has 45 years' experience in the resources industry, at both senior management and board level. Prior to retiring from the position in 2013, Jim was the Managing Director and Chief Executive Officer of WesTrac Pty Ltd, during which time that company enjoyed significant expansion across Australia and into north-east China. From January 2015 through to July 2015, Jim performed the Executive Chairman's role at Macmahon Holdings Ltd (ASX: MAH) as that company sought a replacement CEO. Jim has been a member of the Macmahon board since 2013, and now serves in a non-executive capacity as Chair. In addition to his role as Chairman at Macmahon, Mr Walker is Chairman of Austin Engineering Ltd (ASX: ANG), Wesley College and the State Training Board. He is Deputy Chairman of Seeing Machines Ltd (AIM: SEE), RACWA Holdings Pty Ltd and the WA Motor Museum.
Matt Shackleton **Managing Director & CEO** B.Comm. (Economics & Accounting), MBA, FICAA	Mr Shackleton is a Chartered Accountant, and has more than 20 years experience in senior management and board roles. Previously the Managing Director of Western Australian gold developer Mount Magnet South NL (ASX: MUM), Matt was the founding director of West African gold and bauxite explorer Canyon Resources Limited (ASX: CAY). He has also held senior roles with Bannerman Resources Limited (ASX: BMN), a uranium developer, Skywest Airlines, iiNet Limited (ASX: IIN) and London investment bank DRCM Global Investors.
Rhett Brans **Non-Executive Director** Dip.Engineering (Civil), MIEAUST CPENG	Mr Brans is an experienced director and civil engineer with over 45 years experience in project developments. He is currently a Non-executive director with Carnavale Resources Ltd (ASX: CAV) and AVZ Minerals Ltd (ASX: AVZ). Previously, Mr Brans was a Non-executive Director of Syrah Resources (ASX: SYR), a founding director of Perseus Mining Limited (ASX: PRU) and served on the boards of Tiger Resources Limited (ASX: TGS) and Monument Mining Limited.
Brett Lambert **Non-Executive Director** B.App.Sc. (Mining Engineering), MAUSIMM	Mr Lambert is a mining engineer and experienced company director in the Australian and international mineral resources industry. Over a career spanning 35 years, Mr Lambert has held senior management roles with Western Mining Corporation, Herald Resources, Western Metals, Padaeng Industry, Intrepid Mines (ASX: IAU), Thundelarra Exploration (ASX: THX) and Bullabulling Gold. He has successfully managed a number of green-fields resource projects through feasibility study and development and has been involved in numerous facets of financing resource project development. Mr Lambert is a Non-executive director of Mincor Resources NL.
Jay Hussey **Chief Commercial Officer**	Mr Hussey is a highly experienced fertiliser industry executive, with an extensive background in Sulphate of Potash (SOP) marketing and off-take & joint venture negotiations throughout Asia, Europe, North America and South America. Mr Hussey served for 10 years as Vice-President of China-based Migao Corporation in both Toronto and Beijing. During his time with Migao, Mr Hussey was responsible for in excess of US$160m in equity and debt financings, which allowed that company to grow into China's largest non-State owned SOP producer. Most recently Mr Hussey was President of the Valleyfield Fertilizer Corporation, a company he founded and which is now a subsidiary of Potash Ridge Corporation (TSX: PRK), based in Toronto. With Valleyfield, Mr Hussey negotiated for the supply of potassium chloride for that company's Mannheim conversion process, developed off-take positions for the supply of SOP, and secured several rounds of equity financing through North America.

Lake Wells Sulphate of Potash Project

Western Australia, 100% owned

Definitive Feasibility Study Update

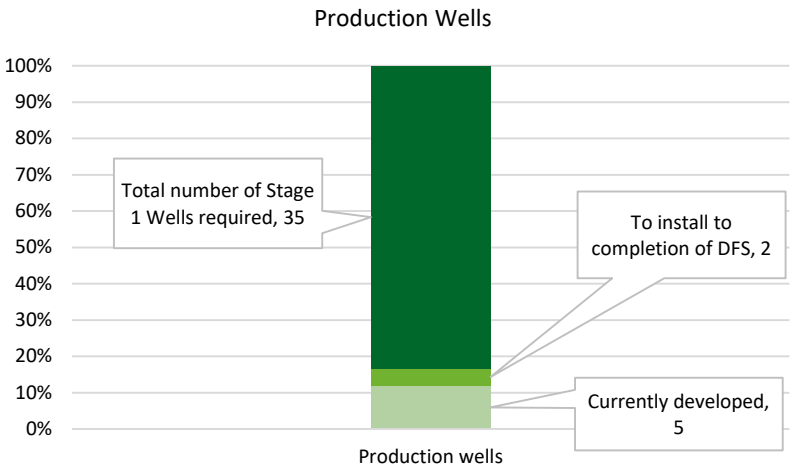
Milestones to Project Financing & Development



Definitive Feasibility Study Work Streams

Brine Abstraction

Production Wells



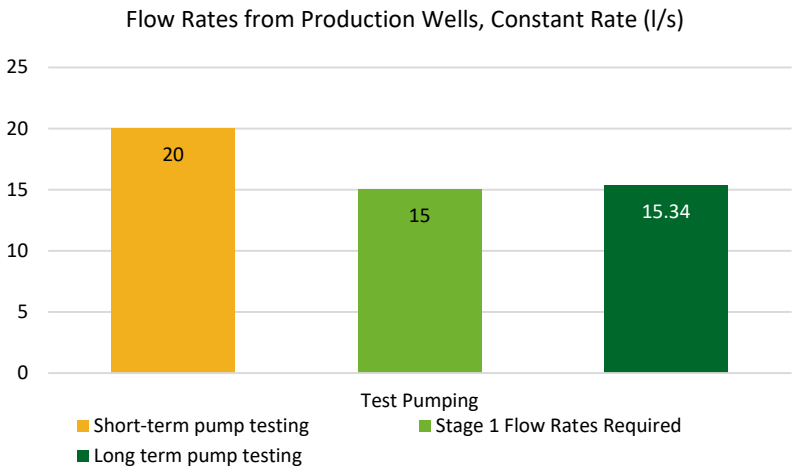
Current position	Work stream to complete DFS	Estimated completion date
5 production wells developed into upper and lower aquifers	Additional 2 production wells to be developed	Q4 2018

- On completion of the production well DFS work stream, 20% of the Stage 1 bore-field will have been developed

Definitive Feasibility Study Work Streams

Brine Abstraction

Test Pumping



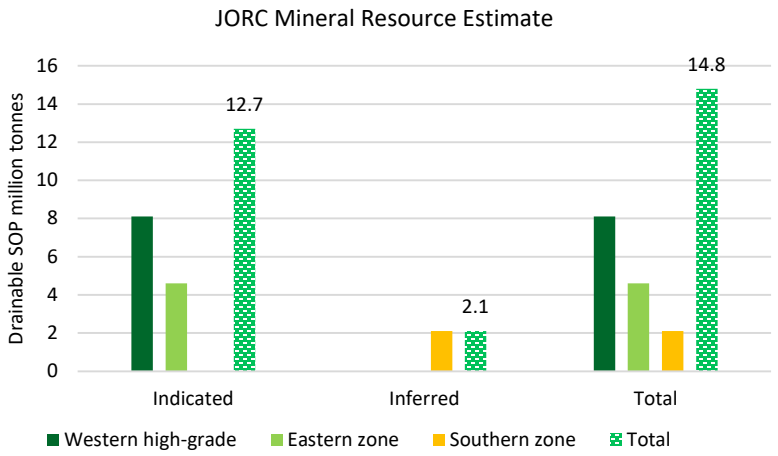
Current position	Work stream to complete DFS	Estimated completion date
3 production wells at 2 sites have been step & constant rate pump tested (s/term & l/term)	Short term pump testing on new production wells and resumption of long term pump testing	Q4 2018

- The test pumping DFS work stream will further verify production level flow rate data with testing of new production wells and resumption of long term pump testing
- Comprehensive test pumping data set will inform the hydro-flow model leading to a *JORC Mineral Reserve Estimate*

Definitive Feasibility Study Work Streams

Brine Abstraction

JORC Mineral Reserve Estimate



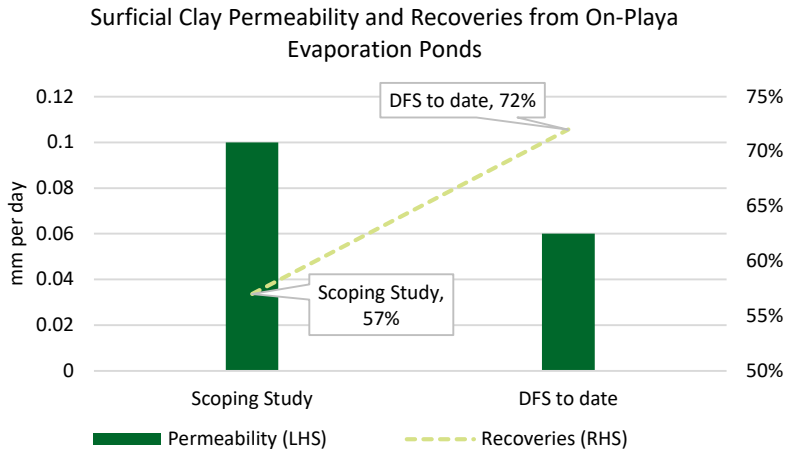
Current position	Work stream to complete DFS	Estimated completion date
14.8 million tonnes Total Drainable SOP including 12.7 million tonnes Indicated	Completion of hydro-flow model and estimate of SOP Reserve	Q4 2018/Q1 2019

- The Reserve Estimate DFS work stream will be informed by test pumping data
- Stage 1 development is focused on the Western High Grade Zone which currently carries a JORC Indicated MRE of 8.1 million tonnes of drainable SOP

Definitive Feasibility Study Work Streams

Brine Evaporation

Continued Geotechnical Survey Program



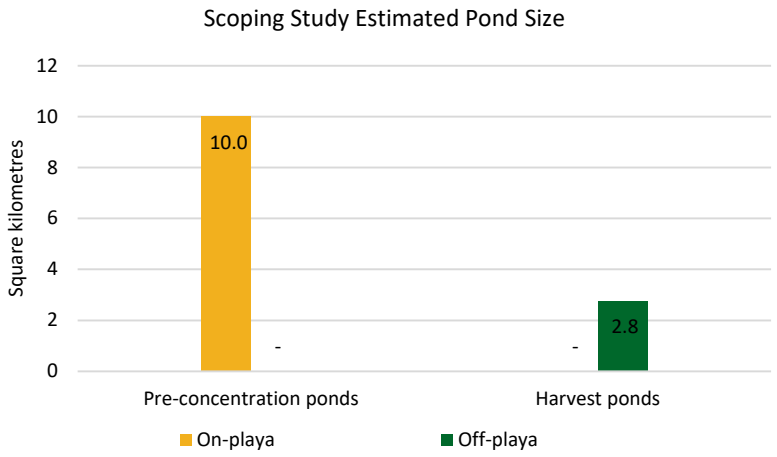
Current position	Work stream to complete DFS	Estimated completion date
Geotech. data collated to date indicates low permeability surficial clay layer	Collection of undisturbed clay core samples, additional CPT, 3D modelling	Q4 2018

- The Geotechnical Survey DFS work stream will inform final evaporation pond design and optimal brine pumping flow rates
- It will comprise additional verification of the surficial, low-permeability clay layer previously identified in drilling and modelled on LIDAR survey data

Definitive Feasibility Study Work Streams

Brine Evaporation

Evaporation Pond Constructability Program



Current position	Work stream to complete DFS	Estimated completion date
Preliminary, scoping study design work completed, no fieldwork has been conducted	Develop trial sites at Lake Wells testing efficacy of various bund barrier designs	Q4 2018

- New work stream informed by geotechnical survey data
- Will inform final evaporation pond network design
- It will comprise designing, establishing, testing and assessing various bund barrier designs to limit lateral leakage from evaporation ponds

Definitive Feasibility Study Work Streams

Brine Evaporation

Pilot Evaporation Pond Program

- Successful brine transfer from the Pre-Concentration Pond to First Harvest Pond – APC transferred 110 tonnes of pre-concentrated brine
- Brine will continue to evaporate in H1 pond until 10 October then be transferred to H2 and then H3
- Blended salts from all 3 Harvest ponds will be freighted to processing facility and SOP refined under guidance of Novopro process chemist

Definitive Feasibility Study Work Streams

Process

SOP Trade Sample Production Program

Current position	Work stream to complete DFS	Estimated completion date
Pilot pond harvest salts crystallising	Harvest 'feeder' salts from ponds, freight to process facility, produce SOP	Q4 2018

- The task is now to harvest the salts, freight to a process facility, processing and prepare samples
- APC will produce 250 kilograms of SOP trade samples that will inform offtake discussions in Q4 2018

Definitive Feasibility Study Work Streams

Approvals
EPA Program

Current position	Work stream to complete DFS	Estimated completion date
• S38 Referral lodged with EPA 20 December 2017 • Environmental Review Document being prepared: Scoping Document Approved • Mining Lease granted September 2018 • Water abstraction licenses granted for 0.9Gl	• ERD to EPA • Water abstraction license • Mining Proposal • Mine Closure Plan • Works Approval	• Q4 2018/Q1 2019

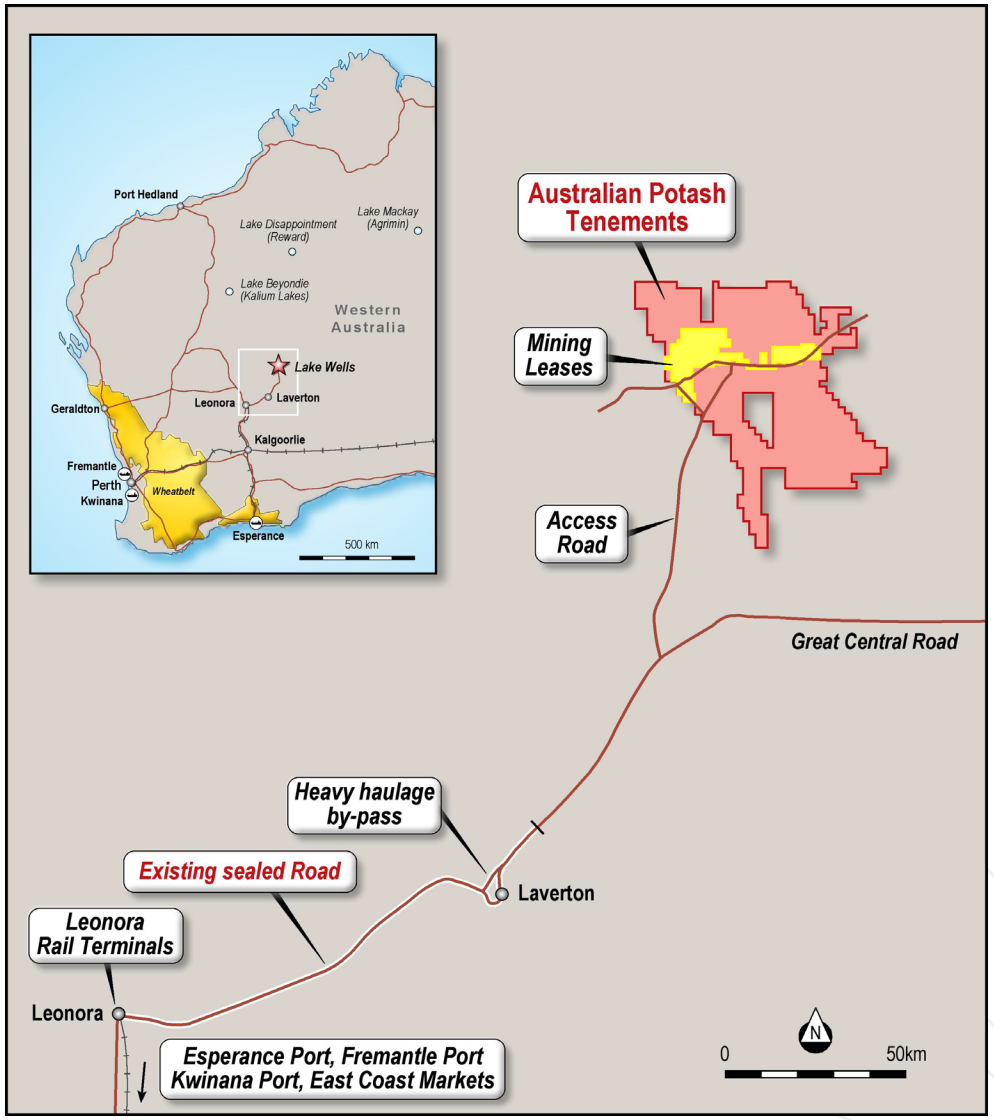
- Final stage baseline environmental survey programs will inform the ERD
- Bore field and evaporation pond design will inform Mining Proposal, Mine Closure Plan and Works Approval

Definitive Feasibility Study Work Streams

Approvals

Mining Leases granted

- 30,000 Ha of granted mining leases covering Stage 1 & 2 development envelopes
- Project development area is not subject to NTA 'Right to Negotiate'
  - APC continues to engage with and enjoy co-operative relationship with local elders and traditional owners
- Laverton Shire pro-actively supportive of development proposal with agreement to assist with development of remaining 80km unpaved access road (following the sealing of the Great Central Road)



Australian ASX Peer Comparison

With its low EV/Resource value and proximity to legitimate infrastructure, APC presents as significantly undervalued against its ASX listed peers

	Australian Potash (APC)	Agrimin (AMN)	Kalium Lakes (KLL)	Salt Lake Potash (SO4)	Reward Minerals (RWD)
Development metrics					
Production run-rate (tonnes per year)	**300,000**	426,000	164,000	400,000	407,500
Pre-production CAPEX (A$M)	**337**	626	284	268	451
Capital intensity (A$ CAPEX/tonne)	**1,124**	1,469	1,732	670	1,107
Logistics					
Road haul component in logistics (km)	**280**	980	1,088	330	866
Rail haul component in logistics (km)	**650**	NIL	NIL	650	NIL
Brine production					
Bores or trenches	**Bores 100%**	Trenches 100%	Both	Both	Both
Marketing					
Target market (MOUs)	**Sino-Agri 33% Hubei-Agri 33%**	TBD	K+S (Germany) 100%	Mitsubishi 50% Sinofert 50%	TBD
Investment metrics					
Market Capitaln A$M (2/10/18 undiluted)	**22**	130	49	79	21
Cash (30 June 2018) A$M	**2.2**	5.9	7.7	5.7	5.8[3]
Enterprise Value A$M	**19.8**	124.1	41.3	73.3	15.2

Please refer to Footnotes to Disclosures 2 for peer sourced data references

Lake Wells Sulphate of Potash Project

Western Australia, 100% owned

Appendices

Sulphate of Potash (SOP): the Premium Potash

SOP is low chloride making it ideal for application to higher-value chloride sensitive crops - *Integer Research*

cotton

coffee

tobacco

grapes

tea

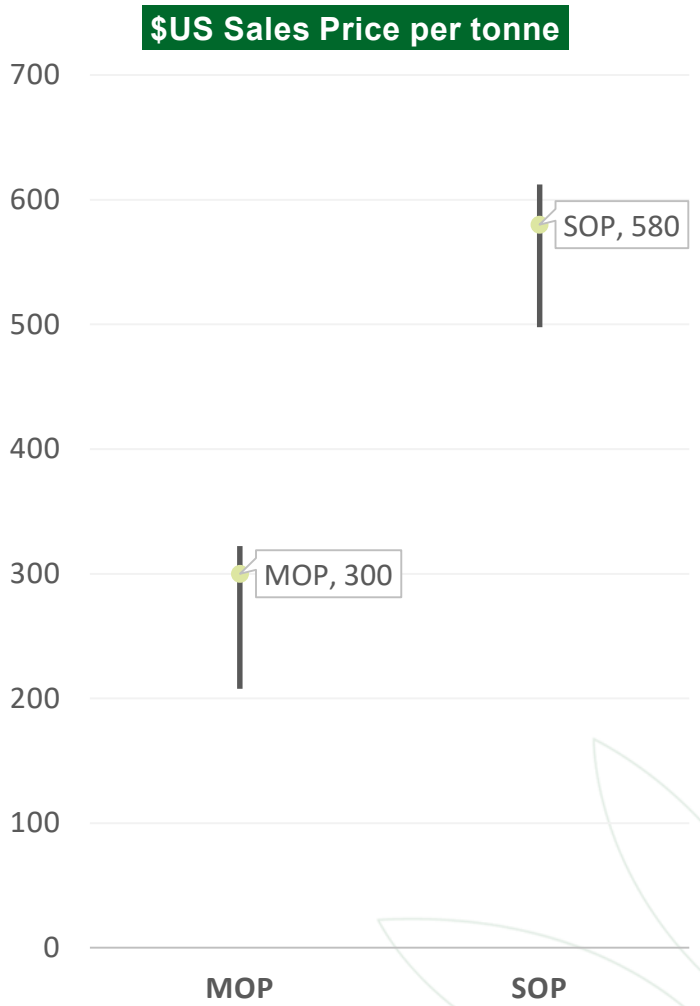
Bright, leafy green vegetables, tomatoes,
beans and potatoes

Citrus fruit, deciduous fruits, tree nuts, strawberries and melons

And … avocados, cashews, cucumbers, onions, lettuce, raspberries, blackberries, blueberries and mangoes …

Global Trade in Potash

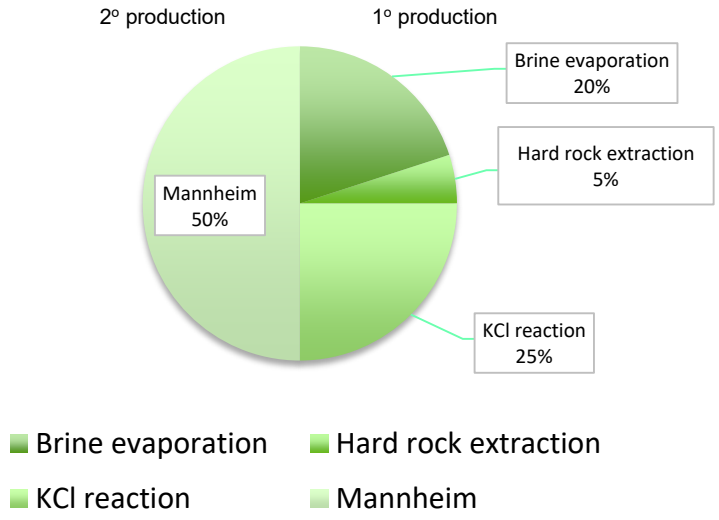
SOP commands a price premium over MOP of up to approx. $US300 per tonne



- Lack of supply: marginal cost of production
- Burgeoning demand driven by demographics
- High value nature of SOP fertilised produce

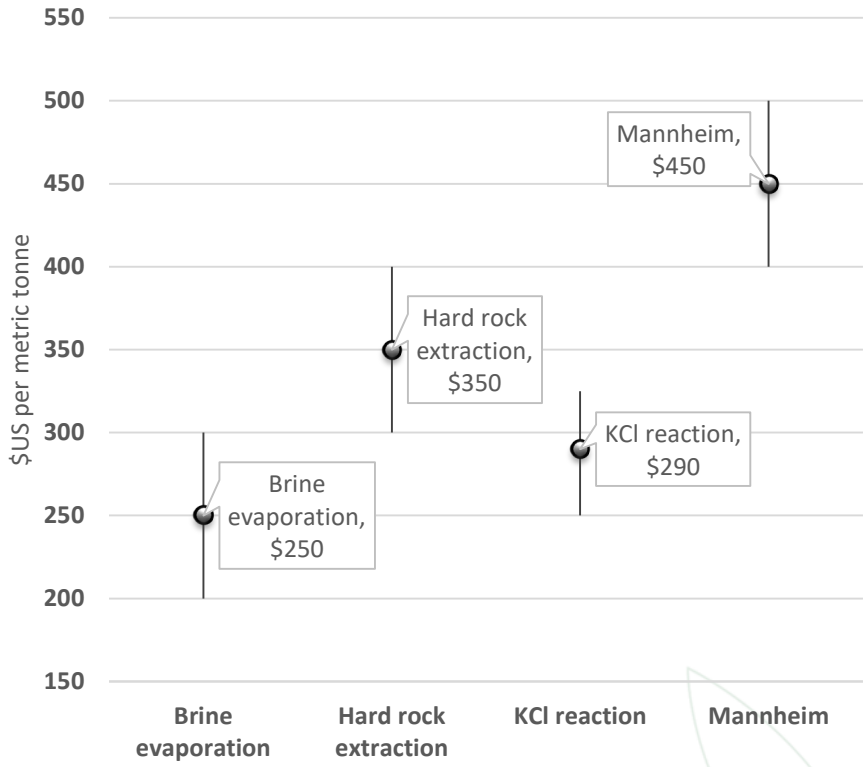
Production of SOP

Global SOP production by method



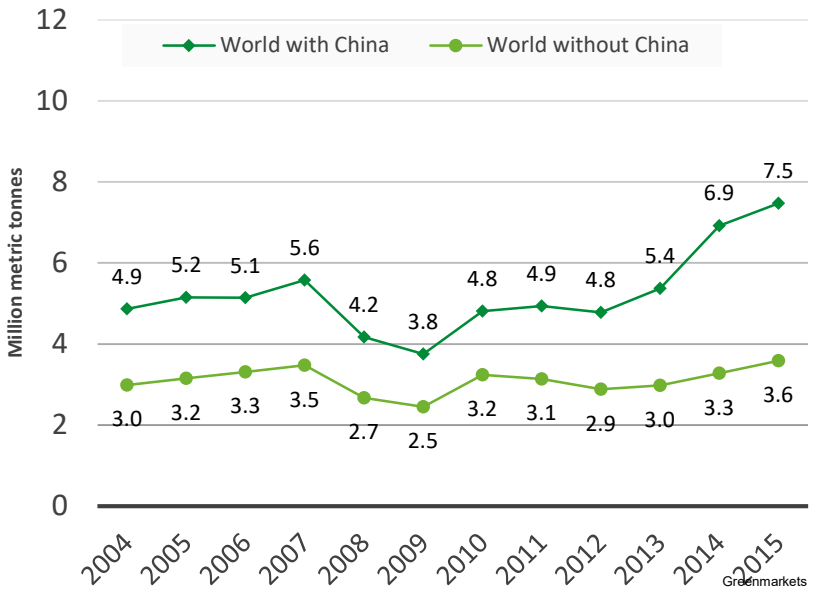
The global SOP market is under-supplied and the **Mannheim Process is the marginal cost production method** driving in part the approx. $US300 premium over MOP

Average cost of SOP production

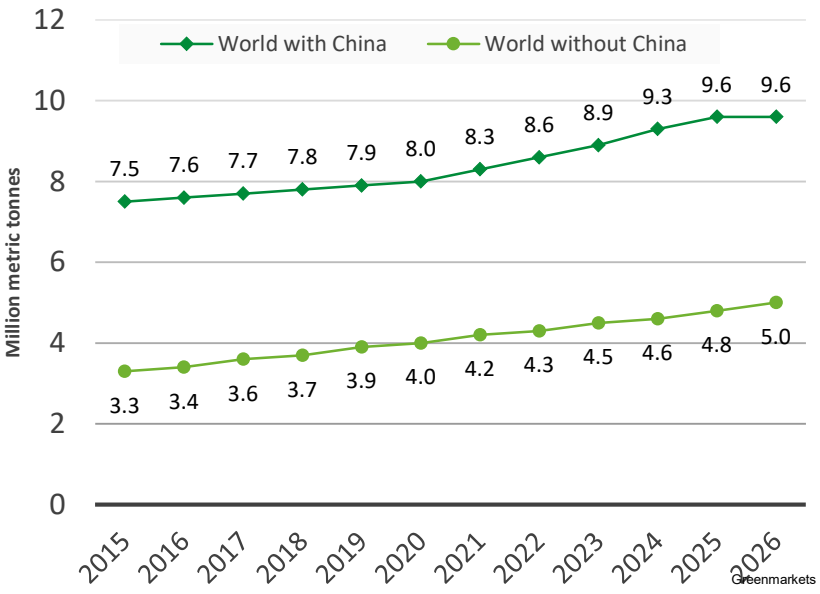


China is the World's Largest SOP Market

SOP Global Production 2004 - 2015



SOP Global Demand 2015 – 2026



The Chinese Central government's environmental clean-up initiative includes the restriction of Mannheim processes, reducing domestic supply 'Chinese SOP supply could reduce by 1 million tonnes in 2018, given that Mannheim SOP production in China is expected to fall considerably owing to government environmental initiatives.' – *Argus, London, 12 January 2018*

Three-stage Production Process

Abstraction of brine

- Hypersaline brine is pumped from underground aquifers into evaporation ponds
- **Bore-field development to depths of 175m**

Evaporation of water

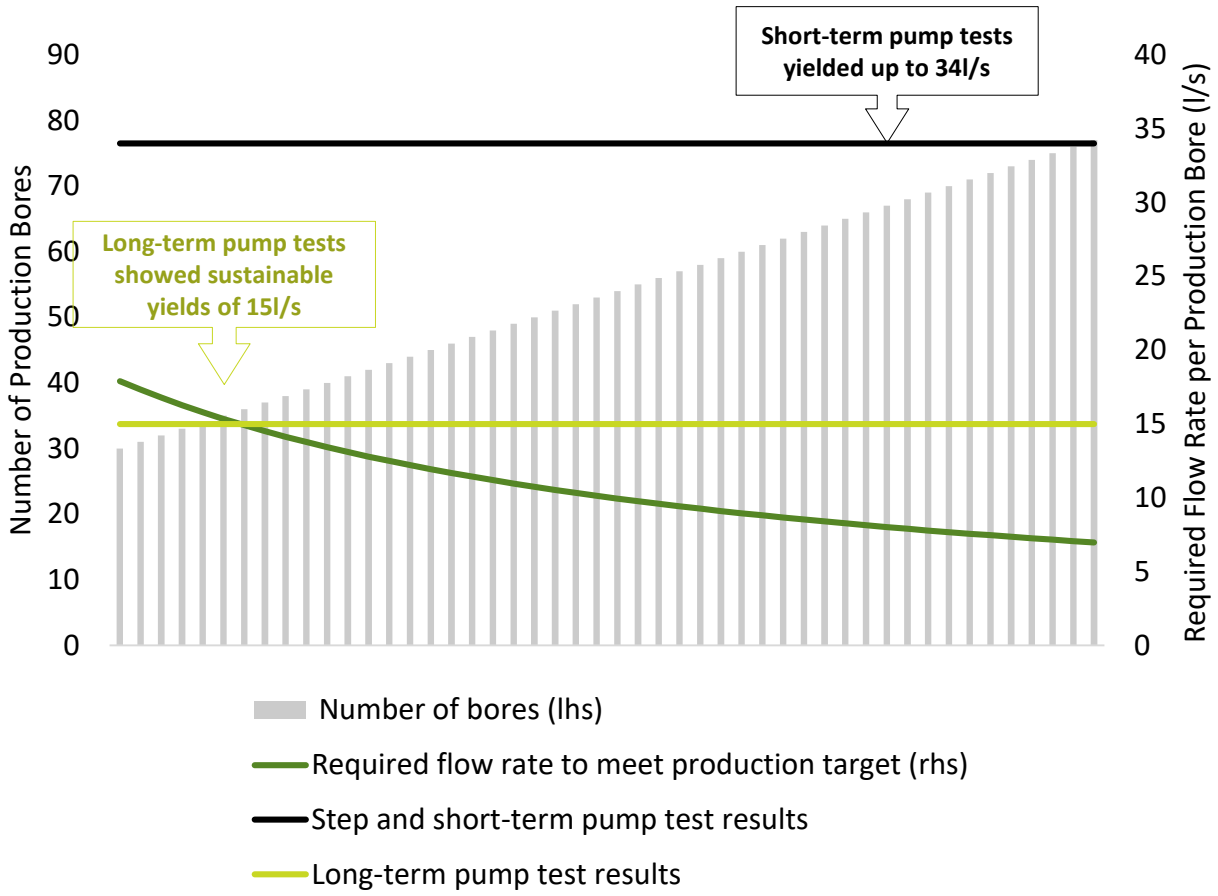
- Water is evaporated off the brine, leaving crystallised salts to be harvested
- **On-playa concentration and crystallization ponds**

Processing of minerals (salts) into SOP

- The mixed salts are separated, dried, sized and compacted into SOP
- **Lake Wells will process SOP using brine evaporation (2/3) and KCL reaction (1/3)**

Ideal Abstraction Method to Meet Production Targets

Abstraction of brine is the 'mining' part of an SOP operation



Lake Wells will use a bore-field brine abstraction method

- Stage 1:
  - 35 bores
  - 150,000 tpa SOP
- Stage 2:
  - 35 bores
  - 150,000 tpa SOP

Peer analysis indicates that to achieve the same brine yield using the alternative trenching method would require >200 kilometres of 6m x 8m trenches be developed

Proven Evaporation Progression

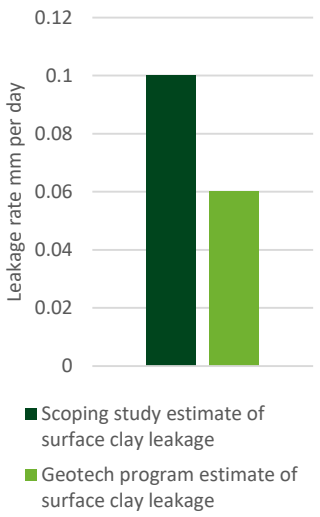
Evaporation of water is the 'beneficiation' part of an SOP operation

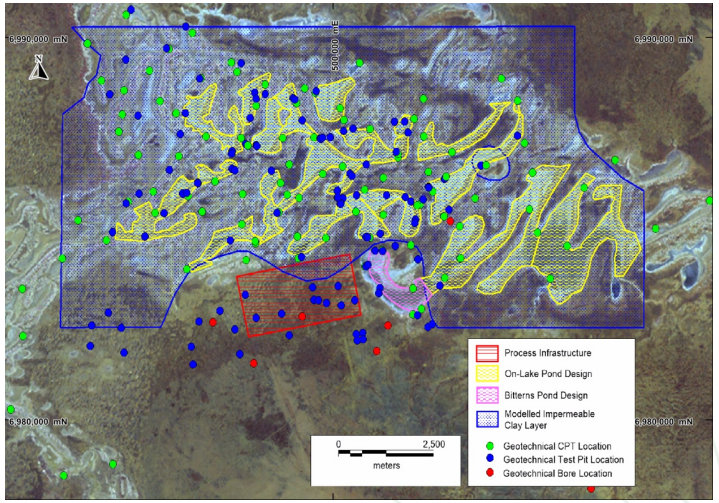
Pre-concentration ponds 1,000 litres	Hypersaline brine is pumped into the pond network from the bore-field
Harvest ponds 220 litres	As water evaporates salts of different species begin to crystallise
MgCl ponds 20 litres	Potassium, magnesium and some sodium salts are harvested and sent to processing plant
	Minor volume of waste magnesium chloride produced

Development of evaporation pond network on the lake surface at Lake Wells confirmed through geotechnical field program comprising

- **40 test pits**
- **106 cone penetrometer tests**
- **500 kilometres of LIDAR survey**

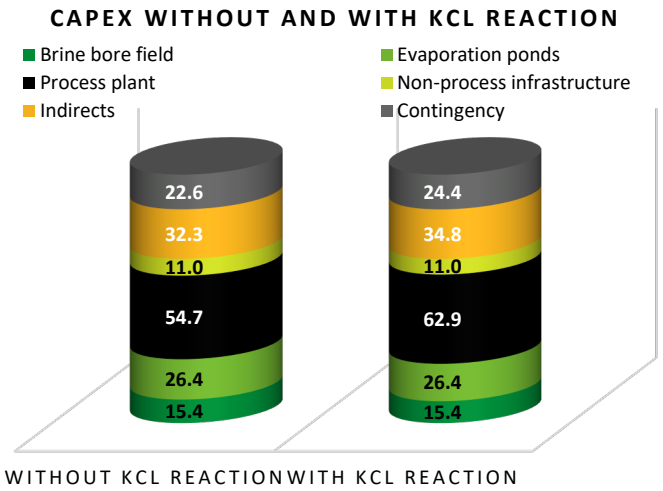
Continuous layer of low-permeability clay layer 0.8m – 1.7m below lake surface





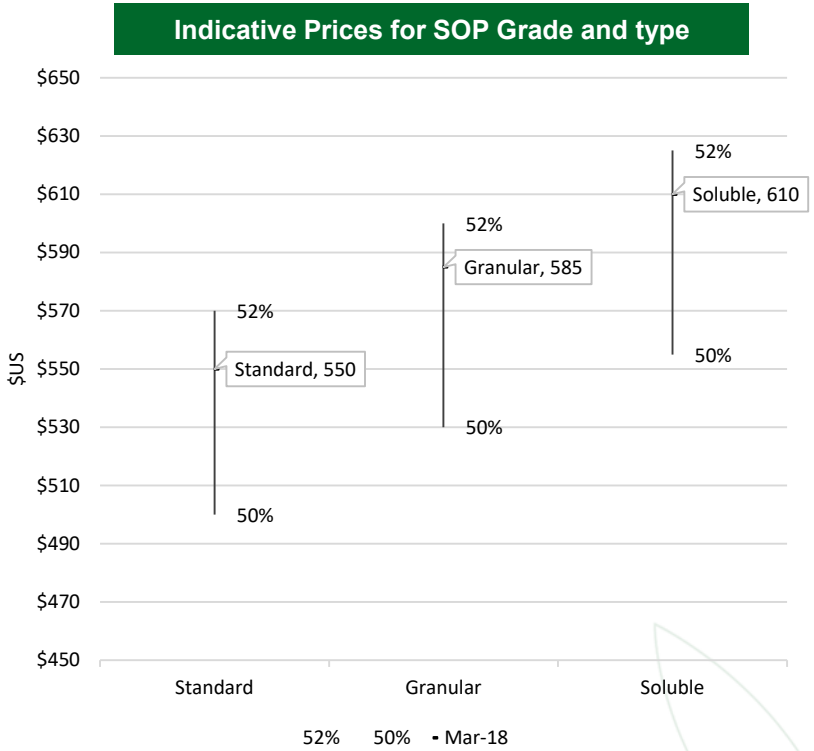
The Lake Wells SOP Project

Lake Wells will process SOP from brine evaporation and KCl reaction



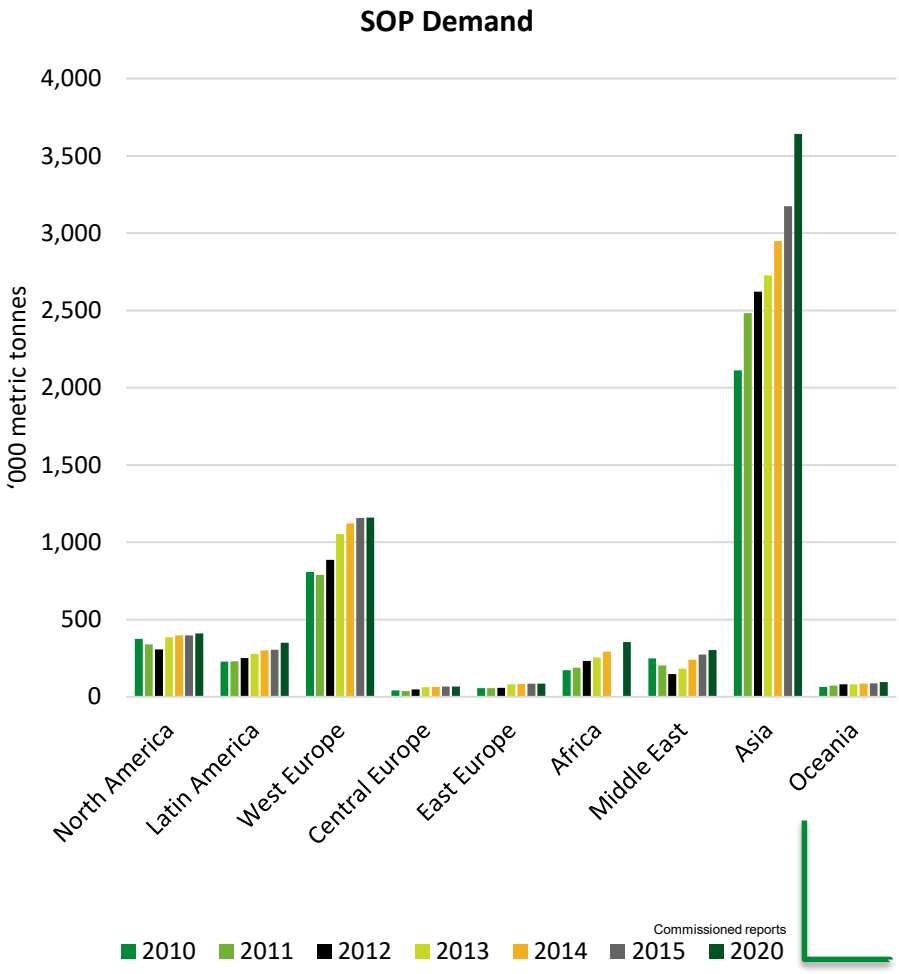
Excess sulphate (SO_4) in Lake Wells brine affords the opportunity to materially improve capital expenditure efficiency by **increasing output by 50%** with a 7% increase in CAPEX

	Without KCl reaction	With KCl reaction	Increase
Tonnes of SOP produced	100,000	150,000	50%
Pre-production CAPEX	A$162.4m	A$174.9m	8%



The Lake Wells SOP project is targeting to produce +52% K_2O equivalent granular SOP

China is Ideal Target Market



Lake Wells SOP project development will be underpinned by off-take agreements supplying initially into the Chinese market

Two MOUs in place for up to 100,000tpa with

- **Sino-Agri, China's largest agricultural company**
  - 18,000 retail outlets, produces SOP using Mannheim
- **Hubei-Agri, China's 11th largest agricultural company**
  - Hubei is one of China's highest producing horticultural provinces
- Trade samples of Lake Wells SOP are currently being produced – the next step in formal off-take discussions
- Australian farm-gate SOP prices range up to A$1,000 per tonne due to high import costs – there is a small but lucrative market if logistics work

Approvals Schedule

Q4 2018

Department of Mines, Industry Regulation & Safety (DMIRS)

Mining Lease applications have been recommended for grant - **Lease Grant Q4 2018**

Department of Water & Environment Regulation (DWER)

Existing water abstraction license of 0.9Gl p.a. - **License Grant Q4 2018**

- **Mining Proposal:** Submission date: SEP 2018
- **Mine Closure Plan:** Submission date: SEP 2018
- **Works Approval:** Submission date: SEP 2018
- **Water Abstraction Licenses:** Submission date: SEP 2018

Q2 2019

Environment Protection Authority (EPA)

Western Australia's Environmental Protection Agency (EPA) is assessing the Lake Wells SOP project development on an Environmental Review Document, no Public Comment

Ministerial Approval anticipated Q2 2019

Native Title Act (1993)
Mining Leases have been granted over the proposed development areas, with no Right to Negotiate granted to third parties.

JORC Compliant Resource Estimate

Hydrogeological Unit	Volume of Aquifer	Specific Yield	Drainable Brine Volume	K Concentration (mg/L)	SOP Grade (mg/L)	SOP Resource
	MCM	Mean	MCM	Weighted Mean Value	Weighted Mean Value	MT
Indicated Resources						
Western High Grade Zone						
Surficial Aquifer	5,496	10%	549	3,738	8,336	4.6
Upper Sand	37	25%	9	4,017	8,958	0.1
Clay Aquitard	4,758	6%	308	4,068	9,071	2.8
Basal Sand Aquifer	214	29%	63	4,520	10,080	0.6
Sub Total (MCM / MT)	***10,505***		***919***	***3,904***	***8,706***	***8.1***
Eastern Zone						
Surficial Aquifer	3,596	10%	359	3,416	7,617	2.7
Upper Sand	22	25%	5	3,345	7,459	0.04
Clay Aquitard	2,689	6%	174	3,362	7,497	1.3
Basal Sand Aquifer	237	29%	69	3,352	7,475	0.5
Sub Total (MCM / MT)	***6,545***		***602***	***3,391***	***7,563***	***4.6***
Total Indicated						
Surficial Aquifer	9,092	10%	907	3,610	8,051	7.3
Upper Sand	59	25%	15	3,769	8,404	0.1
Clay Aquitard	7,447	6%	482	3,813	8,503	4.1
Basal Sand Aquifer	452	29%	132	3,906	8,711	1.1
Indicated Resource (MCM / MT)	***17,050***		***1,521***	***3,707***	***8,267***	***12.7***
Inferred Resources						
Southern Zone						
Surficial Aquifer	1,296	16%	207	2,742	6,115	1.3
Clay Aquitard	1,901	6%	114	2,620	5,842	0.7
Basal Sand Aquifer	82	23%	19	2,871	6,401	0.1
Inferred Resources (MCM / MT)	***3,279***		***340***	***2,674***	***5,963***	***2.1***

Indicated Resource based modelled aquifer volume, mean specific yield and weighted mean K concentrations (derived from modelling)

Summary					
Indicated Resources	17,050	1,521	3,707	8,267	12.7
Inferred Resources	3,279	340	2,674	5,963	2.1
Total Resources	**20,329**	**1,861**	**3,541**	**7,896**	**14.7**

Resources do not include exploration target at Lake Wells South (tenement areas south of Southern Zone)

SOP Data Information Sources

www.greenmarkets.com	Green Markets
www.integer-research.com	Integer
www.argusmedia.com	Argus Media
www.cru.com	CRU International Limited
www.fertilizer.org	The International Fertilizer Association
www.sopib.com	Sulphate of Potash Information Board

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