

AUSTRALIAN POTASH LIMITED (APC)

First off-take executed, NAIF to commence DD

Australian Potash Limited (APC) recently executed its first off-take term sheet with private company Redox Pty Ltd (Redox) for the supply of sulphate of potash (SOP) from the 100%-owned Lake Wells Potash Project (LSOP), WA.

The offtake is subject to formal documentation and ultimately subject to the development of the LSOP project, with funding and approvals currently being progressed. The agreement contains commercial terms of "take or pay" supply of 20ktpa of SOP (branded K-Brite™) over a 10-year period. Redox is also expected to have the sales and distribution rights on an exclusive basis for Australia and New Zealand. Pricing is anticipated to be on a net realised price basis, and designed in such manner to maximise returns for both supplier (APC) and buyer (Redox). The SOP offtakes and permitting are seen as the key precursors to the finalisation of a project funding package with further offtake arrangements progressing well. We would anticipate that having over 70% of the planned production of +150ktpa SOP secured in product offtakes would be good result for APC, but a higher-level of offtakes maybe required to secure more favourable funding terms. The LSOP DFS (Aug'19), highlighted a pre-production capital requirement of A\$208M, and the attractive financial metrics implied a higher gearing ratio is possible.

The LSOP is also eligible for some infrastructure funding from the North Australia Infrastructure Facility (NAIF), which has now given the green light to progress through to the due diligence (DD) phase. While there are no guarantees that NAIF funding will be provided, if it were, a facility could be made available for road upgrades, installation of a power station, airstrip and accommodation village. Non-process related infrastructure on the DFS was listed at A\$19M, and when some other indirect costs are included, funding of over A\$30M could be provided through a NAIF facility (assuming a favourable result from the DD).

Final permitting still on track for Q3 CY20

The LSOP is expected to be developed over ~24 months from the final investment decision (FID). We see potential for FID during the course of CY20, assuming additional offtakes and project financing can be secured. We model first production from mid-late CY22. The LSOP has potential to be a long-life (+30 years), potash operation designed to produce 150ktpa SOP. LOM operating costs of US\$262/t (~A\$391/t) are also expected to be highly competitive (first quartile) and translate to solid margins for capital payback in under 5 years on post-tax earnings estimates. An estimated all-in-sustaining cost (AISC) for the project is ~US\$285/t (~A\$425/t), which implies healthy margins at current spot SOP prices. The capital intensity of the project also appears attractive at ~A\$1,387/t SOP, which is below the peer average, and ~30% less than some recently constructed brine projects globally. Final licensing (permitting) for the project is anticipated late Q3 CY20.

Maintain our Speculative Buy, funding seen as key risk

We maintain our **Speculative Buy** on APC, with a price target of 20cps (from 30cps). APC's current cash position is estimated to be ~A\$1.6M, but also has a CPA in place which could deliver standby equity of up to A\$5m (subject to shareholder approval), which provides some funds for FEED activities and for ongoing offtake and project development funding discussions.

Share Price	\$0.061
Valuation	\$0.19
Price Target (12 month)	\$0.20

Brief Business Description:
Potash (SOP) explorer/developer

Hartleys Brief Investment Conclusion

100%-owned Sulphate of Potash (SOP) Project at Lake Wells in WA. Targeting brine SOP production of 150ktpa for domestic and export markets. DFS completed and now working on offtakes and project financing.

Board

Jim Walker (Non-Exec Chair)
Matt Shackleton (MD & CEO)

Top Shareholders

Yandal Investments (Creasy)	7.6%
Perth Select Seafood	4.0%
Board and Management	2.2%

Company Address

31 Ord Street
West Perth WA 6005

Issued Capital

	401.1m
- fully diluted	507.9m

Market Cap

	A\$24.5m
- fully diluted	A\$31.0m

Cash (est)*

	A\$1.6m
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Debt (est)

	A\$0.0m
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EV

	A\$22.9m
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EV/Resource t

	A\$1.3/t
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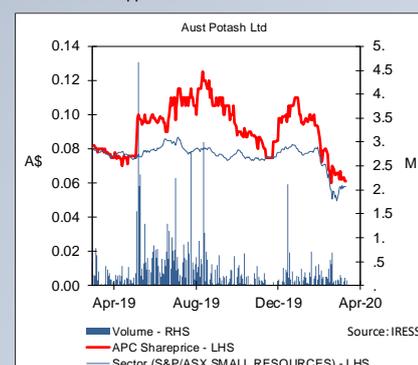
EV/Reserve t

	A\$6.4/t
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Prelim. (A\$m)	FY21e	FY22e	FY23e
Prod (kt SOP)	0.0	37.5	150.0
Op Cash Flw	-13.8	3.7	52.8
Norm NPAT	-26.4	-5.8	64.0
CF/Share (cps)	-2.2	-0.3	3.6
EPS (cps)	-3.2	-0.5	4.9
P/E	-2.8	-19.0	1.7

	SOP mg/L	Mt SOP
Resources (SOP)	7,455	18.1
Reserves (SOP)	7,471	3.6

*APC has a Controlled Placement Agreement (CPA) with Acuity Capital for standby equity capital of up to \$5m, subject to shareholder approval.



Mike Millikan

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Hartleys has provided corporate advice within the past 12 months and continues to provide corporate advice to Australian Potash Limited ("APC") for which it has earned and continues to earn fees. Hartleys has completed a capital raising in the past 12 months for Australian Potash Limited for which it has earned gross fees. The analyst has a beneficial interest in APC shares.

SUMMARY MODEL

Australian Potash Limited APC						Share Price \$0.061
Key Market Information						
Share Price						\$0.061
Market Capitalisation - ordinary						\$24.5m
Net Debt (cash)						-\$2m
Market Capitalisation - fully diluted						\$24.5m
EV						\$22.9m
Issued Capital						401.1m
Options/Performance Rights						77.3m
Issued Capital (fully diluted inc. all options/rights)						478.4m
Issued Capital (diluted inc. ITM options and new capital)						1381.3m
Valuation						\$0.19
12month price target						\$0.20
P&L	Unit	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
Net Revenue	A\$m	0.0	0.0	0.0	31.9	126.5
Total Costs	A\$m	-5.6	-5.8	-6.9	-15.9	-57.6
EBITDA	A\$m	-5.6	-5.8	-6.9	16.0	68.9
- margin		na	-	-	50%	54%
Depreciation/Amort	A\$m	-0.1	-0.2	-5.3	-10.9	-11.4
EBIT	A\$m	-5.6	-6.0	-12.2	5.1	57.6
Net Interest	A\$m	0.1	0.1	-4.5	-9.5	-8.4
Pre-Tax Profit	A\$m	-5.5	-5.9	-16.8	-4.3	49.1
Tax Expense	A\$m	0.0	0.0	0.0	0.0	0.0
Normalised NPAT	A\$m	-7.2	-7.7	-21.8	-5.6	63.9
Abnormal Items	A\$m	1.7	1.8	5.0	1.3	-14.7
Reported Profit	A\$m	-5.5	-5.9	-16.8	-4.3	49.1
Minority	A\$m	0.0	0.0	0.0	0.0	0.0
Profit Attrib	A\$m	-5.5	-5.9	-16.8	-4.3	49.1
Balance Sheet	Unit	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
Cash	A\$m	2.0	2.1	23.4	14.2	60.9
Other Current Assets	A\$m	0.0	0.0	0.0	3.1	12.3
Total Current Assets	A\$m	2.0	2.1	23.5	17.3	73.2
Property, Plant & Equip.	A\$m	-1.2	-1.4	193.2	193.4	186.0
Exploration	A\$m	3.9	7.9	12.9	14.9	16.9
Investments/other	A\$m	0.0	0.0	0.0	0.0	0.0
Total Non-Curr. Assets	A\$m	2.7	6.5	206.1	208.2	202.9
Total Assets	A\$m	4.7	8.6	229.6	225.6	276.0
Short Term Borrowings	A\$m	-	-	-	-	-
Other	A\$m	0.2	0.3	0.3	0.6	1.9
Total Curr. Liabilities	A\$m	0.2	0.3	0.3	0.6	1.9
Long Term Borrowings	A\$m	-	-	150.0	150.0	150.0
Other	A\$m	-	-	-	-	-
Total Non-Curr. Liabil.	A\$m	-	-	150.0	150.0	150.0
Total Liabilities	A\$m	0.2	0.3	150.3	150.6	151.9
Net Assets	A\$m	4.4	8.3	79.3	75.0	124.1
Net Debt	A\$m	-2.0	-2.1	126.6	135.8	89.1
nd / nd + e		-80.3%	-33.8%	61.5%	64.4%	41.8%
Cashflow	Unit	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
Operating Cashflow	A\$m	-1.9	-4.5	-6.8	13.2	61.1
Income Tax Paid	A\$m	0.0	0.0	0.0	0.0	0.0
Interest & Other	A\$m	0.1	0.1	-4.5	-9.5	-8.4
Operating Activities	A\$m	-1.8	-4.4	-11.4	3.8	52.7
Property, Plant & Equip.	A\$m	0.0	0.0	-200.0	-11.0	-4.0
Exploration and Devel.	A\$m	-3.9	-4.0	-5.0	-2.0	-2.0
Other	A\$m	1.3	0.0	0.0	0.0	0.0
Investment Activities	A\$m	-2.6	-4.0	-205.0	-13.0	-6.0
Borrowings	A\$m	0.0	0.0	150.0	0.0	0.0
Equity or "tbc capital"	A\$m	4.2	8.5	87.7	0.0	0.0
Dividends Paid	A\$m	0.0	0.0	0.0	0.0	0.0
Financing Activities	A\$m	4.2	8.5	237.7	0.0	0.0
Net Cashflow	A\$m	-0.2	0.1	21.3	-9.2	46.7
Shares	Unit	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
Ordinary Shares - End	m	401	486	1,371	1,371	1,371
Ordinary Shares - Weighted	m	353	444	929	1,371	1,371
Diluted Shares - Weighted	m	284	375	860	1,303	1,303
Ratio Analysis	Unit	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
Cashflow Per Share	A\$ cps	-0.5	-1.0	-1.2	0.3	3.8
Cashflow Multiple	x	-11.9	-6.2	-5.0	22.1	1.6
Earnings Per Share	A\$ cps	-1.6	-1.3	-1.8	-0.3	3.6
Price to Earnings Ratio	x	-3.9	-4.6	-3.4	-19.4	1.7
Dividends Per Share	AUD	-	-	-	-	-
Dividend Yield	%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt / Net Debt + Equity	%	-80%	-34%	61%	64%	42%
Interest Cover	X	49.1	53.7	na	0.5	6.8
Return on Equity	%	na	na	na	na	51%
Analyst: Mike Millikan +61 8 9268 2805 "tbc capital" could be equity or debt. Our valuation is risk-adjusted for how this may be obtained. Sources: IRESS, Company Information, Hartleys Research						

6 April 2020 Speculative Buy							
Directors			Company Information				
Jim Walker (Non-Exec Chair)			31 Ord Street				
Matt Shackleton (MD & CEO)			West Perth WA 6005				
Rhett Brans (Non-Exec Dir)			+61 8 9322 1003				
Brett Lambert (Non-Exec Dir)			www.australianpotash.com.au				
Sophie Raven (Company Secretary)							
Scott Nicholas (Chief Financial Officer - CFO)			Stewart McCallion (Proj Man)				
Jay Hussey (Chief Commercial Officer -CCO)			Chris Shaw (Expl Man)				
Top Shareholders							
						m shares	% ord
Yandal Investments (Creasy)						30.5	7.6%
Perth Select Seafood						16.0	4.0%
Board and Management						9.0	2.2%
Reserves & Resources							
	Vol MCM	Yield	Brine Vol	K (mg/L)	SOP (mg/L)	SOP Mt	
RESOURCES	-	-	-	-	-	-	
Measured	27,678	9%	2,383	3,343	7,455	18.1	
Indicated	-	-	-	-	-	-	
Inferred	-	-	-	-	-	-	
TOTAL RESOURCES	27,678	9%	2,383	3,541	7,455	18.1	
RESERVES							
Probable			490	3,325	7,415	3.6	
TOTAL RESERVES	490		3,325	7,415	3.6		
LOM PLAN							
			511	3,350	7,471	3.8	
Production Summary							
	Unit	Jun 20	Jun 21	Jun 22	Jun 23		
Mill Throughput	Mt	-	-	-	0.04	0.15	
Potash equiv	Mt	-	-	-	0.04	0.15	
Potash equiv (Attrib)	Mt	-	-	-	0.04	0.15	
Potash (SOP)	Mt	-	-	-	0.04	0.15	
NaCl (Industrial)	Mt	-	-	-	0.00	0.00	
NaCl (De-icing)	Mt	-	-	-	0.00	0.00	
Conversion of resources not in reserves	%	-	-	-	-	-	
Mine Life	yr	30.0	30.0	30.0	29.0		
Costs							
	Unit	Jun 20	Jun 21	Jun 22	Jun 23		
Cost per processed tonne	\$/t	-	-	370.2	369.5		
EBITDA / tonne processed ore	\$/t	-	-	427.6	459.5		
Total cash costs	\$/t equiv.	-	-	422.9	384.0		
Total cash costs	\$/t equiv.	-	-	299.1	282.3		
- ex shipping	\$/t equiv.	-	-	288.7	271.4		
C1: Operating Cash Cost = (a)	\$/t equiv.	-	-	370	370		
- ex shipping	\$/t equiv.	-	-	355	355		
(a) + Royalty = (b)	\$/t equiv.	-	-	370	370		
C2: (a) + depreciation & amortisation = (c)	\$/t equiv.	-	-	661	445		
(a) + actual cash for development = (d)	\$/t equiv.	-	-	717	410		
C3: (c) + Royalty	\$/t equiv.	-	-	661	445		
(d) + Royalty	\$/t equiv.	-	-	717	410		
C1: Operating Cash Cost = (a)	\$/t equiv.	-	-	262	272		
- ex shipping (mine gate)	\$/t equiv.	-	-	251	261		
Price Assumptions							
	Unit	Jun 20	Jun 21	Jun 22	Jun 23		
AUDUSD	A\$/US\$	0.67	0.68	0.71	0.74		
Potash (SOP)	US\$/t	620	620	620	620		
NaCl (industrial)	US\$/t	90	90	90	90		
NaCl (de-icing)	US\$/t	60	60	60	60		
Hedging							
	Jun 20	Jun 21	Jun 22	Jun 23			
Hedges maturing?	No	No	No	No	No	No	
Sensitivity Analysis							
						Valuation	
Base Case						0.19	
Spot Prices						0.21 (14.2%)	
Spot USD/AUD 0.60, SOP US\$580/t.							
AUDUSD +/-10%						0.16 / 0.22 (-14.5% / 17.0%)	
SOP +/-10%						0.23 / 0.14 (22.9% / -27.1%)	
Production +/-10%						0.23 / 0.14 (22.4% / -26.6%)	
Operating Costs +/-10%						0.17 / 0.21 (-11.2% / 10.9%)	
Unpaid Capital							
Year Expires	No. (m)	\$m	Avg price	% ord			
30-Jun-20	1.5	0.3	0.2	0%			
30-Jun-21	9.4	1.4	0.2	2%			
30-Jun-22	66.5	6.9	0.1	17%			
TOTAL	77.3	8.7	0.11	19%			
Share Price Valuation (NAV)							
100% Lake Wells (pre-tax NAV at disc. rate of 12%)						275.7	0.20
Other Exploration						30.0	0.02
Forwards						0.0	0.00
Corporate Overheads						-11.9	-0.01
Net Cash (Debt)						1.6	0.00
Tax (NPV future liability)						-33.9	-0.02
Options & Other Equity						0.0	0.00
Total						261.4	0.19

LAKE WELLS SOP PROJECT (LSOP)

TARGETING SOP PRODUCTION

*Project located
~500km NE of
Kalgoorlie, WA*

*Potash as a high
value bulk commodity
which requires access
to infrastructure*

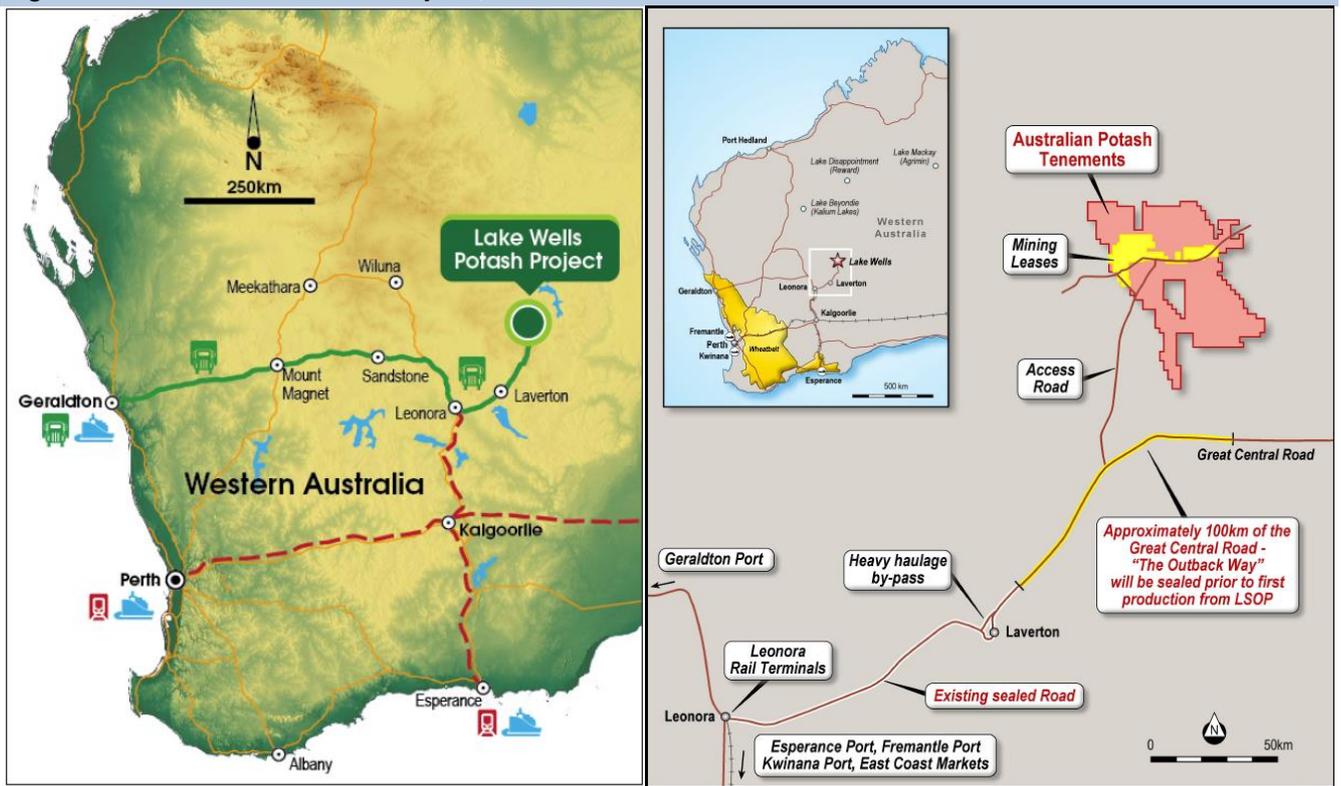
*Brine SOP projects
generally occupy the
lower end of
production cost curve
and have lower capital
hurdles than rock
potash projects*

The Lake Wells Sulphate of Potash (SOP) Project is located ~180km north-east of Laverton, ~500km north-east of Kalgoorlie in WA. The project area consists of tenure, which covers ~2,100km² and now includes granted Mining Leases spanning some 30,000Ha over the Lake Wells playa and palaeochannel system.

APC has 100% ownership and all potash rights. Access to the project is via the Great Central (~90km sealed/unsealed road) and Lake Wells (~90km unsealed) roads. The project is located ~280km from a bulk rail terminal at Leonora. The climate for the project area is highly conducive to evaporation and thus a solar salt operation.

Australia currently imports 100% of its potassium fertiliser requirements, and the low chloride and high sulphate content of SOP makes it an ideal and preferred form of potassium (fertiliser) for Australian farmers. SOP attracts a superior price to muriate of potash (MOP), and is underpinned by limited brine supply (only 4 evaporative operations globally) and increasing demand (forecast growth of 4%). Australia currently has no potash production, but appears well endowed with resources across a number of its salt lake systems.

Fig. 1: Lake Wells Potash Project, WA



Source: Australian Potash Limited

*Maiden reserve of
3.6Mt of SOP grading
7,415mg/L SOP,
provides 95% of the
LOM*

APC's maiden SOP resource for its Lake Wells Project was delivered in late June 2016, with an updated resource used for the Scoping Study (March 2017) and the resource further upgraded for the DFS (August 2019).

The total resource estimate using specific yield provides **18.1Mt of SOP grading 7,455mg/L SOP**, with the resource in the highest confidence resource category of Measured. The high confidence drainable resource has been converted to a **maiden reserve of 3.6Mt of SOP grading 7,415mg/L SOP**, providing 95% of the LOM output and the balance coming from further Measured resources.

Highlights from the DFS (Aug'19) on the development of the LSOP includes:

The DFS was prepared by Lycopodium, with input from APC and its team of industry consultants: Novopro, AQ2, Knight Piesold, Argus and MBS Environmental

- Long-life (+30 years)
- Production of 150ktpa SOP
- Capital costs of A\$208M (includes a contingency of A\$20M)
- LOM operating costs of US\$262/t (~A\$391/t)
- LOM AISC (est) of ~US\$285/t (~A\$425/t)
- Margins of +US\$270/t at current spot SOP prices

Financial analysis conducted by Origin Capital Group.

To achieve the targeted 100ktpa SOP production from brine at Lake Wells, the operation must abstract 540L/sec from the palaeochannel through 70 production bores (with an additional 8 bores on standby). Brine is discharged into an on-playa buffer pond from which flow is controlled into the network of on-playa pre-concentration ponds to adjust for seasonal changes and evaporation.

Potassium (K) supersaturated brine is transferred from the final pre-concentration pond into the lined, off-playa, harvest ponds. Potassium and sulphate bearing salts, along with other salts (some waste, some potentially saleable) are crystallised in the harvest ponds and collected for processing.

In the LOM plan, 100ktpa of SOP will be produced from brine and 50ktpa will be produced from MOP conversion

The processing plant has been designed in such a manner to include a muriate of potash (MOP) to SOP conversion circuit, which increases overall SOP production. The MOP to SOP conversion is using the excess naturally occurring sulphate in the brines, and involves no sulphuric acid use (not the Mannheim Process). SOP produced from reserves (and some resource conversion) is increased by 50% through the addition and conversion of MOP to SOP. In the LOM plan, 100ktpa of SOP will be produced from brine and 50ktpa will be produced from MOP conversion.

150ktpa SOP operation, with more palatable capex and attractive operating costs

Fig. 2: LSOP DFS vs Scoping Study Comparison

Lake Wells	Units	Scoping Study			DFS
		Stage 1	Stage 2	LOM	LOM
Date		23-Mar-17			28-Aug-19
Total Resources	Mt SOP	14.7	14.7	14.7	18.1
M&Ind Resources	Mt SOP	12.7	12.7	12.7	18.1
Reserve	Mt SOP	0	0	0	3.6
Inventory	Mt SOP	0.75	4.5	5.3	4.5
Mine Life	yrs	1-5	6-20	20	30
Capital Costs (capex)	A\$M	175	163	338	208
Scale	ktpa SOP	150	300	263	150
Operating Costs (opex)	US\$/t SOP	283	261	264	262
Operating Costs (opex)	A\$/t SOP	368	339	343	391
Sustaining capex (est)	A\$Mpa	2.2	2.9	2.7	3.3
Sales price assumption	US\$/t SOP	612	612	612	614
Sales price assumption	A\$/t SOP	795	795	795	916
Annual cash flow (pre-tax)	A\$M	61	137	118	100
Payback (pre-tax)	yrs	2.9	1.7	4.6	4.0
Payback (post-tax)	yrs	na	na	na	4.8
NPV (pre-tax)	A\$M			NPV10 500	NPV8 665
NPV (post-tax)	A\$M			na	441
IRR (pre-tax)	A\$M			33%	25%
IRR (post-tax)	A\$M			na	21%
Capital Intensity	A\$/t SOP			1,126	1,387
Revenue to Cost Ratio				2.3	3.5

Source: Australian Potash Limited

VALUATION AND PRICE TARGET

POTENTIAL FOR FIRST SOP MID-LATE CY22

*Latest APC NAV and
Price Target*

*Updated 12-month
price target of 20cps
(down from 30cps)*

Our sum of parts valuation for APC is based largely on information supplied in the DFS. We assume SOP production of 150ktpa over a 30 year mine life with a similar capex and opex profile as per the latest study.

We assume existing infrastructure of roads and rail can be accessed and SOP prices of US\$620/t. We assume pre-production capex of ~A\$220M, which includes some additional working capital and funding through a 60% debt and 40% equity mix. Current trading levels impact price in-which new equity is raised. It is likely the LSOP will take a higher level of debt (higher gearing ratio) than we assume. We have now adjusted timing for first production to mid-late CY22. Our sustaining capex assumption over the LOM is A\$120M, higher than forecast by APC, just to build some additional conservatism into our model. Our modelling also dilutes for additional equity required in the near-term. We use a discount rate of 12%. Upon commencement of production our discount rate will be further lowered.

Our price target for APC is weighted for the different scenarios (as shown below).

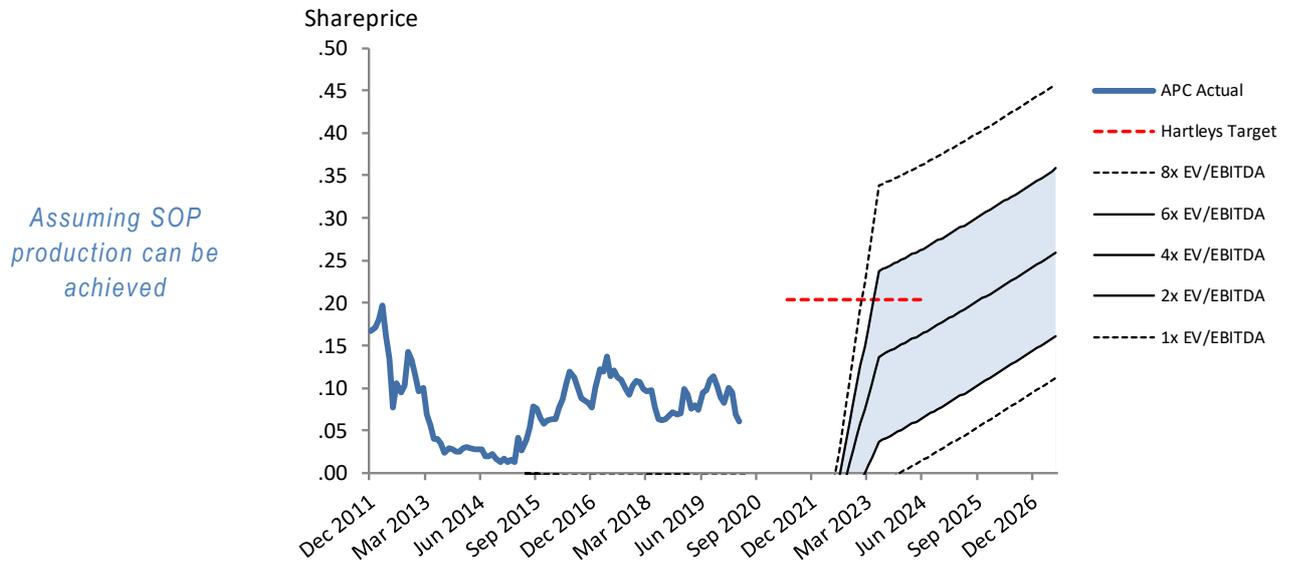
Fig. 3: APC Price Target Methodology

Price Target Methodology	Weighting	Spot	12 mth out
NPV base case (DR 12%), debt/equity funded 60/40	45%	\$0.19	\$0.21
NPV base case (DR 8%), debt/equity funded 60/40	25%	\$0.27	\$0.30
NPV spot prices (DR 12%) debt/equity funded 60/40	15%	\$0.21	\$0.24
Cash backing	15%	\$0.00	\$0.00
Risk weighted composite		\$0.19	
12 Months Price Target		\$0.20	
Shareprice - Last		\$0.061	
12 mth total return (% to 12mth target + dividend)		234%	

Source: Hartleys Estimates

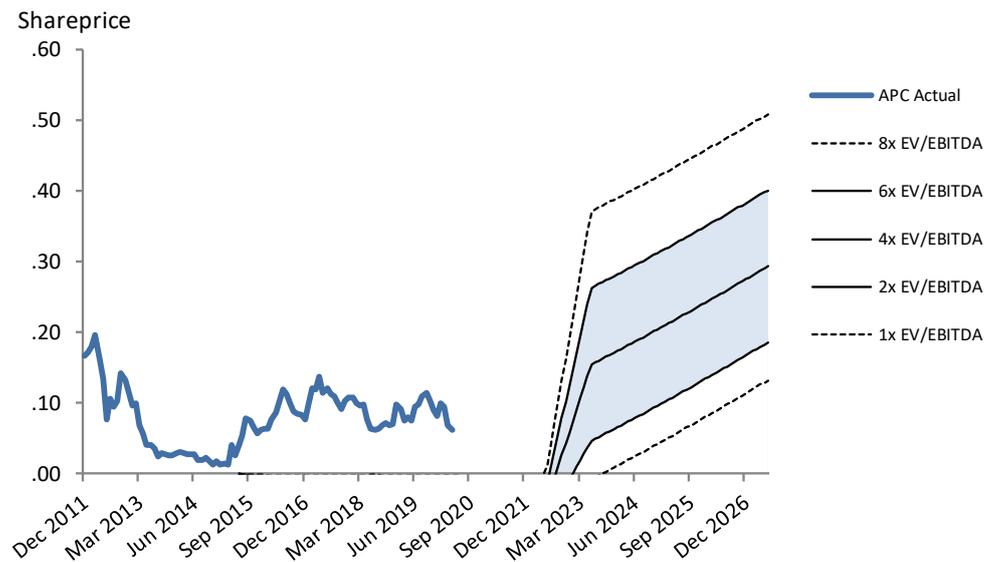
EV/EBITDA BANDS

Fig. 4: Using Hartleys Base Case Commodity Forecasts



Source: Hartleys Estimates

Fig. 5: Using Spot Commodity Prices



Source: Hartleys Estimates

RISKS

Key risks for APC are funding, and commodity prices. Hence we view APC as high risk.

Fig. 6: Key assumptions and risks for valuation

Assumption	Risk of not realising assumption	Risk to valuation if assumption is incorrect	Comment
Model parameters for our APC valuation and price target	Med	Meaningful	We have made a number of assumptions in our APC valuation, based largely on the DFS. APC has no production history. Any changes to our assumptions have both upside and downside risks.
Favourable commodity prices	Low	Meaningful	APC remains sensitive to changes in commodity (potash) prices, exchange rates and market sentiment. Though with no current operations, direct impact from commodity prices is limited. We assume potash prices will remain stable into the near-term, which is open to speculation.
Funded for ongoing exploration and studies	Med	Moderate	APC's cash position is estimated to be ~A\$1.6M. As an explorer with no current production assets, ongoing funding will be required. APC has a CPA in place which could deliver standby equity of up to A\$5m (subject to shareholder approval). We assume FEED activities will commence, offtakes can be secured and ultimately the project can be financed. The CPA
Little or no impact from Covid-19	Low-Med	Moderate-High	At this stage we anticipate little or no impact from the current Covid-19 pandemic. There is potential however, the project funding takes longer than anticipated and access to site might be restricted in the near-term.

Conclusion

We have made significant assumptions but believe these are achievable.

Source: Hartleys Research

HARTLEYS CORPORATE DIRECTORY

Research

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Hartleys Recommendation Categories

Buy	Share price appreciation anticipated.
Accumulate	Share price appreciation anticipated but the risk/reward is not as attractive as a "Buy". Alternatively, for the share price to rise it may be contingent on the outcome of an uncertain or distant event. Analyst will often indicate a price level at which it may become a "Buy".
Neutral	Take no action. Upside & downside risk/reward is evenly balanced.
Reduce / Take profits	It is anticipated to be unlikely that there will be gains over the investment time horizon but there is a possibility of some price weakness over that period.
Sell	Significant price depreciation anticipated.
No Rating	No recommendation.
Speculative Buy	Share price could be volatile. While it is anticipated that, on a risk/reward basis, an investment is attractive, there is at least one identifiable risk that has a meaningful possibility of occurring, which, if it did occur, could lead to significant share price reduction. Consequently, the investment is considered high risk.

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