

14 September 2020

**ASX ANNOUNCEMENT**  
ASX: APC

# AUSTRALIAN POTASH LIMITED

## Laverton Regional Schools STEM Innovation Day

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) is pleased to update shareholders on its Community Engagement and Economic Capacity strategy (CEEC), with the highly successful implementation of the inaugural STEM Innovation Day at Laverton.

### Highlights

- Students from five (5) regional and remote communities attended an interactive Science, Technology, Engineering and Maths (STEM) Innovation Day
- Strongly positive feedback and support from the local communities will feed into medium to longer term STEM augmentation programs to encourage participation and school attendance

**Managing Director and CEO, Matt Shackleton, commented:** *“Over the time we have been working at the Lake Wells Sulphate of Potash project we have placed great importance on the development of local relationships. Our commitment to community engagement and the development of economic capacity has a broad focus, from engaging the school cohort to defining local and indigenous employment and contracting opportunities to be offered through development and operations.*”



Students from the isolated communities of Mulga Queen, Cosmo Newberry and Mt Margaret attended the STEM ID



Students from pre-primary to Year 12 participated in understanding the changing future of work: drones and robotics



*“This inaugural STEM Innovation Day was a fantastic success with children from the surrounding remote and isolated communities of Mulga Queen, Cosmo Newberry and Mt Margaret joining students from Leonora and Laverton in an expo style, interactive program across drone, robotics, coding and VR technologies. We very much look forward to continuing our engagement with the local schools and stakeholders to develop and implement the medium-term STEM augmentation program.*

*“In the broader sense under our CEEC strategy we are working closely with local aboriginal corporations and stakeholders to advance employment and contracting opportunities through the pending development and operation of the Lake Wells Sulphate of Potash project.”*



*Laverton Shire, Laverton School, Australian Potash, Anglo-Gold Ashanti and St Barbara Mines: Industry supporting local communities*



*Laverton is located ~1,000 kilometres from Perth and services the remote Indigenous communities of Mt Margaret, Cosmo Newberry and Mulga Queen*

The 2020 inaugural STEM Innovation Day was supported by local and regional stakeholders, including the Laverton Shire, Laverton School, including the remote schools of Mt Margaret, Cosmo Newberry and Mulga Queen, and Leonora School. Local miners Anglo Gold Ashanti and St Barbara

Limited also supported the day, continuing their long established financial and in-kind support for regional community initiatives and local employment. The program was delivered by Firetech, a national education services provider head-quartered in Perth and specialised in digital technology and STEM education.

## **FEED Update and Timeline**

The FEED program is scheduled to deliver optimised CAPEX, OPEX and production models through Q4 CY2020. Five of the seven development packages of work are being tendered under an Engineering, Procurement and Construction (EPC) contracting strategy, which is designed to mitigate schedule, cost and performance risk.

## **NAIF**

The formal financing due diligence process has commenced, and APC is requesting indicative terms sheets by the end Q3/beginning Q4 CY2020. Independent technical and marketing experts have been appointed to review the FEED outputs and prepare reports for the several domestic and international commercial financial institutions considering the opportunity.

The Northern Australia Infrastructure Facility, or NAIF, will be conducting detailed due diligence concurrently.

We are continuing with our discussions in the offtake program, with a particular focus on the North and South American continental markets. While the Company has in excess of 75% of its forecast output under offtake agreements, material opportunities are being presented for consideration in these lucrative SOP markets.

This release was authorised by the Board of Directors 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 2019<sup>i</sup>, 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 NPV<sub>8</sub> 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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<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.