The Lake Wells Sulphate of Potash Project

AUSTRALIAN
POTASH

Important Statement & Disclaimers

Scoping study – cautionary statement

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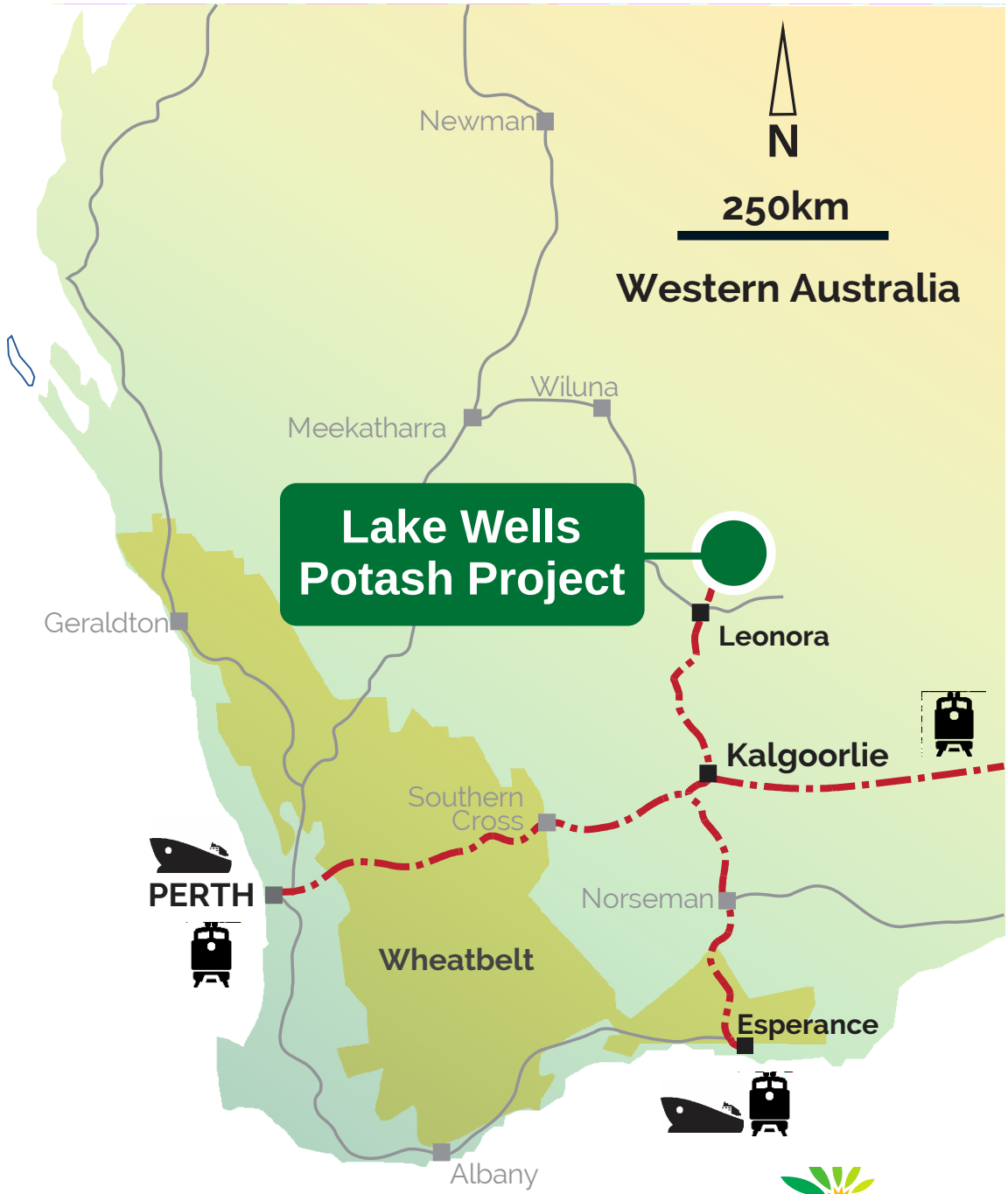
2. Food and Agriculture Organisation,, Global and regional food consumption patterns and trends

Why is APC here?

1. *People need to eat*
2. *Potash is essential and non-substitutable*
3. *Lake Wells has got millions of tonnes of potash*



How do we feed the world?

2030
8.5 billion

2050
9.77 billion

2019
7.7 billion

Increasing population

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When you have $10 you eat rice

Changing dietary preferences

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More people, more food, less arable land ...

Global Arable Land Per Person Decreasing

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Will we ever farm the Amazon?

Decreasing Arable Land

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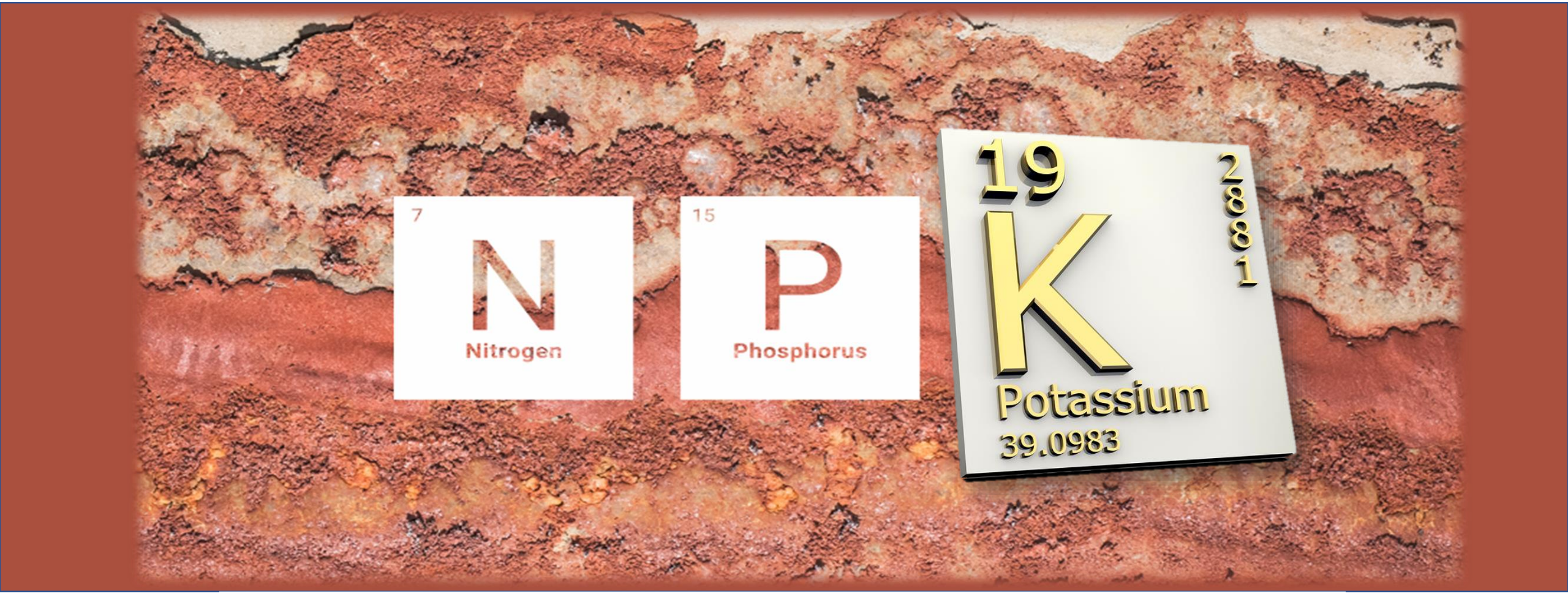
The Big 3 Macro-Nutrients



Needed by Every Plant on the Planet

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Potash provides Potassium

SOP is the Premium Form of Potash

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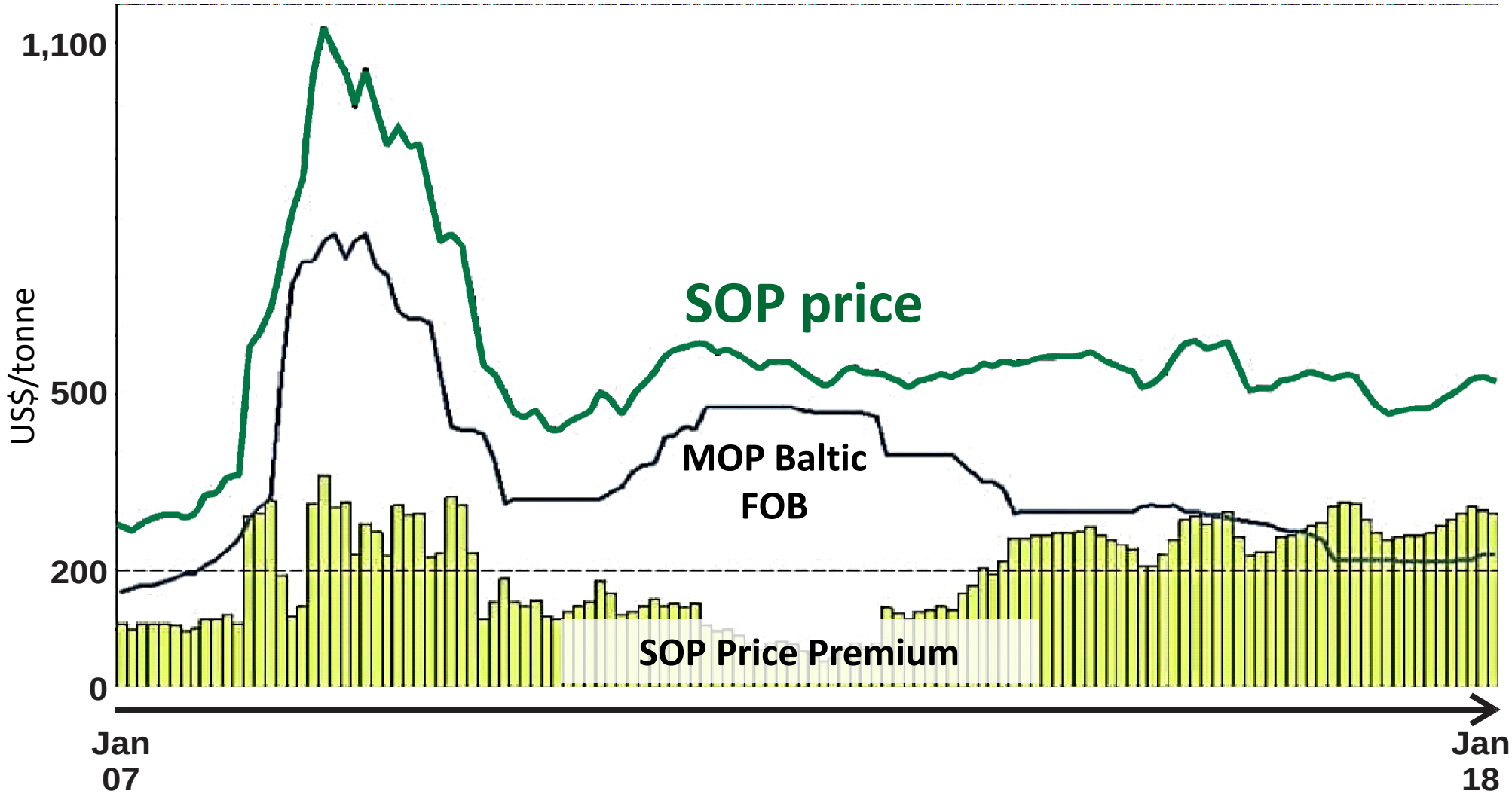
SOP is the Premium Potash



Historical NW Europe SOP prices midpoint
Source ICIS, Integer's SOP Outlook Report, The Potash Market Service

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SOP is the Premium Potash

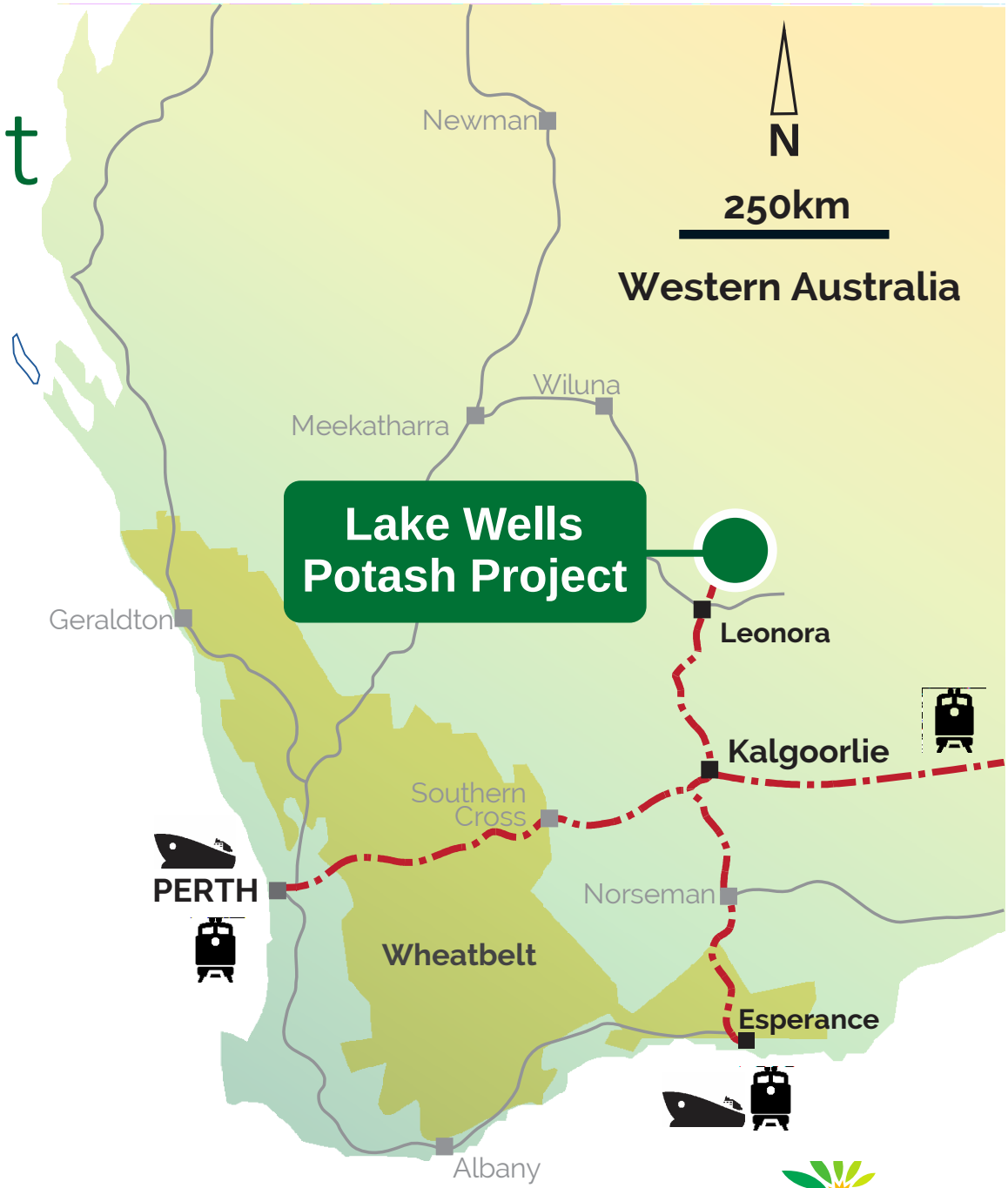

SOP is the
Premium
Potash


SOP is the Premium Potash
C$41.4 BILLION

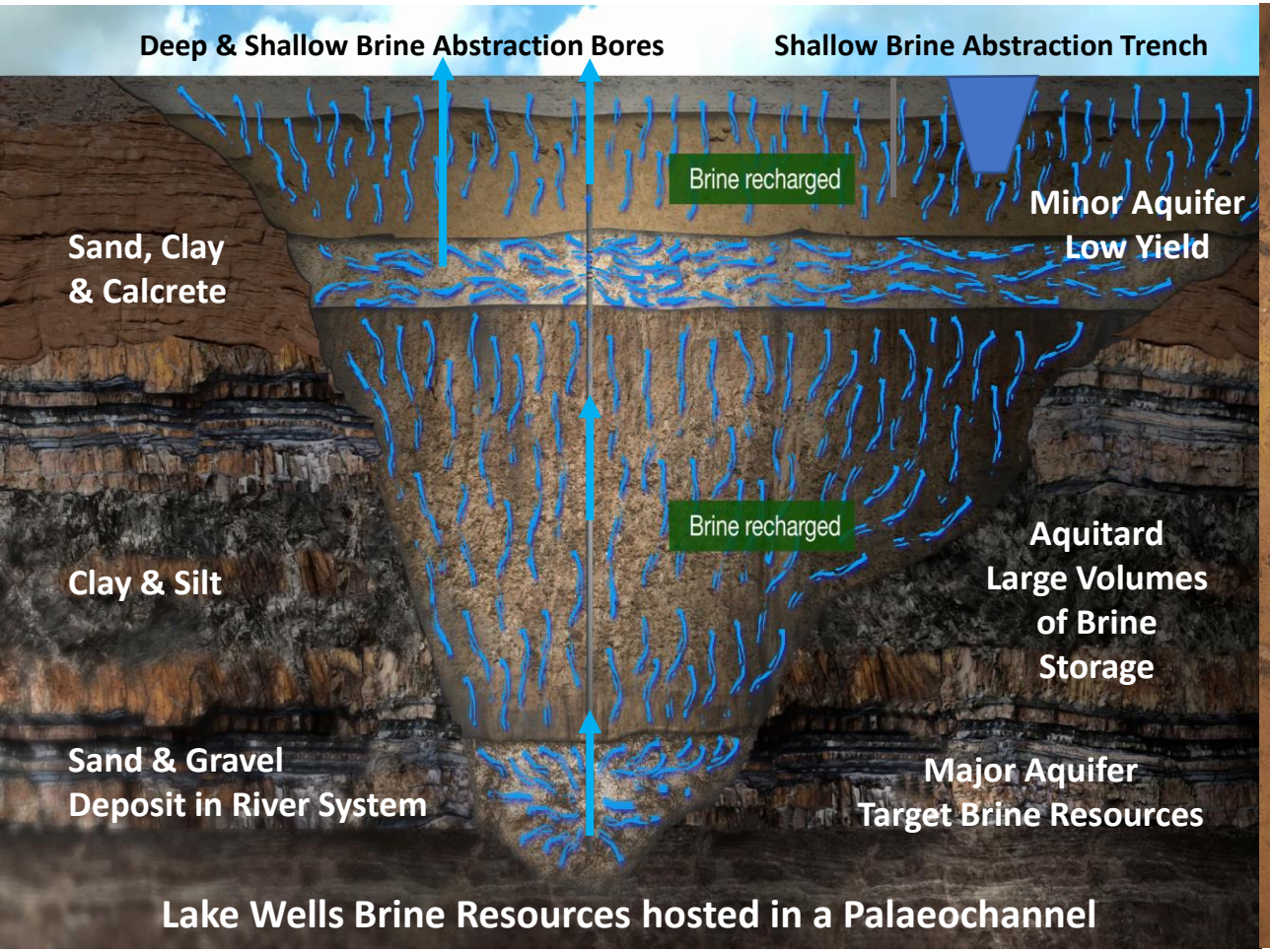
SOP is the Premium Potash

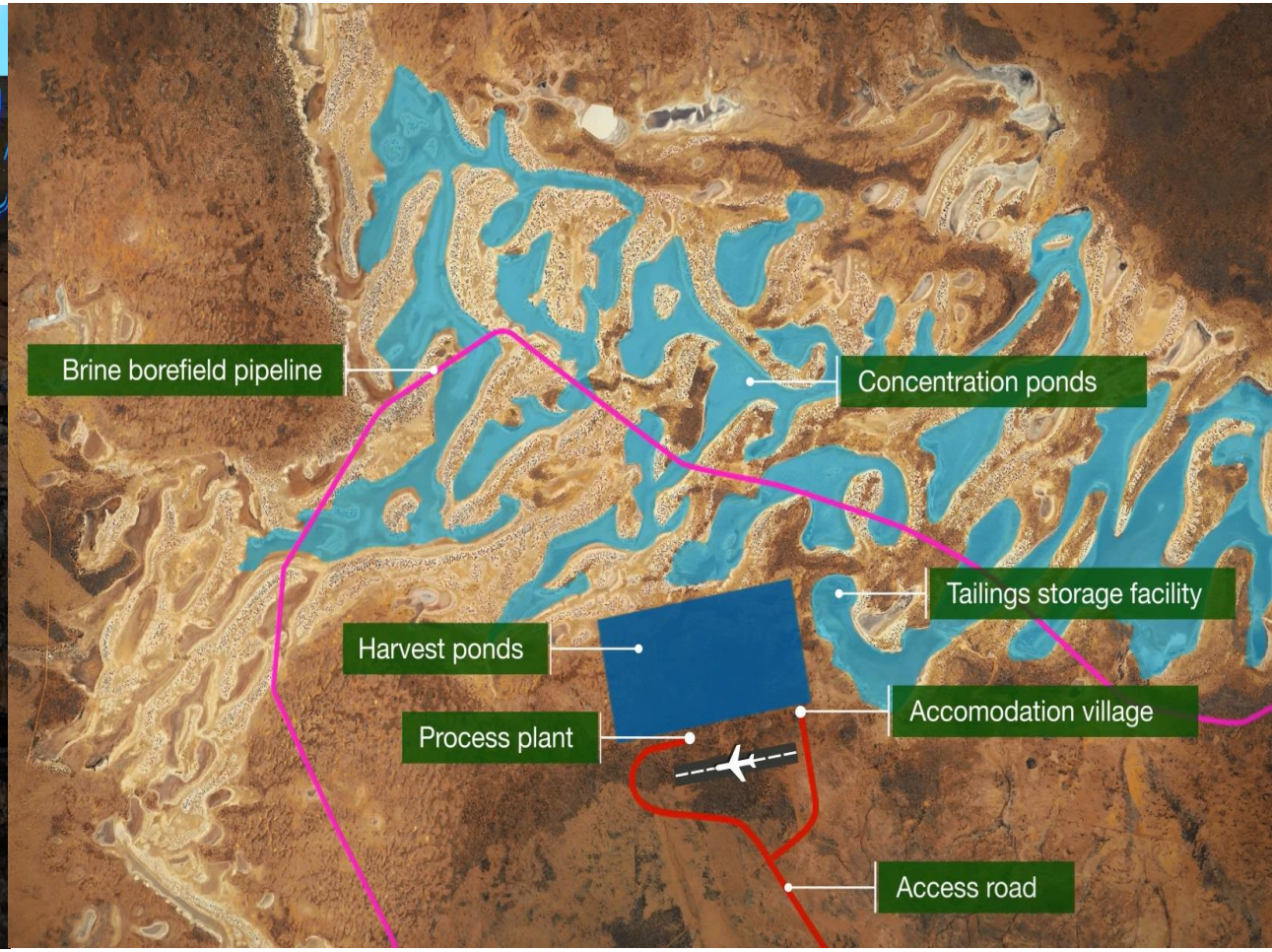
Lake Wells Potash Project

1. *Its about the RESOURCE*
2. *Its about the LOGISTICS*
3. *Its about the MARKET*



Lake Wells is a low cost solar salt project





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Pumping vs Trenching

Efficient Economical Proven

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WA is a BIG Place

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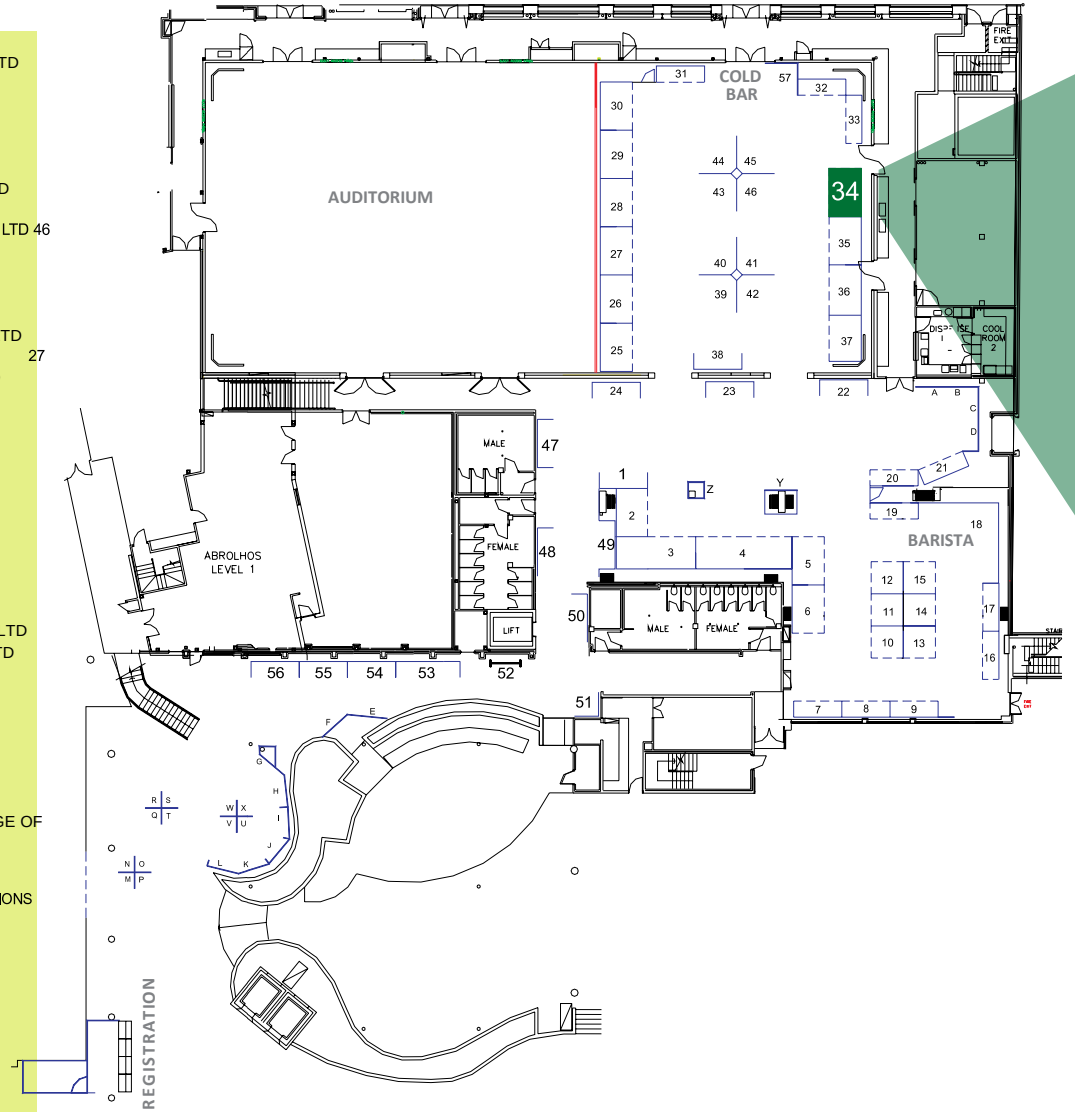
Lake Wells SOP

Busy RIU Explorers

AGR
ALLIANCE RESOURCES LTD
ANTIPA MINERALS LTD
ANZ
AUSTRALIAN MINES LTD
AUSTRALIAN POTASH LTD
AZURE MINERALS LTD
BARRA RESOURCES LTD
BATTERY MINERALS LTD
BELLANHOUSE LAWYERS
BELLEVUE GOLD LTD
BLACK CAT SYNDICATE PTY LTD
BLACKSTONE MINERALS LTD
BREAKER RESOURCES NL
BUREAU VERITAS
CALIDUS RESOURCES LTD
CARAWINE RESOURCES LTD
CASSINI RESOURCES LTD
COMO ENGINEERS
CORAZON MINING LTD
DEPARTMENT OF MINES, INDUSTRY REGULATION AND SAFETY
DOWNHOLE SURVEYS
EMMERSON RESOURCES LTD
ENCOUNTER RESOURCES LTD
ENGENIUM
EXPEDIO - ALWAYS ACCURATE DATA
GALAN LITHIUM LTD
GALLAGHER
GENESIS MINERALS LTD
GOLD ROAD RESOURCES LTD
HAGSTROM DRILLING
HOT CHILI LTD
IMAGE RESOURCES NL
INDEPENDENCE GROUP NL
KIN MINING NL
MAGMATIC RESOURCES LTD
MATSA RESOURCES LTD
MIDDLE ISLAND RESOURCES LTD 46
MINCOR RESOURCES NL
MUSGRAVE MINERALS LTD
NORTHERN MINERALS LTD
NTM GOLD LTD
NUSANTARA RESOURCES LTD
OLYMPUS 27
PACIFIC AMERICAN COAL LTD
PATERSONS SECURITIES LTD
PEEL MINING LTD
PORTABLE XRF SERVICES
PRODIGY GOLD NL
RIVERSGOLD LTD
ROX RESOURCES LTD
SATURN METALS LTD
SOUTHERN GOLD LTD
SRK CONSULTING
STAVELY MINERALS LTD
VENTURE MINERALS LTD
WEST CORE DRILLING PTY LTD
WESTGOLD RESOURCES LTD

POSTER BOARDS
ACCELERATE RESOURCES
ALCHEMY RESOURCES
ALTECH CHEMICALS
APOLLO CONSOLIDATED
ARDIDEN
AUSGOLD
BLACKHAM RESOURCES
COMET RESOURCES
CORE LITHIUM
GIBB RIVER DIAMONDS
IMPACT MINERALS
INDIANA RESOURCES
INTLANG
KALIUM LAKES
LEGEND MINING
MAGNETIC RESOURCES
NATIONAL STOCK EXCHANGE OF AUSTRALIA
NEOMETALS
PANORAMIC RESOURCES
PORTABLE ANALYTICAL SOLUTIONS
RED 5
RED RIVER RESOURCES
SOLGOLD PLC
SWIFT
TROY RESOURCES
TYRANNA RESOURCES



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The Lake Wells Sulphate of Potash Project

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APPENDICES

GROWING YOUR WEALTH

The Lake Wells Sulphate of Potash Project

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Investment Highlights

Premium fertiliser product

- **Sulphate of Potash (SOP or K_2SO_4) is *the premium* potassium fertiliser**
- **Potash provides potassium, an essential, non-substitutable fertiliser essential for ALL plant growth**

Compelling macro-economics

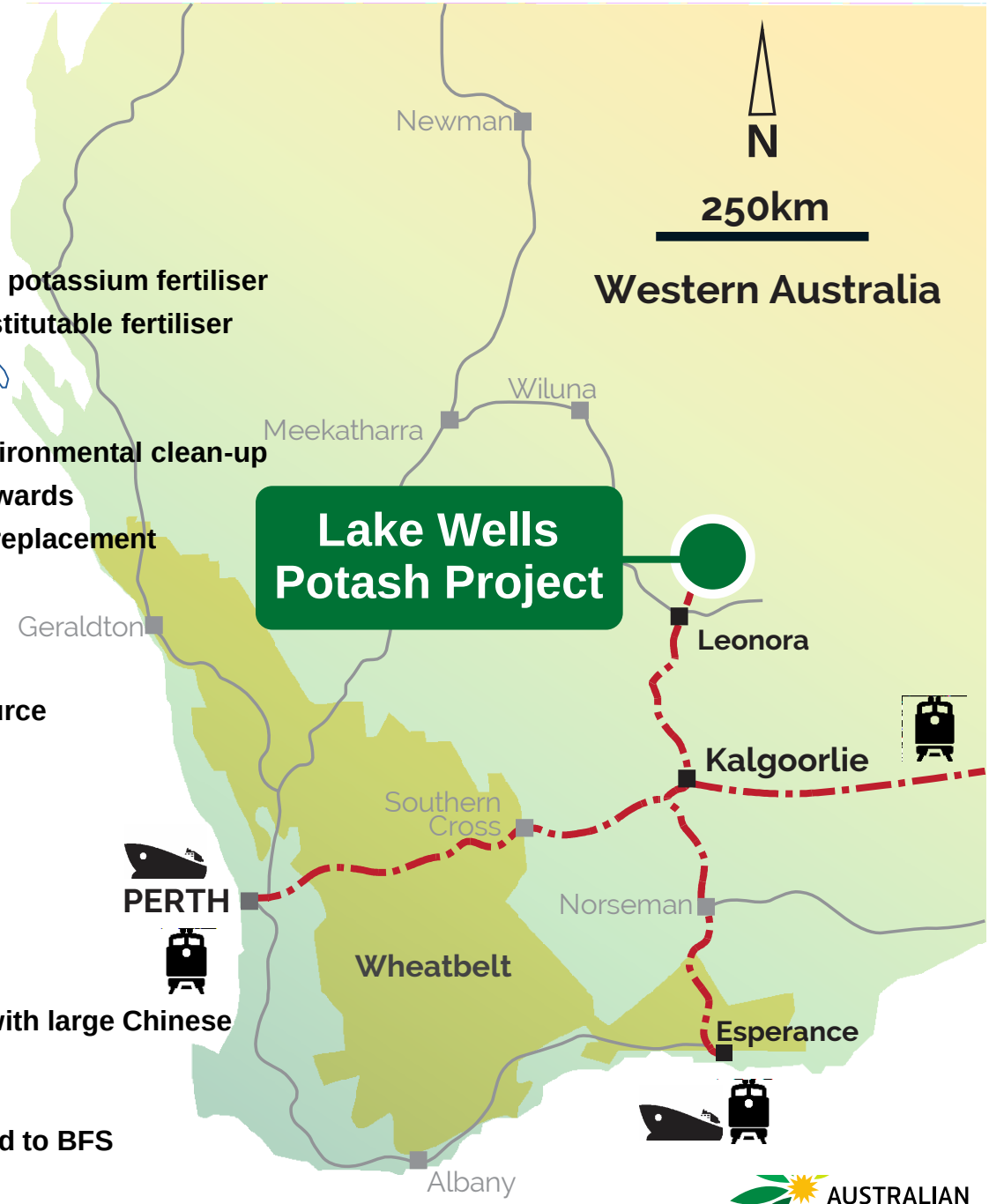
- **Structural changes occurring in China through environmental clean-up**
- **25% – 35% reduction in supply chain from 2018 onwards**
- **Australia has never produced ANY potash: Import replacement opportunity**

Very strong project technicals

- **Low risk, low cost scalable operation**
- **Strong SOP grade in brine: 14MT SOP JORC Resource**
- **Highly-capital efficient CAPEX development**
- **Granted Mining Leases**
- **Lowest quartile cost of production**
- **Compelling Logistical Solution**

Commercial milestones

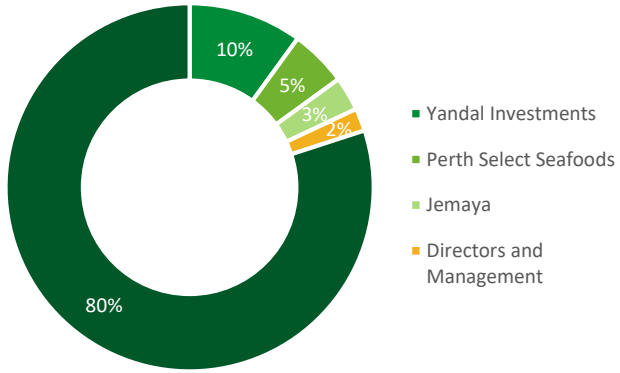
- **Australia's first producer of field-evaporated SOP**
- **Two Memorandums of Understanding for off-take with large Chinese agricultural companies: Sino-Agri and Hubei-Agri**
- **Australian fertiliser companies: off-take positions?**
- **$7.0m Gold Farm-out to St Barbara, 30% free carried to BFS**



AUSTRALIAN POTASH

Corporate Snapshot

Share Price Performance and Volume



Capital Structure		*Post Rights Issue (if FULLY subscribed)*
Share Price (14 February 2019)	A$0.085	
Shares on Issue (ASX: APC)	305m	370m
Listed Options (ASX: APCOA, 20c, 10/2019)	38m	67m
Unlisted Options (10c - 22.5c, 2021)	48m	48m
Market Capitalisation (undiluted)	A$25.9m	
Cash (30 December 2018)	A$1.2m	Additional cash of A$5.2
Enterprise Value	A$24.7m	
Top 40	55%	
One Month Liquidity	14.1m shares ($1.4m)	
One Year Liquidity	76.0m shares ($6.0m)	

- **Scoping Study** March 2017[1]
  - A$500m NPV_{10}
  - IRR 33%
  - A$175m Initial Capex
  - Circa 50% Operating Margin
- **Definitive Feasibility Study** targeting completion H1 2019

Board

Board	Management
Jim Walker Non-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.
Sophie Raven Company Secretary	Ms Raven is a lawyer and professional company secretary, with 20 years' experience in corporate law and company secretarial roles within the resources industry. Sophie has held positions as Company Secretary with various ASX-listed companies, including Sunbird Energy Limited, Wildhorse Energy Limited (now Salt Lake Potash Limited), Whitebark Energy Ltd, and Cradle Resources Limited.

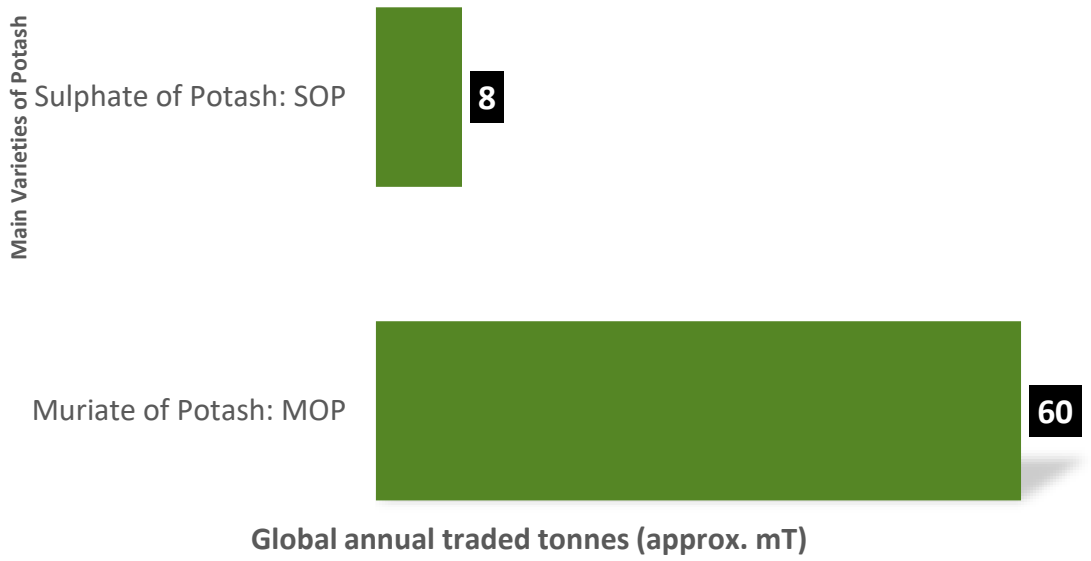
Management Team

Stewart McCallion	**Project Manager** (Blackham, Hancock, Lycopodium)
Chris Shaw	**Exploration Manager** (AngloGold, Avonlea, Iluka)
Jay Hussey	**Chief Commercial Officer** (Valleyfield, Migao)

NOVOPRO Project Development & Management	**Process Engineering**
AQ2 applied hydrotechnics	**Hydrogeology & Resource Estimation**
Lycopodium	**Design Engineering**
Knight Piésold CONSULTING	**Geotechnical & Pond Design**
MBS ENVIRONMENTAL	**Environmental & Approvals**

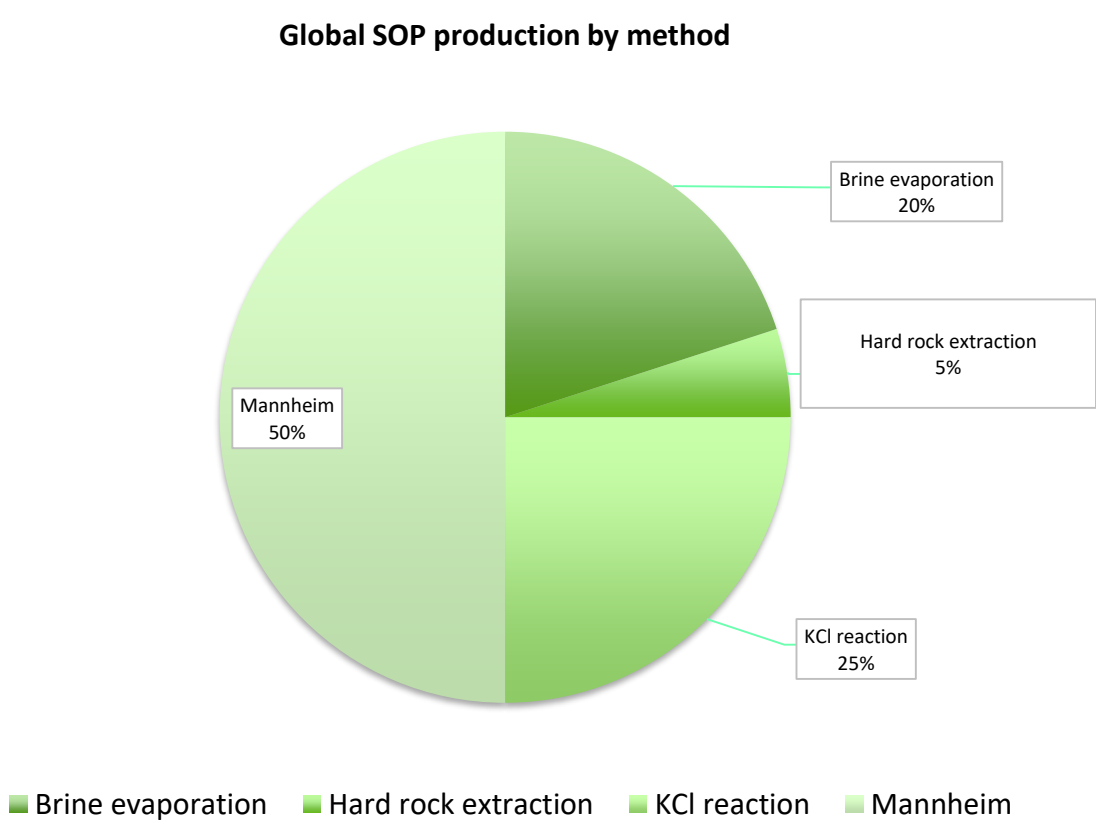
AUSTRALIAN POTASH

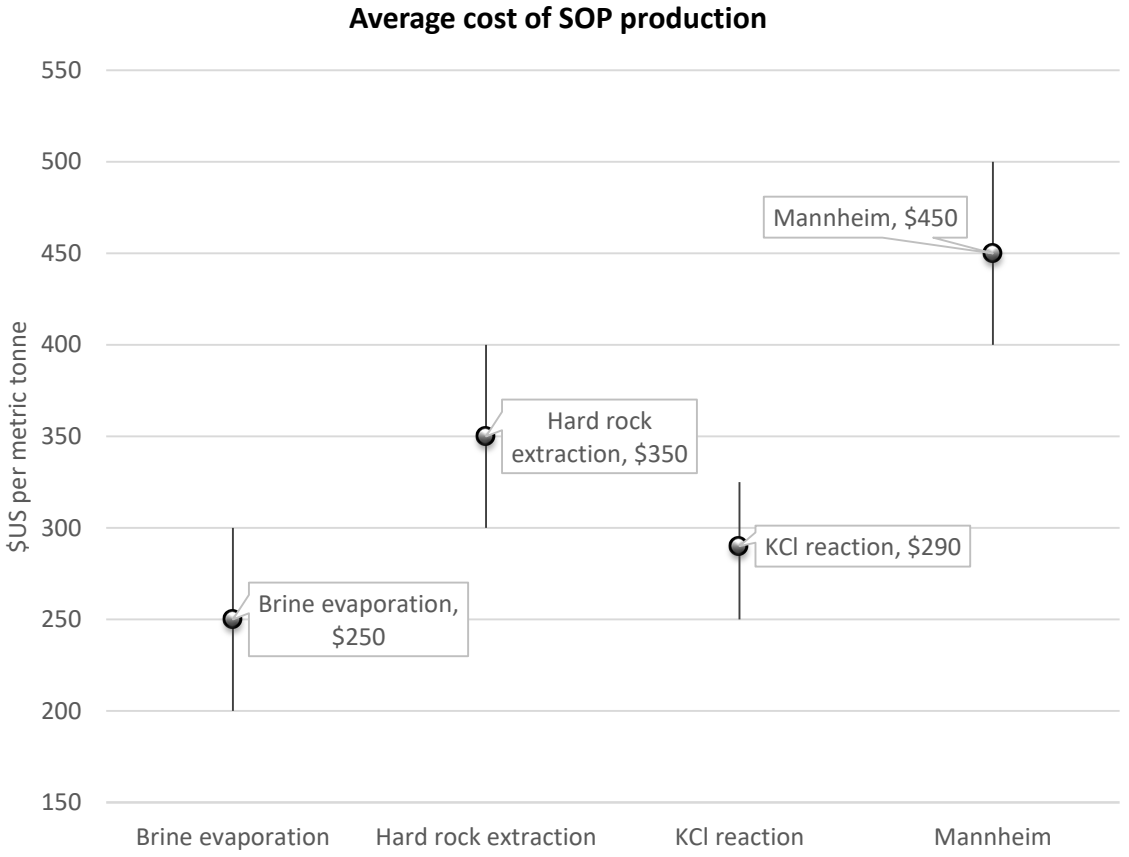
Global Trade in Potash



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

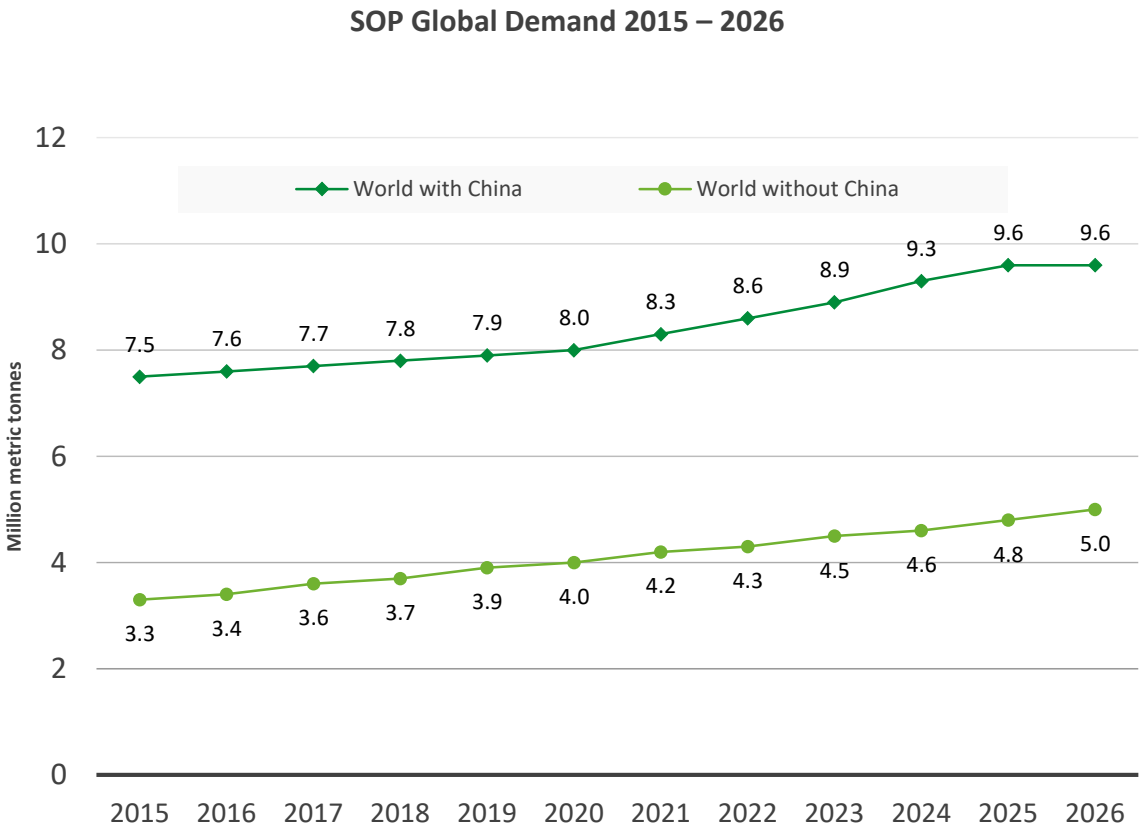
Production of SOP





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

China is the World's Largest SOP Market



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*

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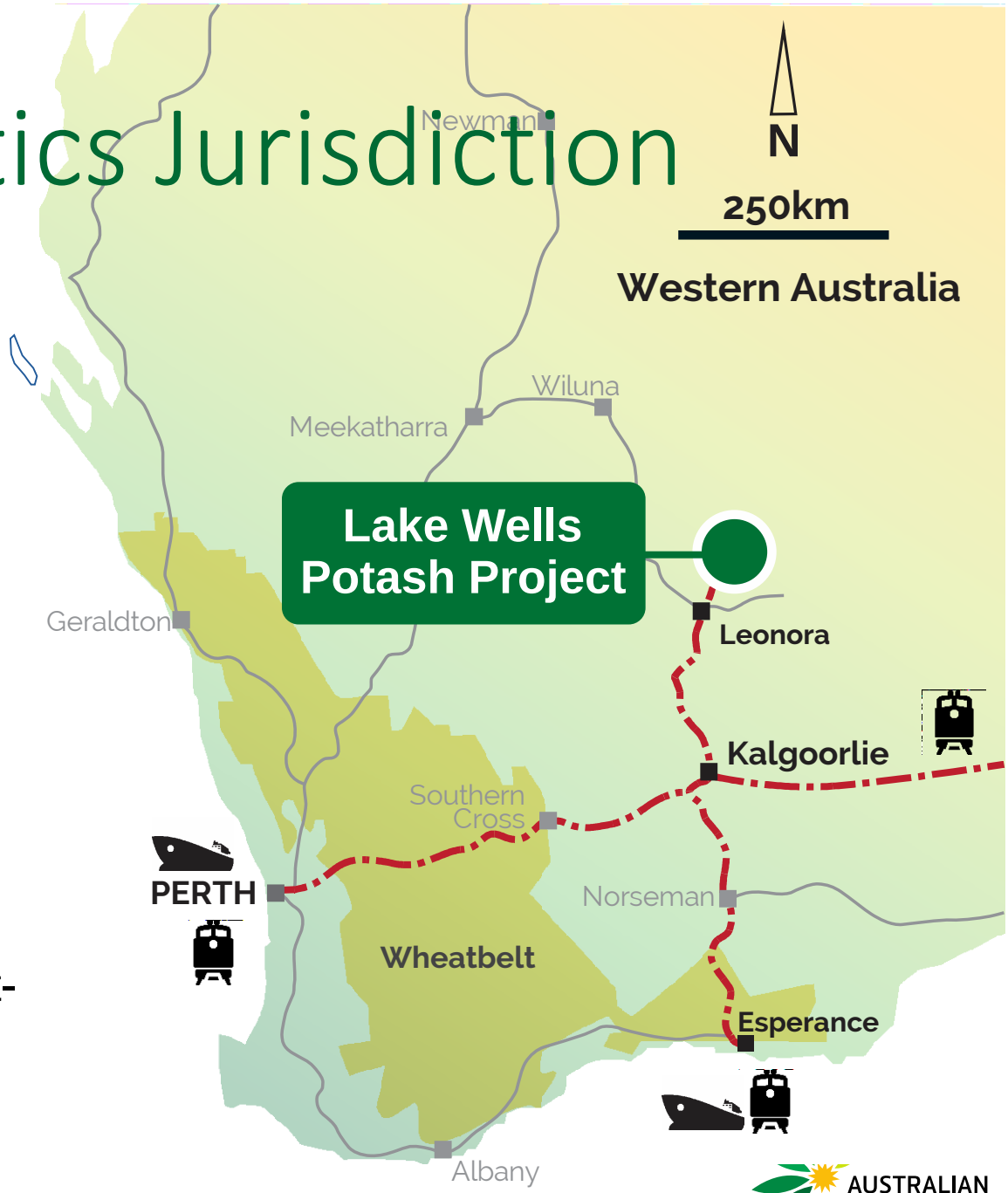
Superior Mining & Logistics Jurisdiction

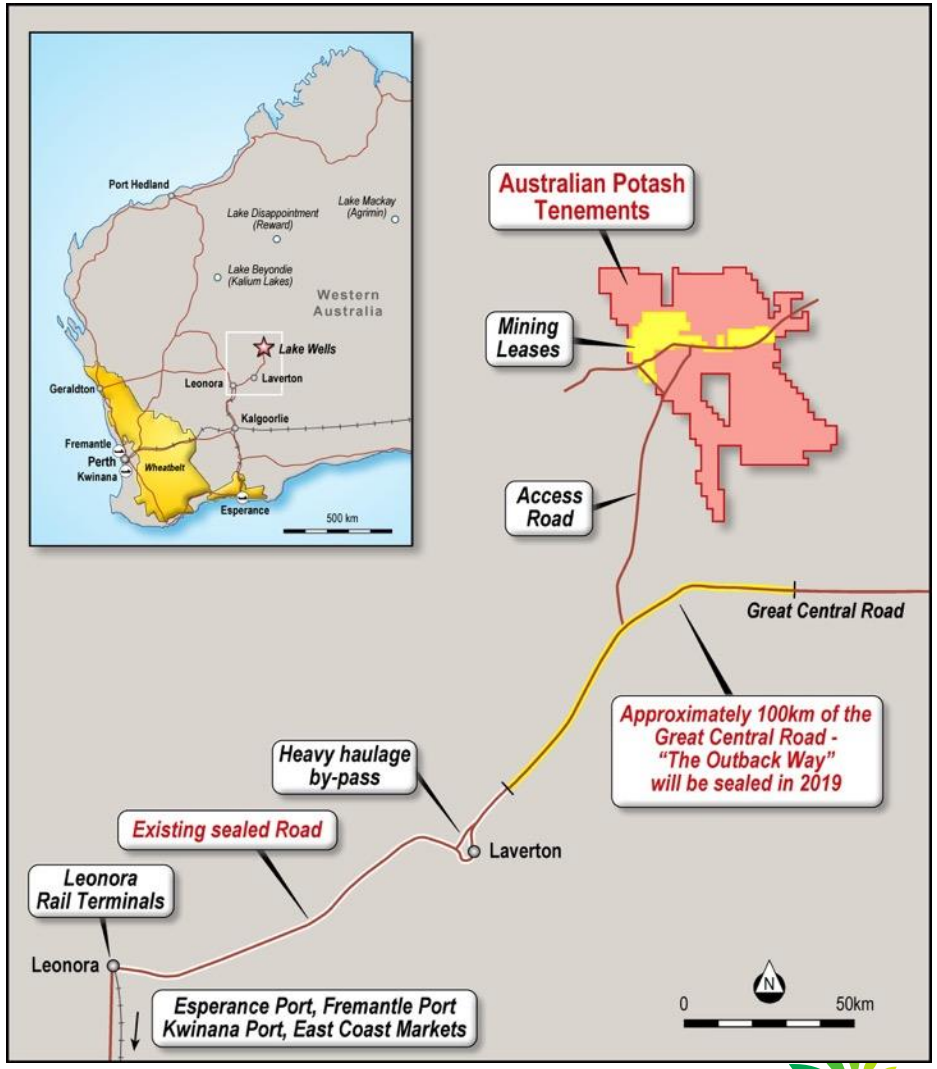
- Western Australia consistently ranks Top 5 most desirable mining investment jurisdictions in the World *fraserinstitute.org*
- North-Eastern Goldfields region serviced by rail, road, air
- Cheap logistics vital to bulk operations
- Lake Wells SOP Project located 280 kilometres from bulk rail terminals at Leonora
- Rail terminals connect to 3 WA ports and the east-coast of Australia



Milestones to Development

- ☑ *Secure 100% ownership of Project area*
- ☑ *Complete Scoping Study*
- ☑ *Finalise MOUs for up to 200,000 tpa off-take*
- ☑ *Develop on-site pilot evaporation ponds*
- ☑ *Secure grant of Mining Leases*
- ☑ *Demonstrate field evaporation of Lake Wells SOP, produce high grade trade samples*

H1 2019	Upgrade JORC Resource estimate to Reserve
H1 2019	Deliver Definitive Feasibility Study
H1 2019	Finalise Off-Take agreements: China & Australia
H2 2019	Finalise Project financing
H2 2019	FEED/Commence construction
H2 2020+	**Ship Australia's first commercial SOP product**



Late Stage Definitive Feasibility Study

July 2014	June 2016	March 2017	Q4 2018	H1 2019	H2 2019	H1 2020	H2 2020+
Discovery month	Maiden Resource	Scoping Study	First SOP produced	**Definitive Feasibility Study**	Detailed FEED	Pond & bore field develop	Plant running

APC has spent A$12.5m to get the Project to this stage

- **DFS modelling:**
  - Trade-off studies across several development scenarios
  - Development strategy to minimise debt payback period
  - Development timeline 0 – 18 months to harvest pond conditioning
  - Production timeline 0 – 6 months from install to SOP production
  - Early production leading into steep ramp-up

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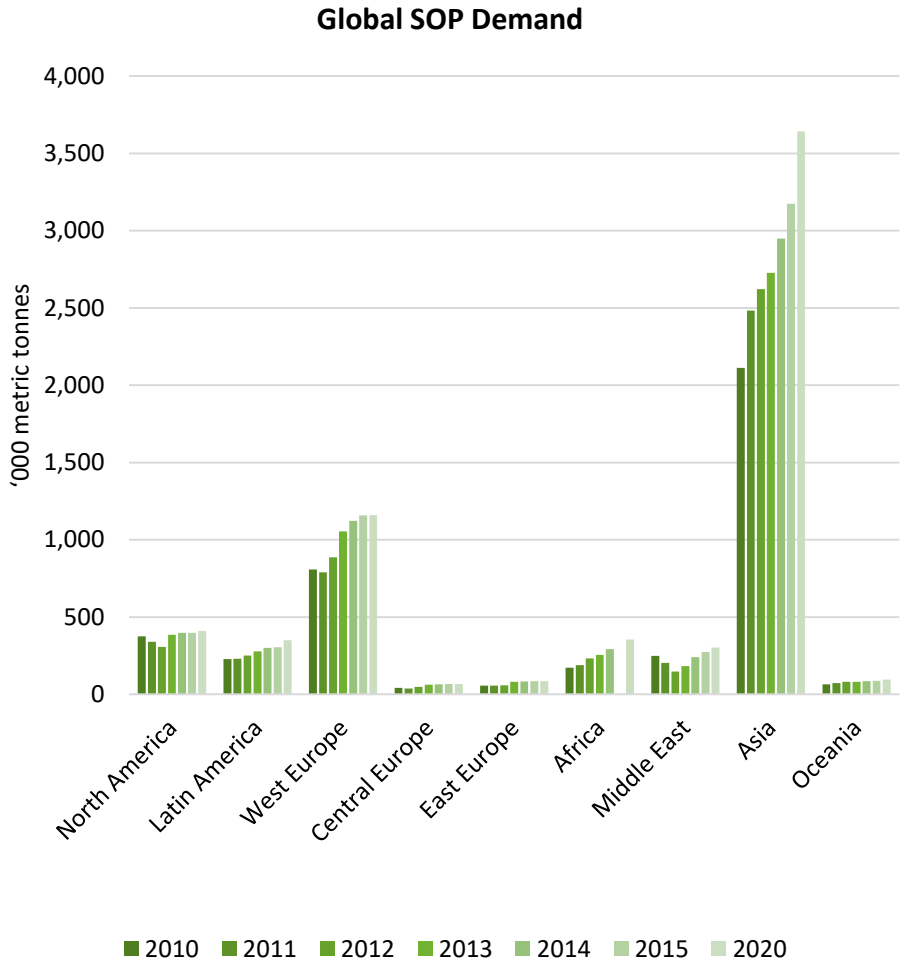
Focussed on Marketing Agreements



- MOUs with 2 of China's largest agricultural companies
  - *Sino-Agri*
  - *Hubei-Agri*
- Supply disruption through Chinese environmental clean-up initiatives: structural change
- Domestic Australian consumption of SOP small at 50ktpa, but …
- 100% imported product to Australia with incentive pricing opportunity

Approvals to Development

- **Environmental Scoping Document (ESD) has been approved by the EPA**
  - All other approvals on hold until the EPA finalise their review
- **Environmental Review Document (ERD) being finalised now**
  - Anticipated completion H1/H2 2019
    - **Mining Proposal**
      - **Mine Closure Plan**
        - **Water Abstraction Licenses**
          - **Works Approval**

JORC Compliant Mineral 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)

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Lake Wells 3 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)**

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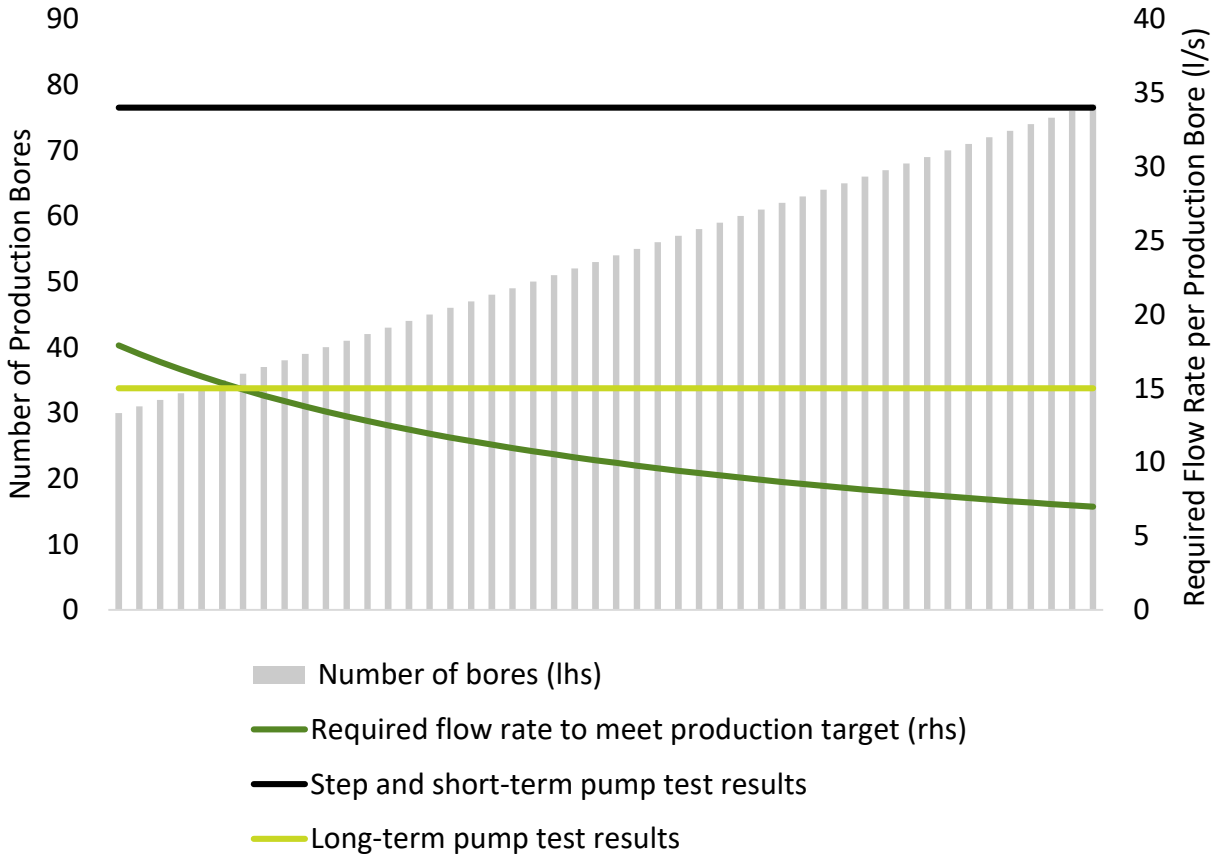
Ideal Abstraction Method to Meet Production Targets

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*

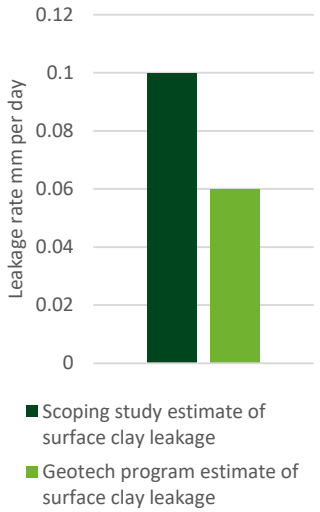
Abstraction of brine is the 'mining' part of an SOP operation



Proven Evaporation Progression

Evaporation of water is the ‘beneficiation’ part of an SOP operation

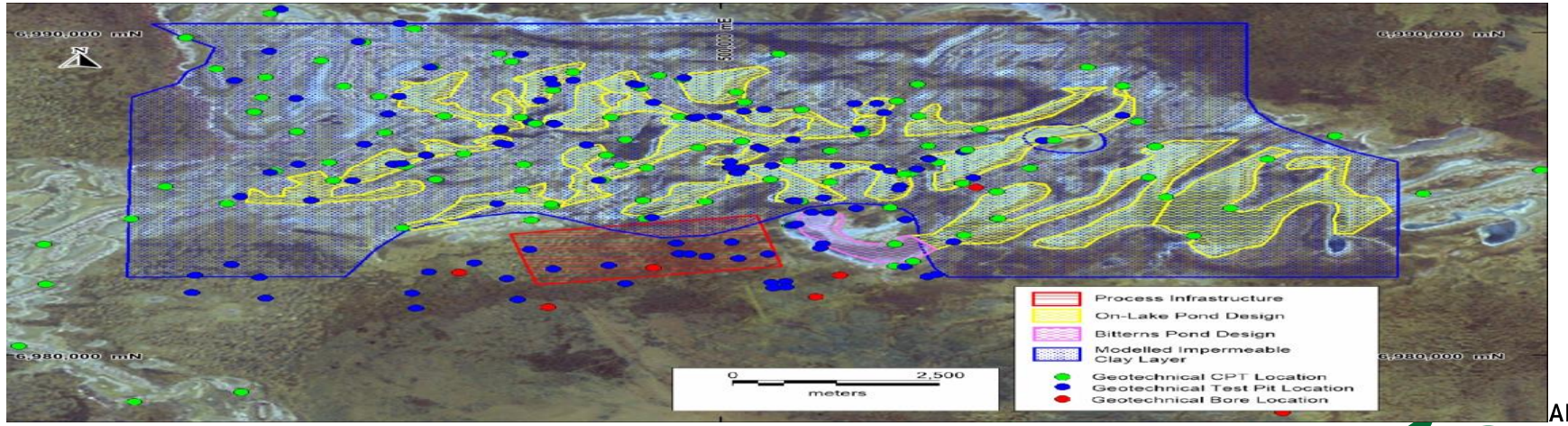
Pre-concentration ponds	Hypersaline brine is pumped into the pond network from the bore-field
	As water evaporates salts of different species begin to crystallise
Harvest ponds	Potassium, magnesium and some sodium salts are harvested and sent to processing plant
MgCl ponds	Minor volume of waste magnesium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



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

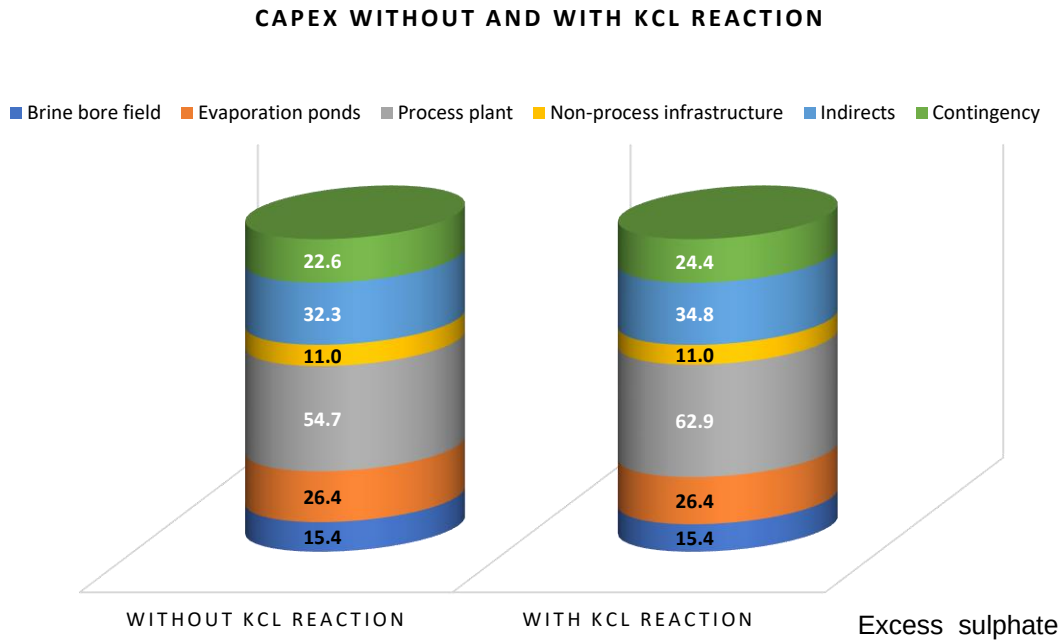
- **40 test pits**
- **106 cone penetrometer tests**
- **500 kilometres of LIDAR survey**

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



Processing

Lake Wells will **process** SOP from brine evaporation and KCl reaction

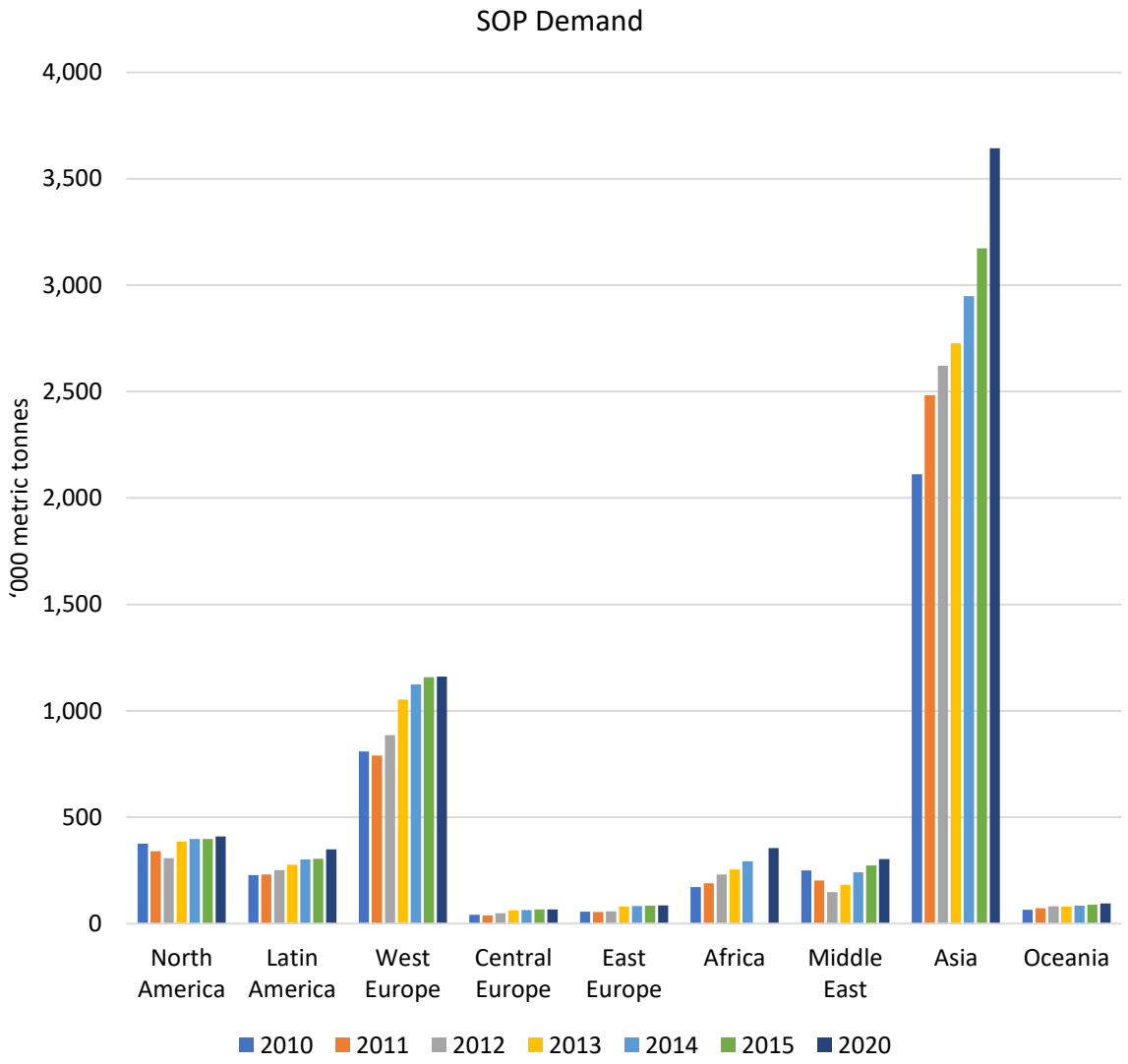


	Without KCl reaction	With KCl reaction	Increase
Tonnes of SOP produced	100,000	150,000	50%
Pre-production CAPEX	A$162.4m	A$174.9m	8%

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

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

China is the 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

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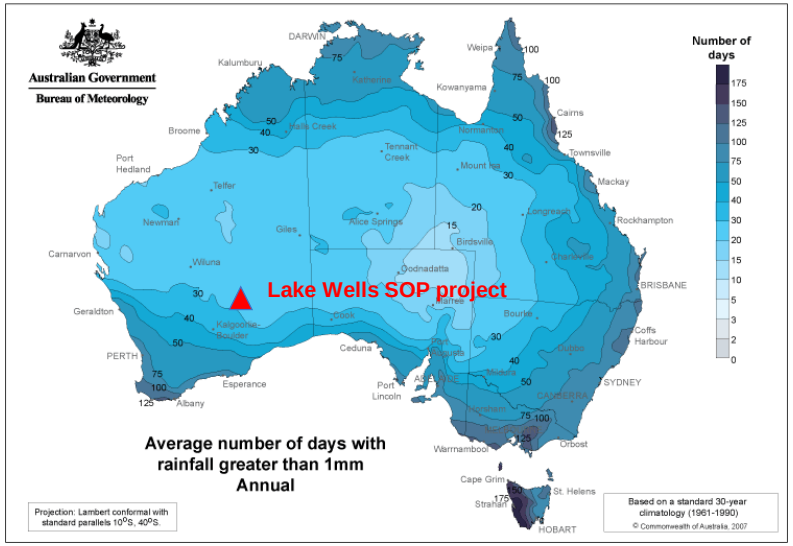
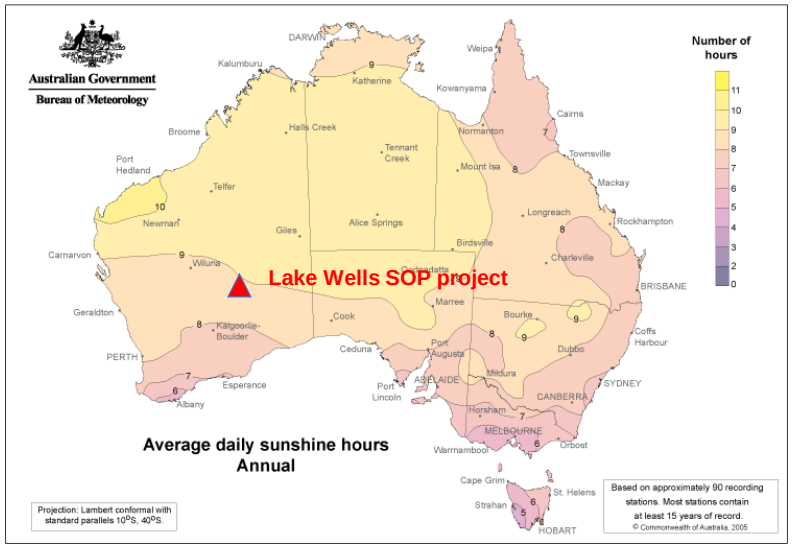
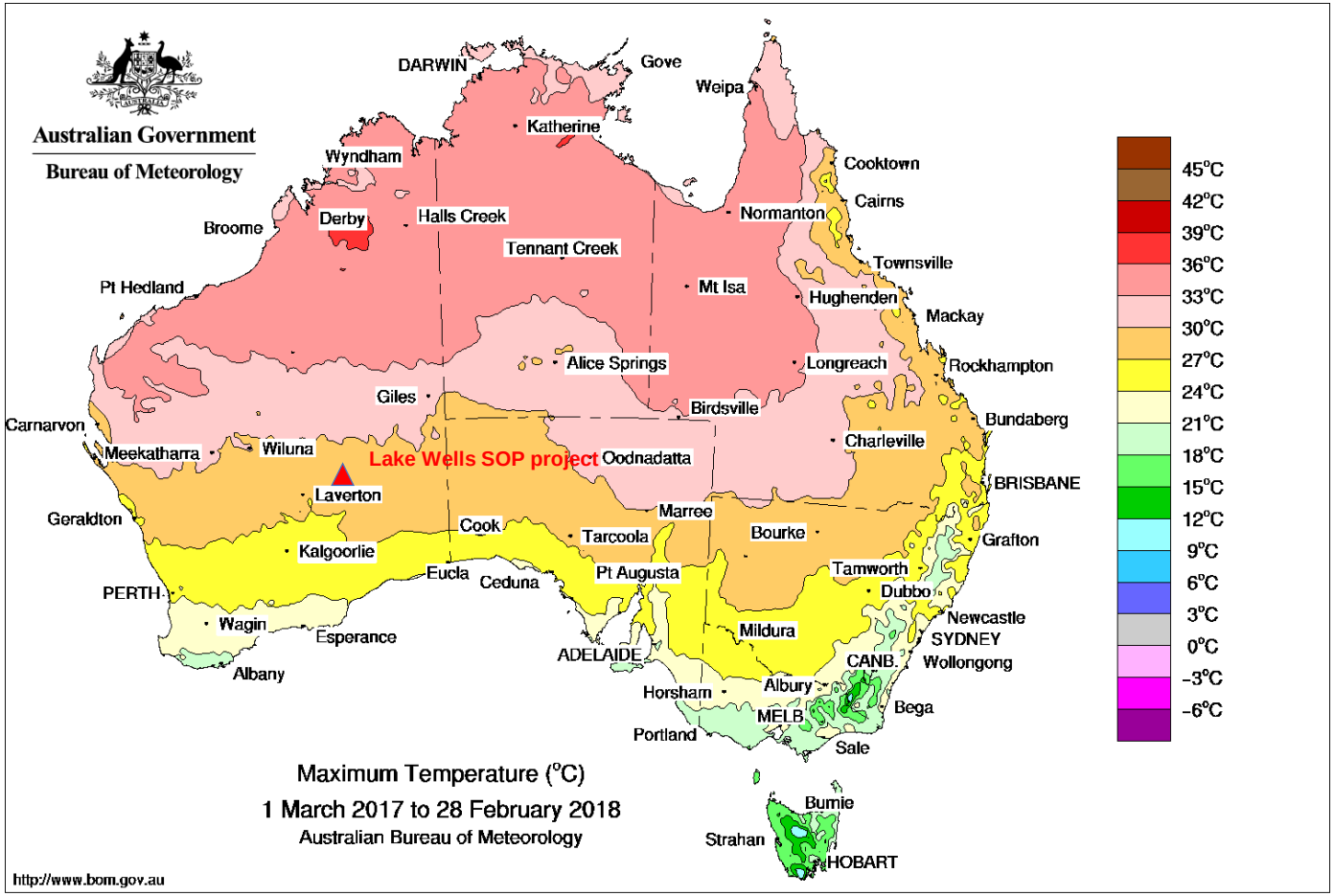
Ideal Climate Conditions

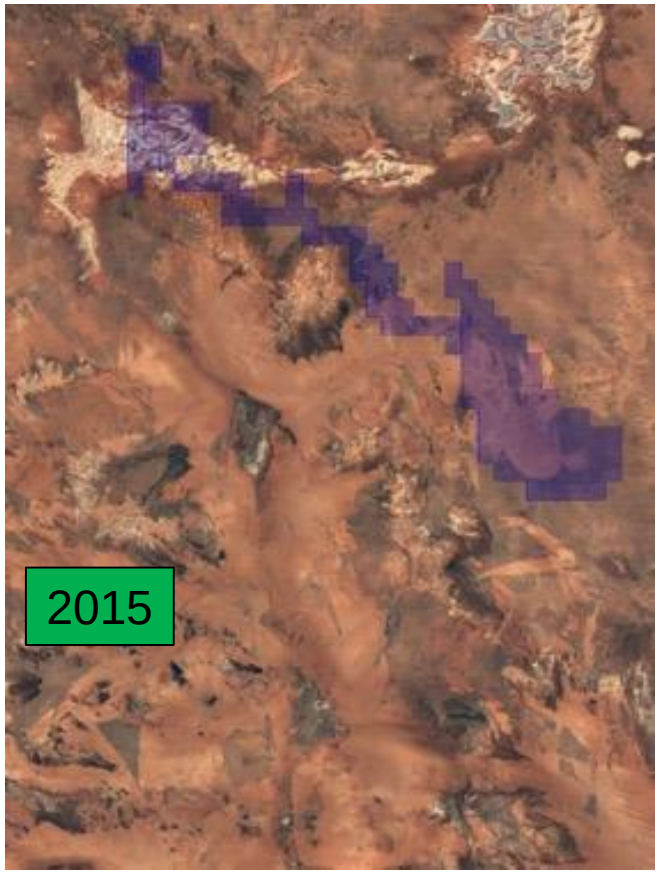
- High mean daily temperatures
- High average daily sunshine hours
- Low annual rainfall



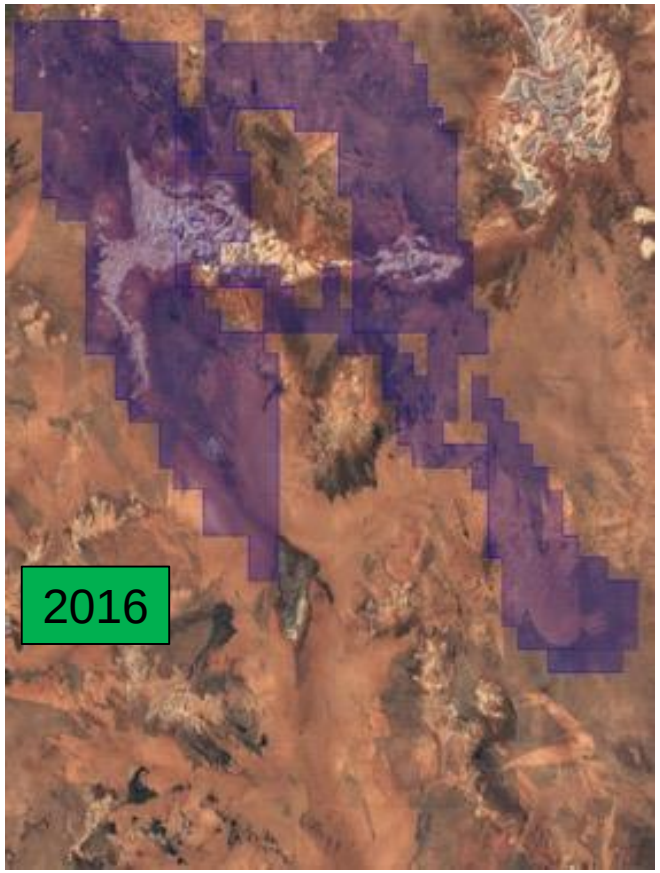




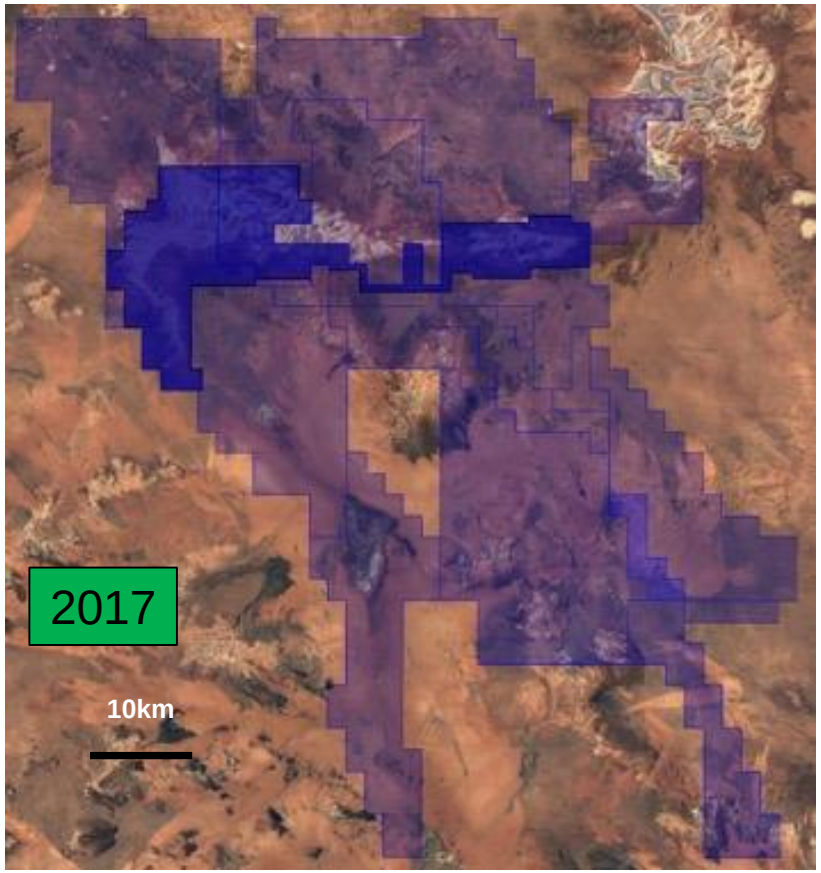
History of Progress



- High-grade Sulphate of Potash deposit identified through brine sampling
- Drilling confirms potential for deep, long and broad deposit
- Seismic survey completed highlighting scale of palaeochannel hosting the brine deposit
- Transaction to treble project area completed



- Maiden JORC Compliant SOP Resource
- Initial test-production bores developed
- First production flow rates released showing rates up to 34l/s
- Applications made for Mining Leases over Stage 1 Development area

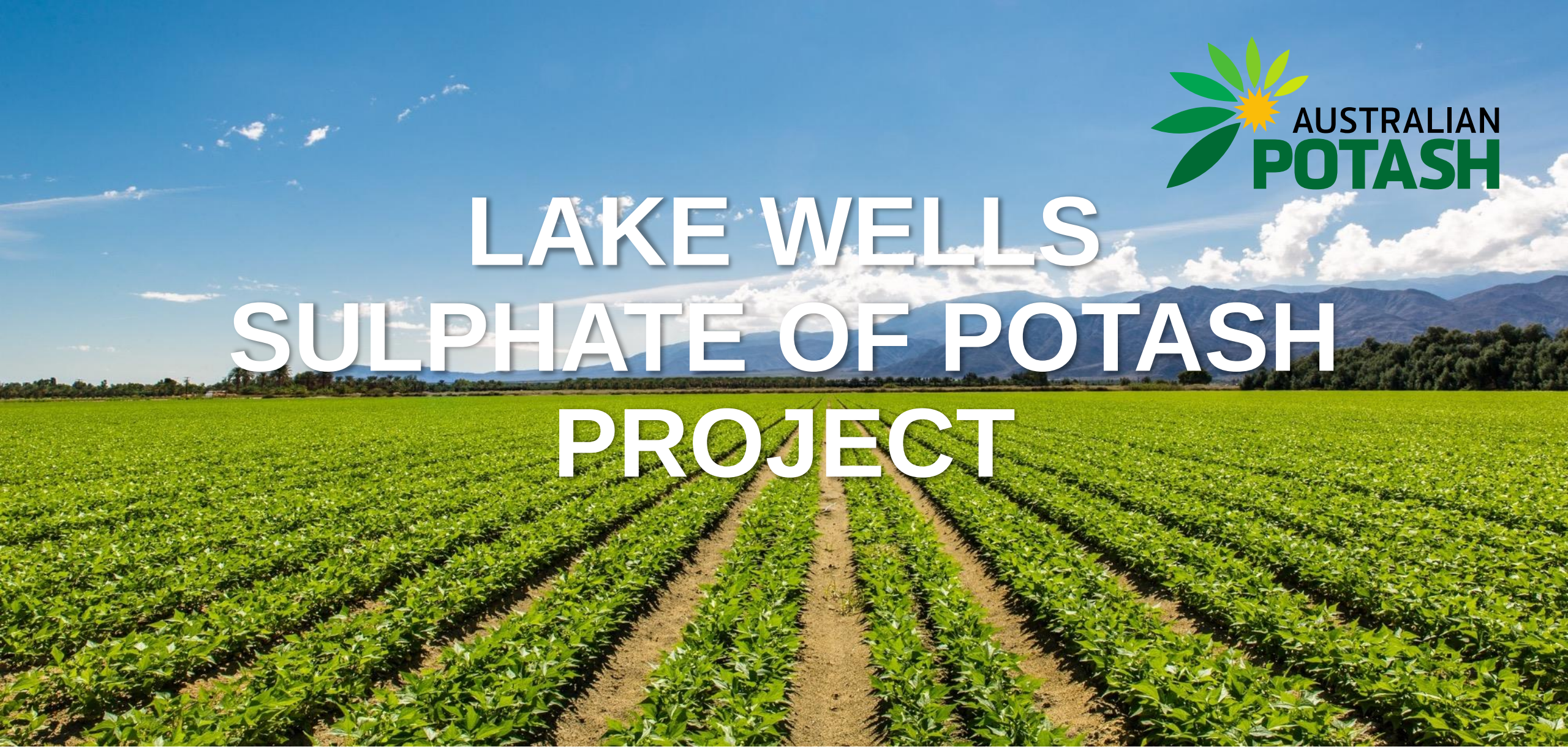


- Mining Leases recommended for grant with NIL Native Title claims
- Scoping Study into development generates very strong results
- Board restructured to facilitate development
- Off-take MOUs signed with Chinese partners
- Geotechnical programs confirm pond development model
- Aquifer recharge confirmed through long-term pump testing
- Definitive Feasibility Study commenced ……..

AUSTRALIAN POTASH

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



LAKE WELLS SULPHATE OF POTASH PROJECT

The Lake Wells Sulphate of Potash Project