Australian Potash Ltd: Successful Infill Drilling Program

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Perth, Australia - Australian Potash Ltd. (ASX:APC) (Australian Potash) is pleased to advise the completion of an infill drilling campaign across the Lake Wells SOP project resource area (Figure 4 in link below).

Highlights:

- 8 hole/1,086m Air-Core program completed at Lake Wells SOP Project

- Continuous basal sand layer intersected with indications of high permeability, further validating the proposed bore field brine abstraction method for the commercial project development

- Drilling outside of the current JORC resource envelope is likely to expand the Resource base

- Samples being assayed for grade, and aquifer parameter testing

- Program represents major milestone in the Resource/abstraction workstream for the DFS

Australian Potash Managing Director Matt Shackleton said: "We are in the geologically favourable position at our Lake Wells SOP project where we don't have to rely on trenching to abstract the potassium rich brine. A long, deep and broad palaeochannel affords us the low risk, all-weather bore field abstraction method utilised at hundreds of mining operations across the country to abstract brines (whether for mineral processing or dewatering).

"The key to brine abstraction, regardless of if bores are available or trenching has to be used, is a permeable aquifer from which to abstract. This is often a function of the presence and amount of sand in the aquifer. Sand is usually permeable and clay is not.

"This infill program continued to intersect aquifers and at times, brine-flow inhibited the speed with which the hole could be completed. And most pleasingly we saw thick layers of coarse sand through the aquifers, commencing 30 to 40 metres above the basement.

"The volume of brine at APC's Lake Wells SOP project is enormous. More than 2 billion tonnes exists in our Mineral Resource Estimatei, underpinning a proposed long-lived asset development" Mr Shackleton said.

Infill Drilling Program

To increase the confidence in the Lake Wells Sulphate of Potash Brine resource additional information needed to be collected and accounted for in the hydrogeological model. For hydrogeological consultants AQ2 to upgrade known resources into a measured category, and ultimately into reserves, additional information is required to increase the knowledge of, and confidence in, the current resource. Specific requirements include:

- Better definition of shape and volume of the palaeo-valley through analysis of a combination of passive seismic and drilling data;

- Better definition of aquifer dimensions, again using passive seismic and drilling data;

- Increased understanding of aquifer properties. Several lines of evidence feed into defining aquifer properties such as particle size distribution (PSD) gained from drill samples, down hole logging with BMR, and various pump tests;

- Brine grade/quality as determined from sampling and laboratory assay; and

- Abstraction rates and production potential.

Over a two-week period eight exploration bores were completed for a total of 1086m, all planned to answer questions on resource quality and quantity. All bores encountered the surficial aquifer, with six of the eight

holes also penetrating the basal aquifer. Of the two bores that failed to penetrate the basal aquifer, one was prevented from drilling to depth by drilling conditions, and the other terminated in basement granite without intersecting the basal aquifer.

Where the basal sand was intercepted, it was often coarse and permeable (Figure 3 in link below) with brine-flow volumes slowing progress of the drilling. Many important observations have been made regarding the nature of the basal aquifer including the coarse sand and the presence of lignite. Lignite samples have been submitted for age-dating which will add substantially to the interpretation of the Lake Wells palaeo-river system and subsequent infill. All bores had PVC monitoring pipe installed and these will perform an important role moving forward in the ongoing testing of the aquifers.

Resource Upgrade Potential

As demonstrated in Figure 4, there is potential for an increase in the Mineral Resource at the Lake Wells SOP Project with the additional data from this infill drilling program. Two areas are likely to add to the current Resource: the central area that was acquired from AngloGold Ashanti in 2017, and the southern area where no previous drilling has been conducted.

Any increase in the mineral Resource Estimate for the project could add longevity to the current plan, and/or increase the output from the staged development scenario that has been proposed.

Lake Wells Sulphate of Potash Project

The Lake Wells SOP Project is targeting the production of 150,000 tonnes per annum through an initial Stage-1 development, rising to 300,000 tonnes per annum on development of Stage- 2. Costs of production place the project in the lowest quartile on the global operating costs' curve.

Auspiciously located 280kms from bulk rail terminals at Leonora (Figure 5 in link below), APC has in place Memorandums of Understanding with two of China's largest agricultural companies for a combined 200,000 tonnes per annum of off-take. Australian Potash is committed to supplying SOP to Australian farmers and is actively engaged with large fertiliser distributors in Western Australia. It is anticipated that over time, the demand for SOP within the domestic Australian market will increase materially through the presence of a local supplier.

To view tables and figures, please visit:
http://abnnewswire.net/lnk/G3AFNLKN

About Australian Potash Ltd:

Australian Potash Ltd. (ASX:APC) is an ASX-listed Sulphate of Potash (SOP) developer. The Company holds a 100% interest in the Lake Wells Potash Project located approximately 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.

The Lake Wells Potash Project is a palaeochannel brine hosted sulphate of potash project. Palaeochannel bore fields supply large volumes of brine to many existing mining operations throughout Western Australia, and this technique is a well understood and proven method for extracting brine. APC will use this technically low-risk and commonly used brine extraction model to further develop a bore-field into the palaeochannel hosting the Lake Wells SOP resource.

A Scoping Study on the Lake Wells Potash Project was completed and released on 23 March 2017. The Scoping Study exceeded expectations and confirmed that the Project's economic and technical aspects are all exceptionally strong, and highlights APC's potential to become a significant long-life, low capital and high margin sulphate of potash (SOP) producer.

Source:

Australian Potash Ltd.

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