

Australian Potash Ltd: Announces Definitive Feasibility Study Outstanding Outcomes Over 30 Year Mine Life

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Perth, Australia - [Australian Potash Ltd.](#) (ASX:APC) (APC or the Company) is pleased to provide shareholders with a summary of the findings of the Definitive Feasibility Study (DFS) on the development of its 100% owned Lake Wells Sulphate of Potash Project (LSOP).

Highlights

- Compelling economics:

- o Pre-tax NPV8 of A\$665M
- o Annual pre-tax free cash flows of A\$100M and Life of Mine (LOM) pre-tax free cash flows of A\$3.1Billion
- o Pre-tax Internal Rate of Return (IRR) of 25% on robust operational and capital efficiencies
- o 150,000 tonnes per annum (tpa) Sulphate of Potash (SOP) production rate

- Long life Project with lowest quartile production costs:

- o 30 year mine life with LOM production of 4.5Mt of premium high-grade SOP
- o LOM cash cost of US\$262/t places the Lake Wells Sulphate of Potash Project (LSOP) in the first quartile of the SOP cost curve

- Sector leading CAPEX:

- o Development CAPEX of A\$208M
- o Capital intensity of A\$1,387/t SOP compared to peer average A\$2,400/t

- Resources and Reserves:

- o LOM production is met using maiden 3.6Mt Probable Reserve and draws on the Measured Resource Estimate of 18.1Mt drainable SOP

- Clear pathway to production:

- o Defined Project delivery schedule of 24 months post Final Investment Decision (FID)
- o Financing and off-take discussions rapidly advancing
- o FEED program commencing immediately

Managing Director and CEO, Matt Shackleton, commented: "The APC team are understandably proud to deliver the findings of the DFS on developing the LSOP as one of the state's premier mining/agricultural operations.

"Our premium high-grade Sulphate of Potash Project will be a hallmark operation in commencing a new export industry for the Eastern Goldfields region of Western Australia. We also plan to reserve a significant portion of output for the Australian market.

"The Project will use a bore-field to abstract brine, mitigating the geotechnical challenges and decline in grade and production over time, evident in trenching systems.

"The Project has an extremely competitive capital intensity, forecast first quartile operating costs and

exceptional returns.

"The completion of the DFS enhances APC's ability to finalise binding off-take agreements, optimise and secure the finance debt package, finalise the approvals process and commence FEED activities.

"We look forward to continuing to update shareholders as the Board considers the next important steps in the development of the Project."

To view tables and figures, please visit:
<https://abnnewswire.net/lnk/94TJX82A>

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.

Following the release of a Scoping Study in 2017, APC has been conducting a Definitive Feasibility Study (DFS) into the development of the Lake Wells Potash Project. The Company is aiming to release the findings of the DFS in H2 2019.

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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