



15 December 2021

Annual General Meeting Presentation

Australian Potash Limited (**ASX: APC** or the **Company**) is pleased to provide a copy of the presentation that will be given this afternoon by Managing Director & CEO Matt Shackleton at the Company's annual general meeting of shareholders.

This release was authorised by the Managing Director & CEO.

Matt Shackleton

Managing Director & CEO

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Michelle Blandford

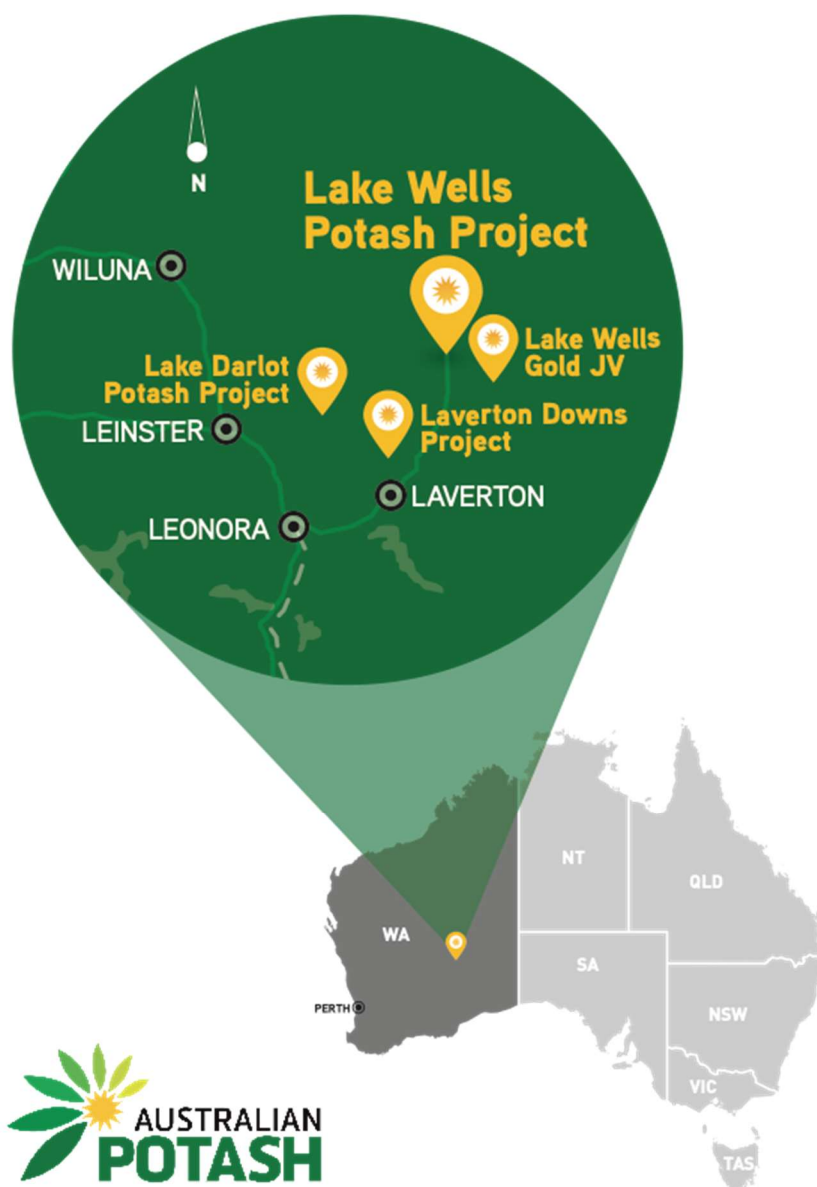
Company Secretary

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About Australian Potash Limited



APC holds a 100% interest in the **Lake Wells Sulphate of Potash (LSOP)**, located approximately 500km northeast of Kalgoorlie, in Western Australia's Eastern Goldfields. The Company is finalising pre-development plans for commencement of construction. First production from the LSOP is scheduled for 24 to 27 months from a Final Investment Decision.

K-Brite™ is a registered trademark brand of Australian Potash Limited and the brand under which the suite of high quality, premium SOP products from the LSOP will be marketed.

APC holds a 100% interest in the **Laverton Downs Project**, located 5kms north of Laverton, in Western Australia's Eastern Goldfields.ⁱ

APC holds a 30% free-carried interest in the **Lake Wells Gold Project**, located 500km northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.ⁱⁱ

Please visit www.australianpotash.com.au for more information.

ⁱ Refer to ASX Announcement 9 April 2021

ⁱⁱ Refer to ASX Announcement 8 April 2021



AUSTRALIAN POTASH

Low Cost, Organically Certified,
Environmentally Sustainable,
Green Sulphate of Potash

www.australianpotash.com.au

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Disclaimer

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Competent Persons' Statement

#The information in this report that relates to the Mineral Resource is based on information announced to the ASX on 8 August 2019. APC confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the Estimate in the relevant market announcement continue to apply.

The information in the abovementioned announcement relating to Mineral Resources was based on information that was compiled by Mr Duncan Gareth Storey. Mr Storey is a Director and Consulting Hydrogeologist with AQ2, a firm that provides consulting services to the Company. Neither Mr Storey nor AQ2 own either directly or indirectly any securities in the issued capital of the Company. Mr Storey has 30 years of international experience. He is a Chartered Geologist with, and Fellow of, the Geological Society of London (a Recognised Professional Organisation under the JORC Code 2012). Mr Storey has experience in the assessment and development of paleochannel aquifers, including the development of hypersaline brines in Western Australia. His experience and expertise are such that he qualifies as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves". Mr Storey consented to the inclusion in the abovementioned report of the matters based on this information in the form and context as it appeared.

The information in the abovementioned announcement relating to mineral processing was based on information compiled by Mr Antoine Lefavre P.Eng, a Competent Person who is a Member of the *Ordre des Ingénieurs du Québec* (Order of Engineers of Quebec). Mr Lefavre is employed by Novopro Projects Inc, a consultant to the Company, and has sufficient experience that is relevant to the style of minerals processing and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lefavre consented to the inclusion in the abovementioned report of the matters based on his information in the form and context in which it appeared.

Forward Looking Statements Disclaimer

This announcement contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Financial Forecasts

The forecast financial information stated in this presentation is based on the Company's Front End Engineering Design Program results as released to the ASX on 20 April 2021. The Company confirms that all material assumptions underpinning the forecast financial information continue to apply and have not materially changed.

Hydrogeological Unit	Volume of aquifer (MCM)	Specific Yield (mean)	Drainable Brine Volume (MCM)	K Concent* (mg/L, weighted mean value)	SOP Grade (mg/L, weighted mean value)	SOP Resource (MT)
Loam	5,180	10%	518	4,009	8,941	4.6
Upper aquitard	10,772	7%	754	3,020	6,735	5.1
Crete	479	5%	24	2,386	5,320	0.1
Upper sand	801	17%	136	3,435	7,660	1.0
Lower aquitard	9,502	8%	760	3,367	7,509	5.7
Mixed aquifer	440	17%	75	3,645	8,129	0.6
Basal sand	503	23%	116	3,415	7,616	0.9
Total (MCM/MT)	27,678		2,383	3,343	7,455	18.1

Table 1: Measured JORC Mineral Resource Estimate for Lake Wells Sulphate of Potash Project based on modelled aquifer volume, specific yield and weighted mean K concentrations (derived from modelling)

To recap

FEED Program* positions the Lake Wells SOP K-Brite™ product as a genuinely green, premium fertiliser product for distribution into the world's most lucrative markets

A genuinely green, premium fertiliser

- ✓ 'SHOVEL READY': DEBT 70% COMPLETE, EQUITY FUNDING
- ✓ 100% OWNED – TIER 1 LOCATION
- ✓ FULL ENVIRONMENTAL PERMITTING
- ✓ AUSTRALIA'S LARGEST MEASURED SOP RESOURCE#
- ✓ HIGH GRADE, **ORGANICALLY CERTIFIED** PRODUCT LINES
- ✓ BINDING TAKE-OR-PAY OFFTAKES FOR 90% OF PRODUCTION
- ✓ **GREEN LOAN VERIFICATION**



The financial metrics

The essential
metrics



30 YEARS OF SOP
PRODUCTION AT
170,000
TONNES
PER ANNUM



90%
OF PRODUCTION
UNDER **OFFTAKE**

GREEN LOAN
VERIFICATION



NAIF FUNDING
A\$140M

EFA FUNDING*
A\$45M

PRE-TAX[^] NPV₈
A\$415M

CASH COST[^]
US\$251/t

CAPITAL COST¹
A\$266M
(+A\$26M
CONTINGENCY)

LOWEST QUARTILE CASH COST

A\$88M EBITDA[^]
(AVG ANNUAL OVER LOM)



SOP PRICE[^]
US\$550/t

DEBT FUNDING²
A\$185M
(+COMMERCIAL
BANKS PENDING)

[^] These are Real numbers

* Conditional credit approval received

1. Refer Appendix 2

2. Refer Slide 15

Where are we with development?

Village



Where are we with development?

Civils



20 bore pads constructed and handed over to drilling contractor



~25km of access tracks completed



Where are we with development?

Borefield



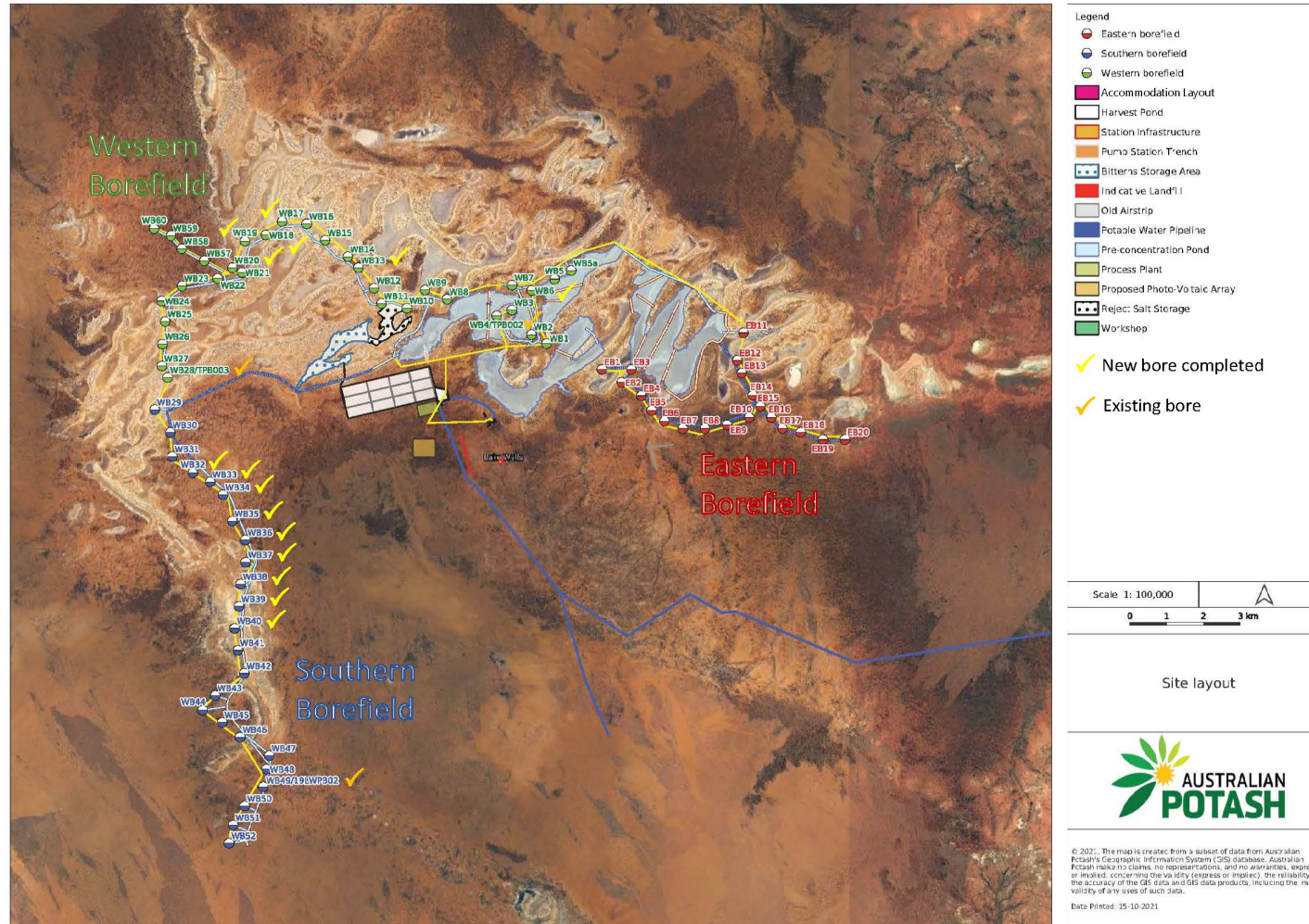
17 bores developed out of total 79 bores



Test pumping to date: flow rates aligned with resource model



Brine abstraction materially de-risked with early works



Where are we with development?

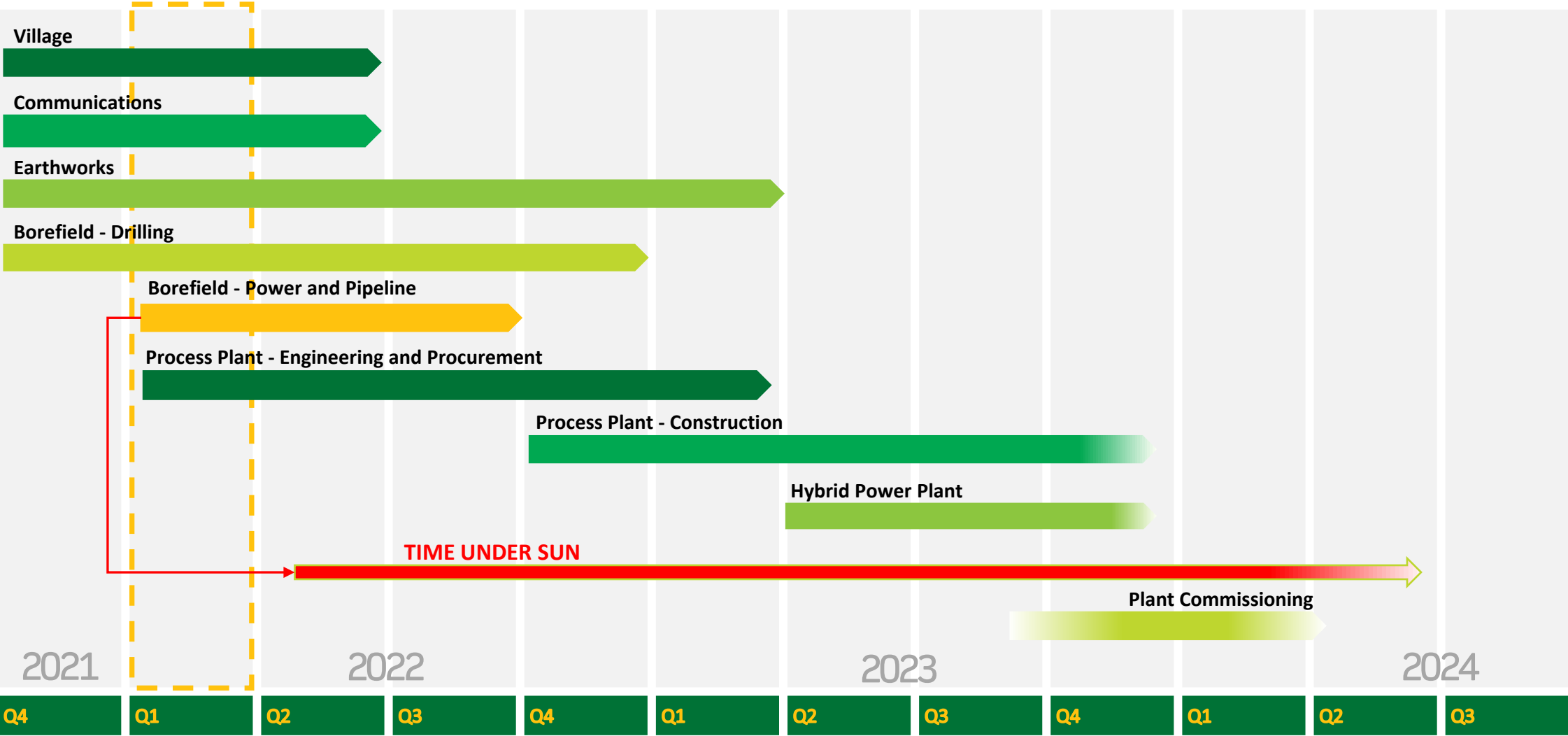


Evaporation

- ✓ On-playa evaporation pond trial program complete
- ✓ High-grade K SOP produced from pilot-evaporation program*
- ✓ Organic certification received in Europe, USA & Australia^
- ✓ Operational experts engaged (Corey Milne)
- ✓ Vital two evaporation seasons to production

Execution Timeline to Production

Conservative schedule commitments



Potash Market Update

Incentivised pricing environment

- Very high energy prices
 - Natural gas pricing soaring on resurgent demand and lag time to fill production capacity
 - Poor renewable energy production due to drought [hydro], low wind
 - Flooding in China curbing coal production
- Freight costs remain high
 - Demand for manufactured goods
 - Forecast to remain high through 2022
- CPI on the increase in many, though not all, developed economies

Government trade decisions:

- *China: frozen exports of fertilisers*
- *Turkey: export restrictions on DAP and NPK*
- *Vietnam: 6% import duty on DAP*
- *Russia: export quota on N&P*
- *Egypt: halted N exports unless approved*
- *US: imposed sanctions on trade with Belarus*



Fertiliser affordability against US grown corn*

[lag effect: low prices/high demand in 2020 = high prices/high demand 2021]

Source: Bloomberg Intelligence

Potash Market Update

Incentivised pricing environment

The LSOP will operate in a global market

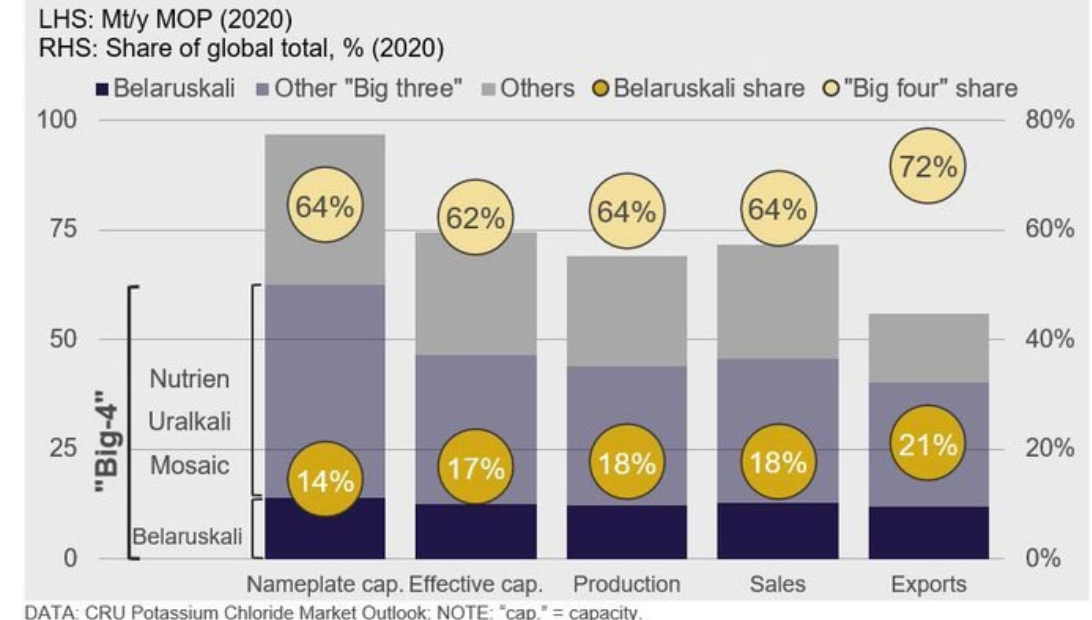
Ranking of fertiliser purchase decision weightings:

- *Affordability*
- *Supply*
- *Crop price variability*
- *Government policies*
- *Environmental uncertainty*

Potash demand year on year*:

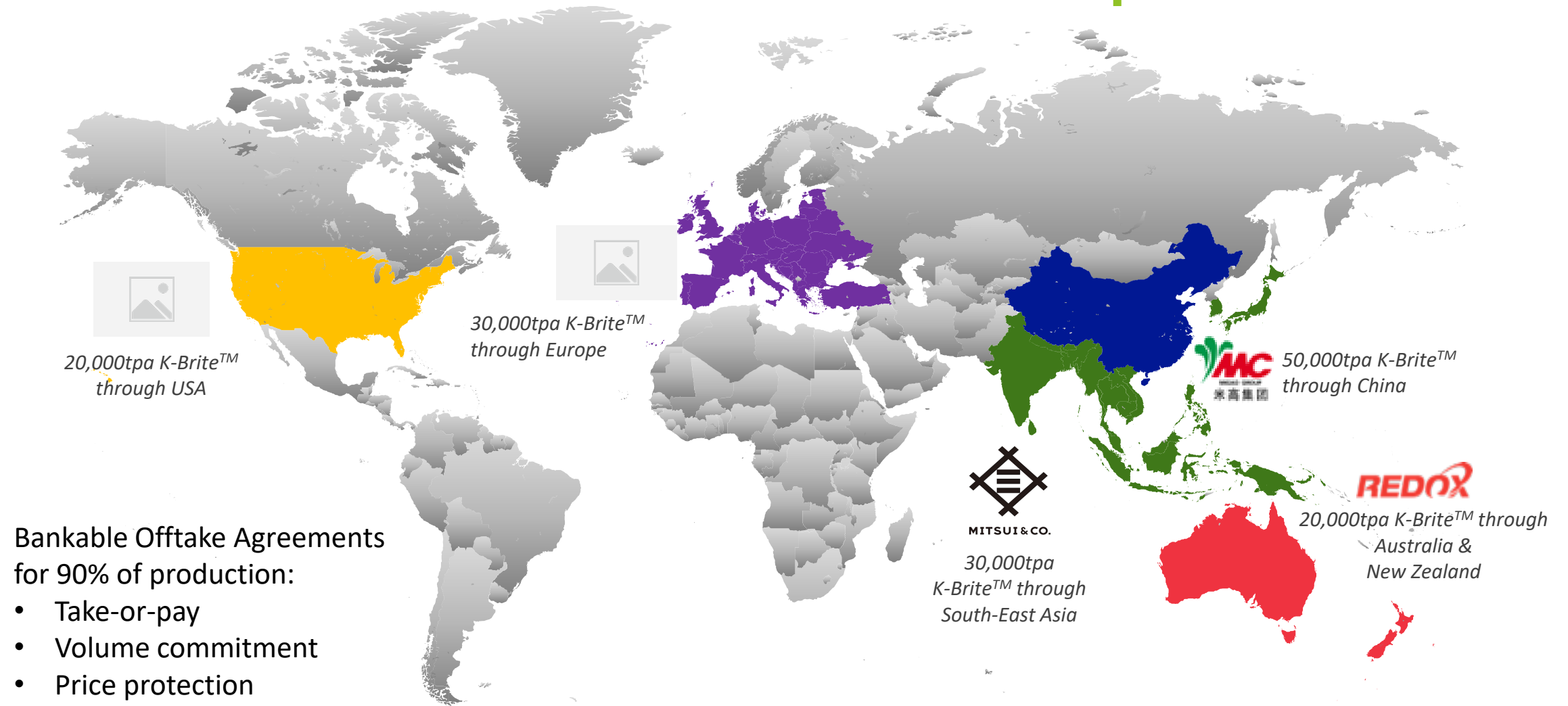
2018/2019	37.1Mt	-
2019/2020	37.0Mt	-0%
2020/2021	40.4Mt	+9%
2021/2022	38.9Mt	-4%
2022/2023	40.3Mt	+4%

Belarus accounts for around a fifth of global MOP supply



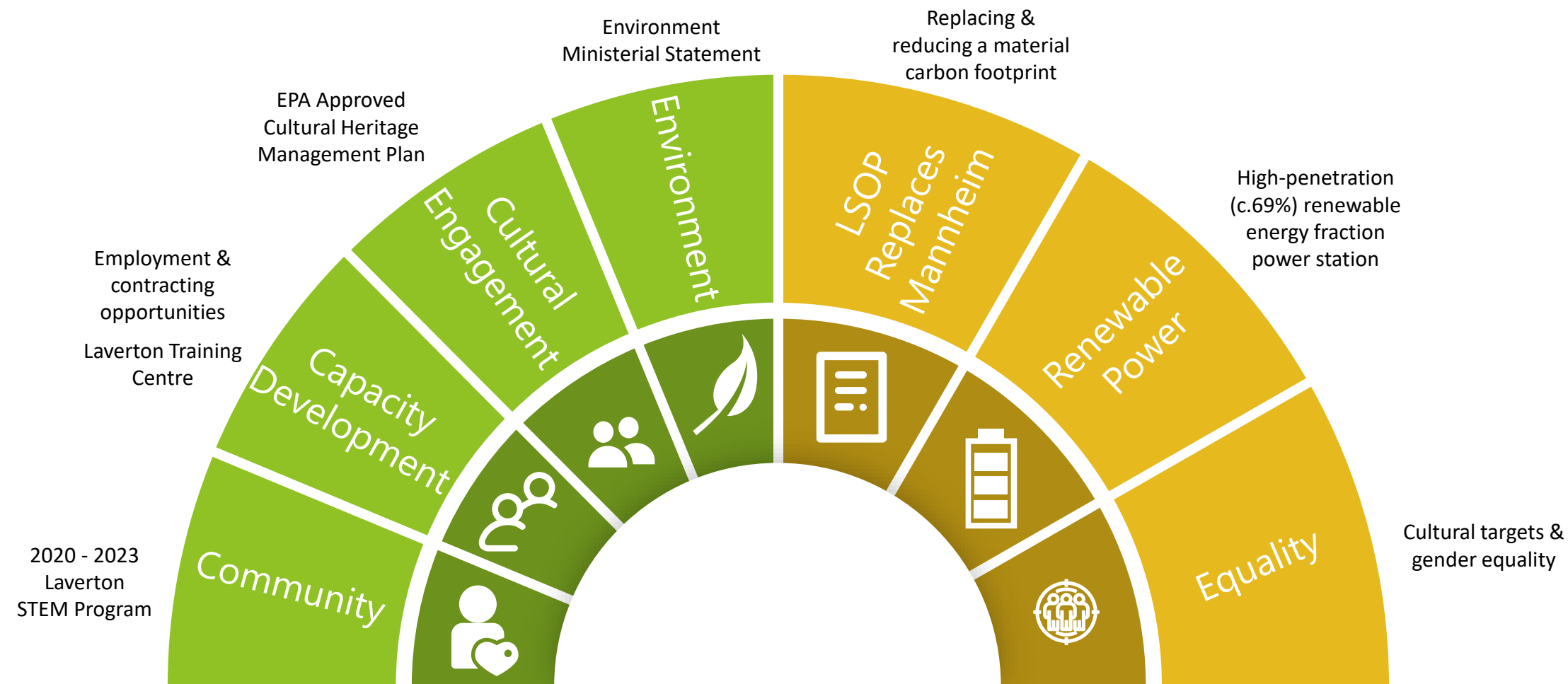
Bankable offtake agreements

Ship and supply



Sustainability

Community
Culture
Environment



Sustainability



Multi-generational reduction in
Greenhouse Gas Emissions



Lake Wells Renewable Power Station

- 63-69% Renewable fraction
- \$0.17/kWh
- 4.5MW solar
- 9MW wind (2x4.5MW turbines)
- 9MW/3MWh BESS



Greenhouse Gas Emissions (GHG)[^]

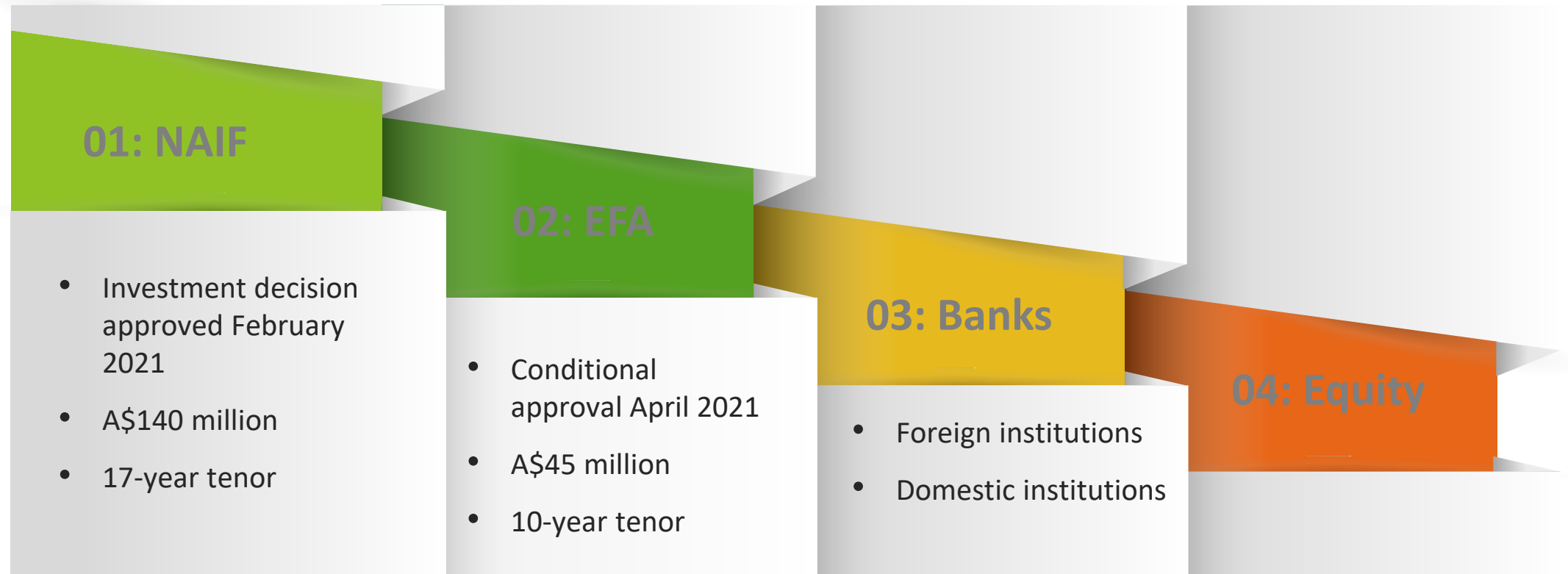
[tCO₂eq/tonneSOP, scope 1,2 & 3]

APC	Other SS	Mannheim
0.187	0.370	0.591

- 49% LESS GHG than other solar salt SOP projects
- 69% LESS GHG than Mannheim SOP operation

Financing the Build

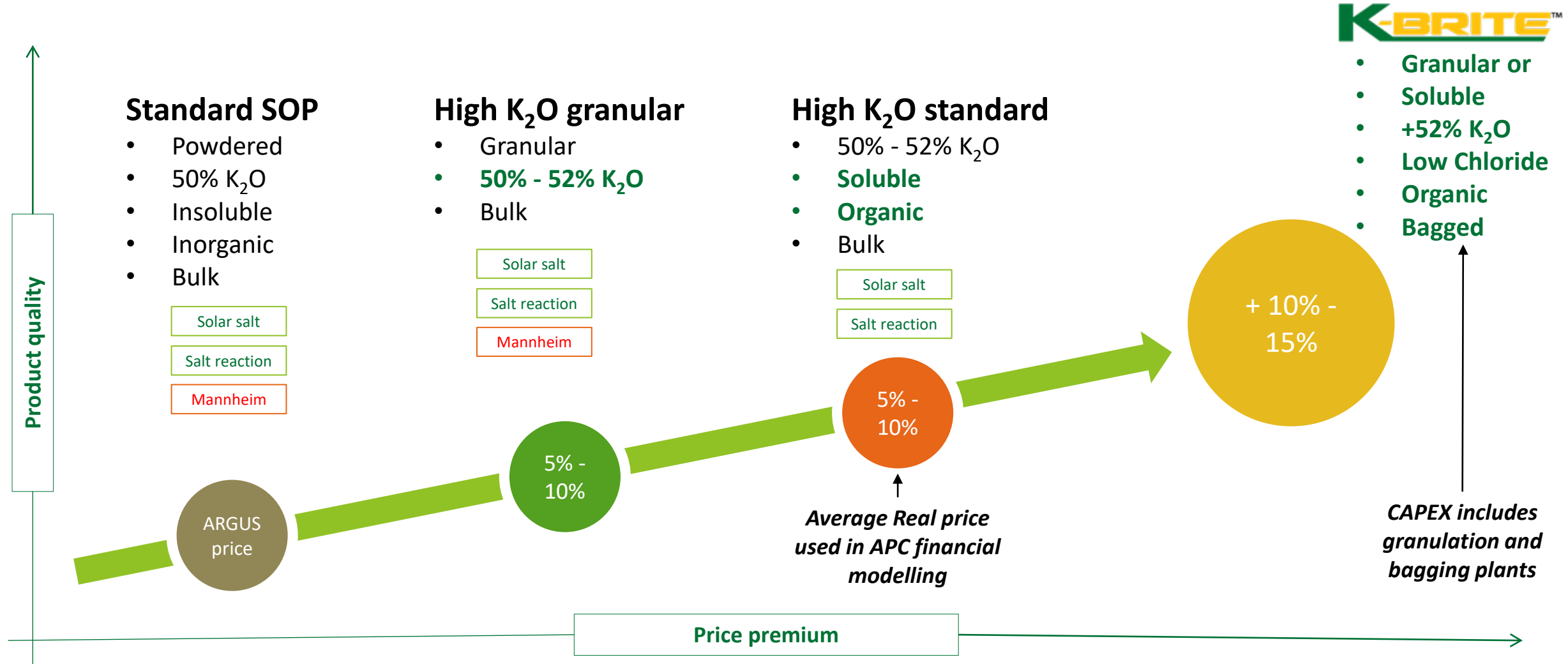
NAIF
EFA
Commercial banks
Equity



- Green Loan verification on debt issued by APC*
- Capital cost of A\$266million [plus contingency of A\$26million]^

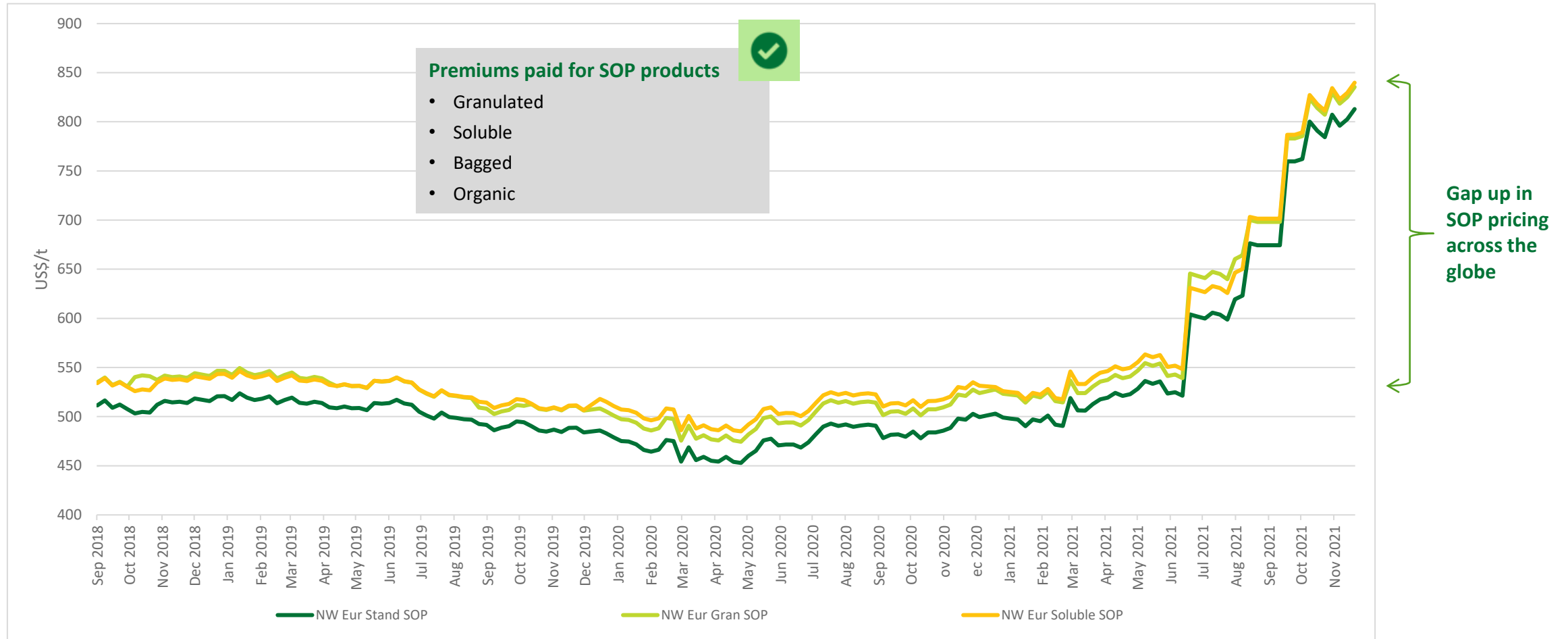
How does SOP pricing work?

Premium product commands premium pricing



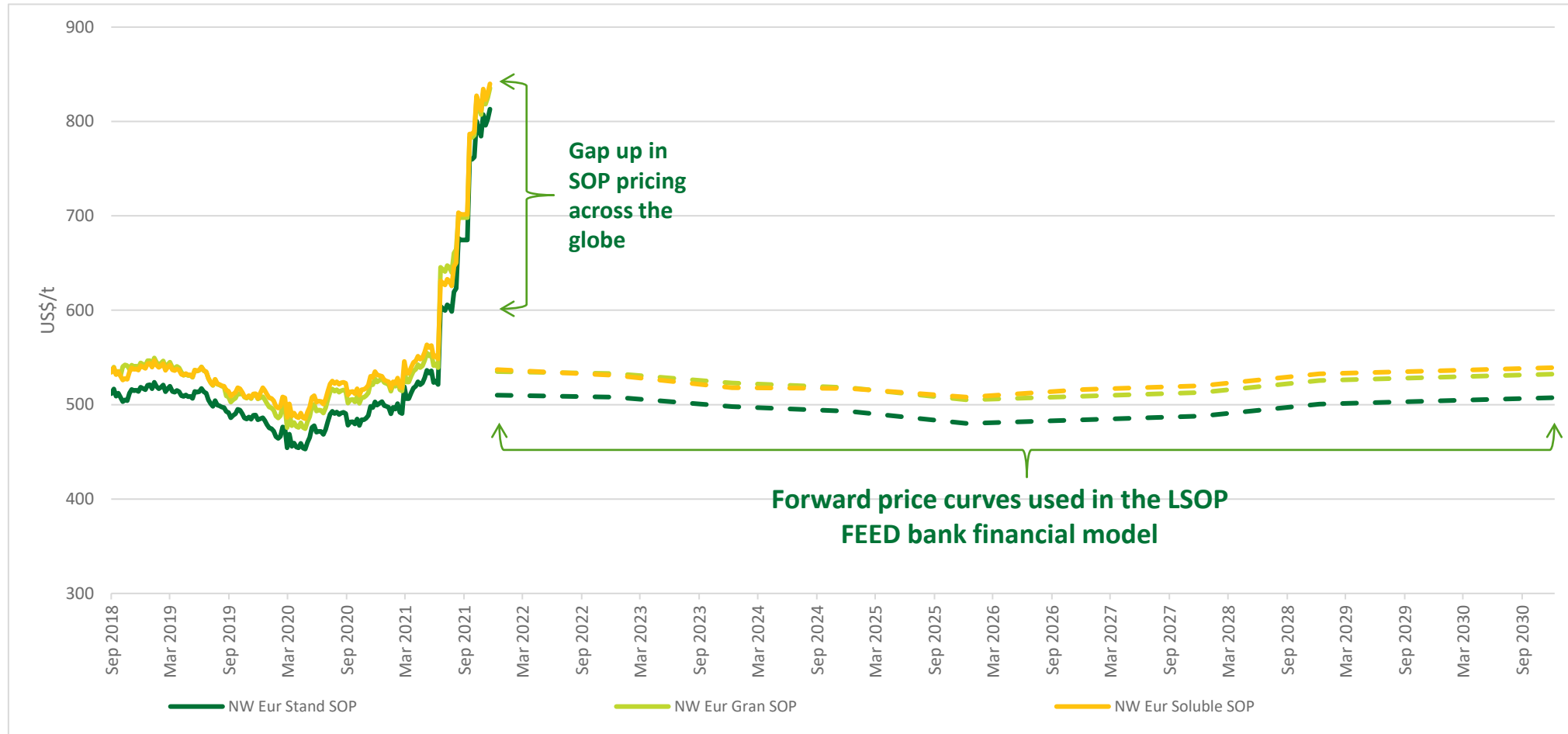
How does SOP pricing work?

Premium product commands premium pricing



How does SOP pricing work?

Premium product commands premium pricing



Contracting Strategy

Minimising the risk of cost overruns, schedule creep and process under-performance

+75% of construction contracts by value are EPC

6 Packages EPC Contracted

SOP process plant
Borefield fit-out & HV network
Power station
Communications & Village

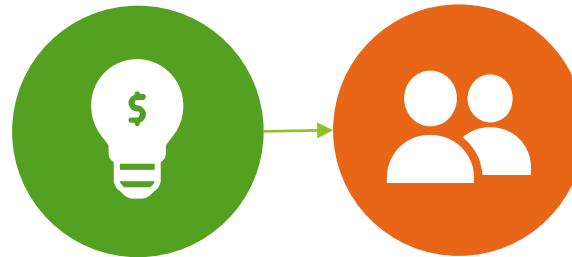


Why?

Schedule guarantee
Price guarantee (in mid-2021 \$)
Process guarantee
Local engineers & Canadian expertise

2 Packages Owner's Team

Borefield drilling
Civils (including ponds)



Experienced owner's team
In depth knowledge of ground conditions –
no-one knows better than APC's team

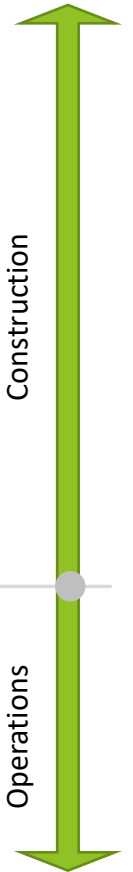
Contracted

Village
Power station
Logistics



Owner's Team

Pumping
Processing
Marketing



Key Implementation Team

Skills
Experience
Competence

Project Management



Rhett Brans

Project Director

Peter de Groot

Construction Manager



Process Design



Ryan Duncan

Technical Manager

Corey Milne

Specialist Technical
Consultant



Borefield Development



Simon Page

Principal Hydrogeologist

Chris Shaw

Exploration Manager



Commercial



Scott Nicholas

Chief Financial Officer

Jay Hussey

Chief Commercial Officer



Deloitte.



Green Legal



Corporate

Skills
Experience
Competence



Jim Walker

Chairman



Brett Lambert

Non-executive Director



Cathy Moises

Non-executive Director



Matt Shackleton

Managing Director & CEO



Rhett Brans

Project Director



Scott Nicholas

Chief Financial Officer



Michelle Blandford

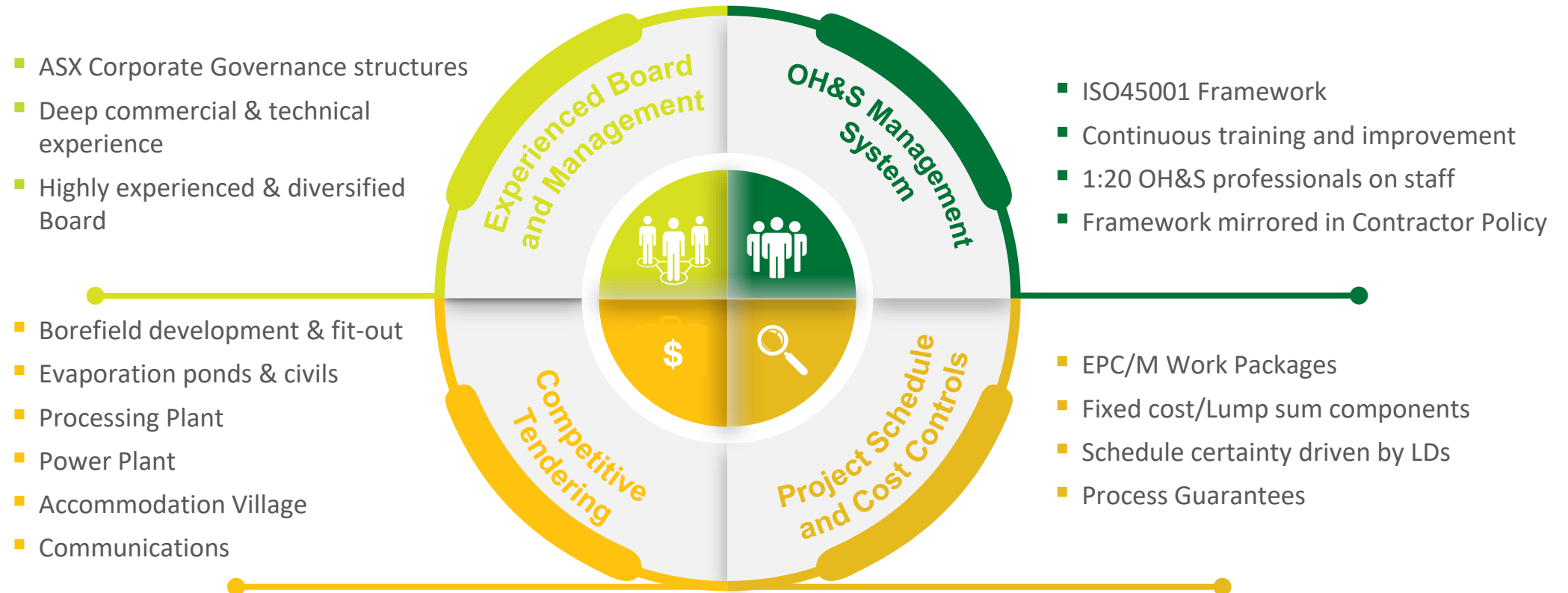
Company Secretary

Share Price (16 November 2021)	\$0.074
Shares on Issue	747.4m
Unlisted Options & Performance Rights	12.6m
Market Capitalisation	\$55.3m
Cash (30 September 2021)	\$7m
Debt	Nil
Enterprise Value	\$50m



Risk Management

Skills
Governance
Commitment



Community Engagement

A commitment to the community



Laverton STEM

- Interdisciplinary approach promoting Science, Technology, Engineering and Maths
- 3 year investment

- Construction of Laverton Training Centre has commenced
- Local, state, federal & industry funding

Laverton TC



Laverton CCA

- Active member of the Laverton Cross Cultural Association Inc.

- Target of 15% Aboriginal participation
- Carey Mining and Central Earthmoving joint venture contracted for earthworks

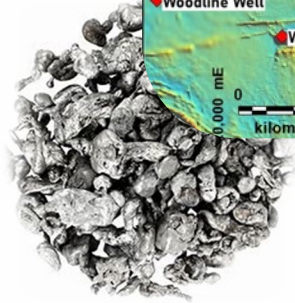
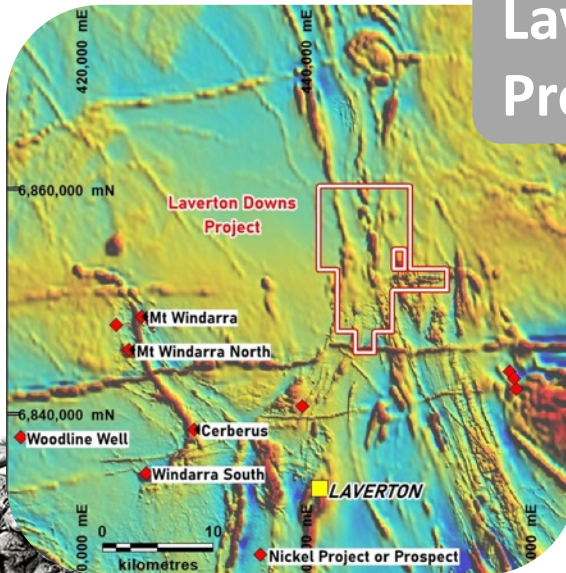
Employment



Exploration Opportunities

Regional
multi-commodity
potential

Laverton Downs Project



- Prospective for nickel sulphide and gold mineralisation
- Assessment of results of diamond drilling program undertaken in June 2021 quarter will influence future field activities

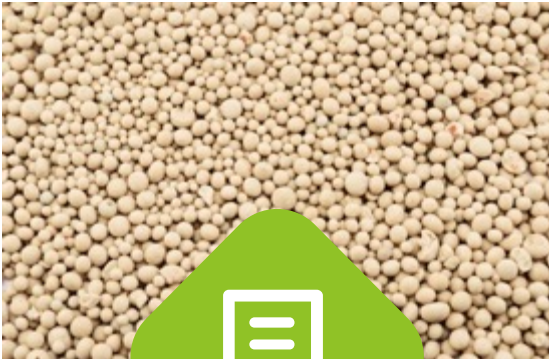
Lake Wells Gold Project



- SBM earnt in 70% during April 2021; APC 30% free-carried to bankable feasibility study for non-potash resource
- Extensive exploration program planned for 2021/22 to test mineralised corridor exceeding 9km in length

Appendix 1: Our Market

SOP is the premium form of an essential, non-substitutable plant fertiliser



7M tonnes

Market Size

- SOP = 10% of the global demand for potassic fertilisers
- 170ktpa = 2.4% global demand



Essential

<1% Chloride/17% Sulphur

- Potassium is essential
- Potassium without chloride is essential
- SOP is essential and non-substitutable



High Margin

Premium pricing

- Solar salt = lowest quartile cost
- 50/50 China/Rest-of-World production
- 4% - 6% CAGR profile past 2030



US\$3.5B

SOP Global Demand

- 50% of global supply from the high-carbon emitting Mannheim industrial process
- 50% from the passive solar evaporation (low Carbon) process

Appendix 2: CAPEX Summary

Capital expenditure

The Lake Wells Sulphate of Potash Project



CAPEX*	A\$m	Delivery and Execution Risk Mitigated
Owner's Team	18	Capable & experienced owner's team
Bore drilling & development	16	Schedule guarantee, specialist contractor, productivity KPIs
Borefield fit out, pipeline, HV	36	Lump sum, schedule & process guarantee
Earthworks & ponds	40	Schedule guarantee, specialist contractor, productivity KPIs
SOP processing plant	104	Lump sum, schedule & process guarantee
Granulation & bagging	36	Lump sum, schedule & process guarantee
NPI	16	Lump sum, schedule & process guarantee
Total (excluding contingency)	266	
Contingency	26	EPC contracting strategy for +75% of packages of work
Total (including contingency)	292	

Appendix 3: OPEX Summary

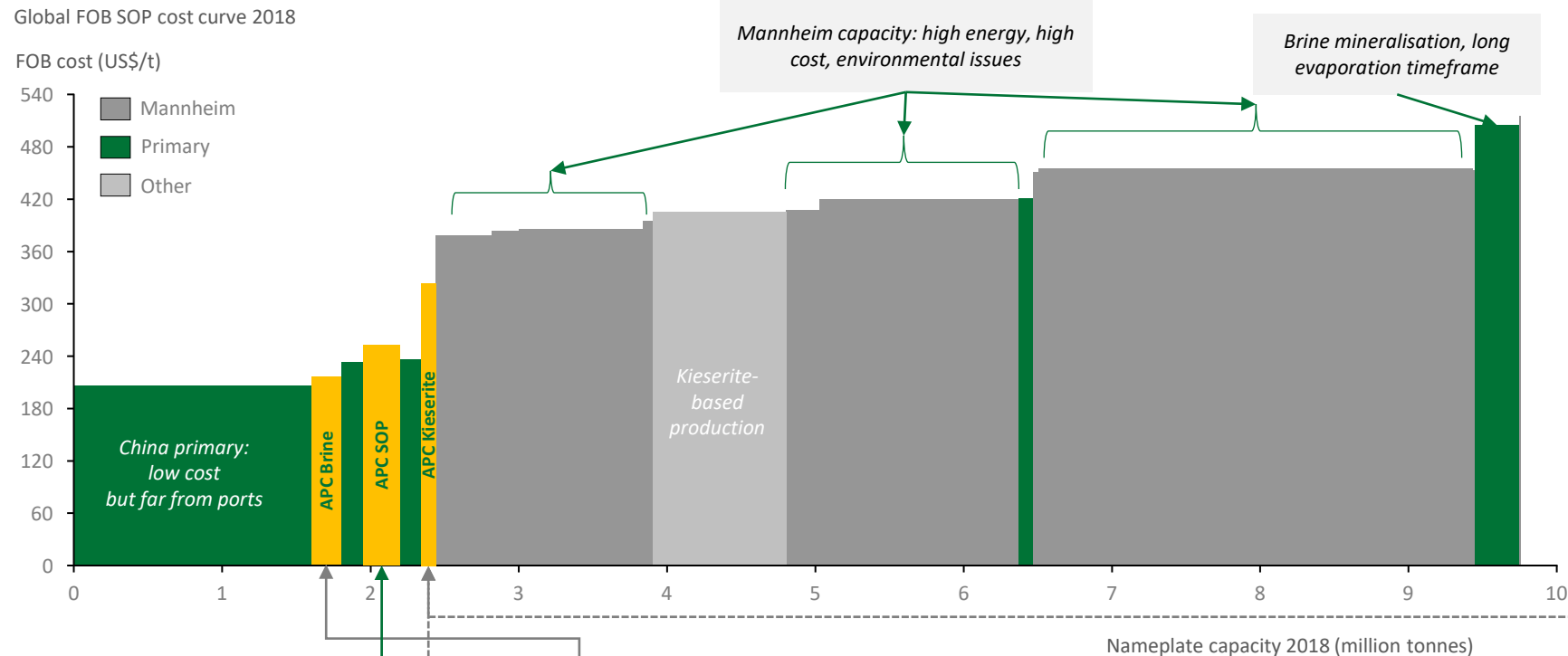
Operating expenditure

The Lake Wells Sulphate of Potash Project



	Brine SOP	MOP conversion	Combined
Annual production	120,000 tonnes	50,000 tonnes	170,000 tonnes
Salt harvesting	13	-	9
Power	49	3	35
Reagents & consumables	12	266	85
Labour	57	-	41
Export logistics (FOB)	59	59	59
Maintenance	4	-	3
Indirects	27	-	19
Total cash costs (USD) per tonne	221	328	251

Appendix 4: Lowest Quartile on Global Cost Curve



Brine SOP average cost of production	120,000 tpa	US\$221/t
Kieserite SOP average cost of production	50,000 tpa	US\$327/t
Overall SOP average cost of production	170,000 tpa	US\$251/t

What is Kieserite SOP?
MOP + excess sulphate = SOP

1. Not Mannheim
2. Low energy
3. Minimal marginal OPEX
4. Compass Minerals, SO4

Appendix 5: FEED Summary

Financial metrics

The Lake Wells Sulphate of Potash Project



Assumptions*	Unit		
SOP price [real]	US\$/t	550	
FX rate	US\$:A\$	0.70	
Discount rate	%	8.0	
Mine life	years	30	
Production	ktpa	170	
Financial metric	Unit	Nominal	Real
Project NPV ₈ [pre-tax]	A\$m	614	415
IRR (pre-tax)	%	21	19
Annual avg EBITDA [LOM]	A\$m	124	88
Annual avg FCF [pre-tax]	A\$m	119	84

Strong Returns in All Scenarios

