



Prospectus

For a pro rata non-renounceable entitlement issue of one (1) New Share for every four (4) Existing Shares held by Eligible Shareholders at an issue price of \$0.038 per New Share together with one (1) free New Option for every two (2) New Shares applied for and issued to raise approximately \$7.68 million (before costs) (based on the number of Existing Shares at the date of this Prospectus) (**Offer**).

The Offer opens on 5 August 2022 and closes at 5.00pm AWST on 19 August 2022.

This Prospectus also contains an Options Offer to the Joint Lead Managers and a Shortfall Offer. Details of those offers are set out in Section 2 of this Prospectus.

This is a Replacement Prospectus dated 5 August 2022. It replaces a prospectus dated 26 July 2022 relating to the Securities of Australian Potash Limited (ACN 149 390 394). This document is important and should be read in its entirety. If, after reading this Prospectus, you have any questions regarding the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

Australian Potash Limited

ACN: 149 390 394

Joint Lead Managers to the Offer

cg/Canaccord
Genuity
Capital Markets

Shaw and Partners
an EFG company

IMPORTANT INFORMATION

This Replacement Prospectus is dated 5 August 2022 and was lodged with the ASIC on that date. This Prospectus replaces the prospectus lodged by the Company on 26 July 2022 (**Original Prospectus**). The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of the Original Prospectus.

No person is authorised to give any information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement & Acceptance Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial

position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

Replacement Prospectus

The key differences between this Prospectus and the Original Prospectus are as follows:

- (a) the inclusion of a minimum subscription for the Offer; and
- (b) additional information regarding the proposed use of funds.

No Applications

The Company confirms that since the lodgement of the Original Prospectus no Applications have been received or processed by the Company that would require the Company to consider allowing those applicants to withdraw their Application under section 724(2)(b) of the Corporations Act.

No investment advice

The information contained in this Prospectus is not financial product advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's Management. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Prospectus.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.10.

Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of its Shares.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should

therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such reasonable enquiries, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three (3) months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to section 6.2 for further details.

Target market determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of the New Options issued under this Prospectus. The Company and the Joint Lead Managers will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company’s website (www.australianpotash.com.au).

By making an Application under the Offer you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.australianpotash.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Entitlement & Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the completed and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 9322 1003 during office hours or by emailing the Company at admin@australianpotash.com.au.

The Company reserves the right not to accept an Entitlement & Acceptance Form from a person if it has reason to believe that when the person was given access to the electronic Entitlement & Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company website

No documents or other information available on the Company’s website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecasts or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to

participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes to their security holding in the Company during the preceding month.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 7.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy Act

If you complete an Entitlement & Acceptance Form, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or the Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement & Acceptance Form, the Company may not be able to accept or process your Application.

Use of Trademarks

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, trade names and service marks appearing in this Prospectus are the property of their respective owners.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer, please call the Company Secretary on +61 8 9322 1003.

CORPORATE DIRECTORY

Directors

Natalia Streltsova (Non-Executive Chair)
Matthew Shackleton (Managing Director & Chief Executive Officer)
Rhett Brans (Non-Executive Director)
Brett Lambert (Non-Executive Director)
Catherine Mary Moises (Non-Executive Director)

Company Secretary

Michelle Blandford

Registered Office

Suite 31, 22 Railway Road
SUBIACO WA 6008

Tel: + 61 8 9322 1003

Email: admin@australianpotash.com.au

Web: www.australianpotash.com.au

Joint Lead Managers

Shaw and Partners Limited
Level 7, Chifley Tower
2 Chifley Square
SYDNEY NSW 2000

Canaccord Genuity (Australia) Limited
Level 23, Exchange Tower
2 The Esplanade
PERTH WA 6000

ASX Code

APC

Legal Adviser

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Share Registry*

Automic Group
Level 5, 191 St George's Terrace
PERTH WA 6000
Tel: 1300 288 664 (within Australia)
Tel: +61 2 9698 5414 (outside Australia)
Email: hello@automicgroup.com.au

Auditor*

KPMG
235 St George's Terrace
PERTH WA 6000

** These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.*

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1 KEY OFFER INFORMATION

1.1 Key Details	Minimum Subscription ¹	Full subscription ²
Issue Price	\$0.038	\$0.038
Ratio	1 New Share for every 4 Existing Shares + 1 free New Option for every 2 New Shares	1 New Share for every 4 Existing Shares + 1 free New Option for every 2 New Shares
Number of Existing Shares on issue	808,382,808	808,382,808
Number of Existing Options on issue	1,500,000	1,500,000
Number of New Shares to be issued under the Offer ³	94,083,052	202,095,702
Number of New Options to be issued under the Offer ⁴	47,041,526	101,047,851
Number of JLM Options to be issued ⁵	Nil	10,000,000
Amount to be raised under the Offer (before costs)	\$3,575,156	\$7,679,637
Number of Shares on issue following the Offer ³	902,465,860	1,010,478,510
Number of Options on issue following the Offer	48,541,526	112,547,851

Notes:

1. Assuming the Minimum Subscription of \$3,575,156 is achieved under the Offer.
2. Assuming the Maximum Subscription of \$7,679,637, is achieved under the Offer.
3. Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date. Numbers are subject to rounding.
4. Refer to Section 4.2 for the terms of the New Options.
5. Refer to Section 4.3 for the terms of the JLM Options and Section 6.4 for details relating to the issue of the JLM Options.

1.2 Key Dates ¹	
Lodgement of Original Prospectus with ASIC	26 July 2022
Lodgement of Original Prospectus & Appendix 3B with ASX	27 July 2022
'Ex' date	29 July 2022
Record date for determining Entitlements	5.00pm AWST 1 August 2022
Lodgement of this Replacement Prospectus	5 August 2022
Opening Date of the Offer, Prospectus dispatched to Shareholders, letters sent to Ineligible Shareholders and announcement that dispatch has occurred	5 August 2022
Last day to extend the Closing Date	16 August 2022
Closing date of the Offer ²	5.00pm AWST 19 August 2022
Shares quoted on a deferred settlement basis	22 August 2022
Notification of Shortfall (if any) under the Offer	24 August 2022
Issue and allotment of New Shares/New Options under the Offer, dispatch of holding statements and announcement of Appendix 2A & Appendix 3G	26 August 2022
Quotation of the New Shares issued under the Offer ³	29 August 2022
Issue and allotment of Shortfall Securities under the Shortfall Offer and announcement of Appendix 2A & Appendix 3G	By 21 November 2022

Notes:

- 1. This timetable (and each reference to it or to the dates in it in this Prospectus) is indicative only and subject to change without notice. The Company reserves the right to amend any or all of these dates and times subject to the ASX Listing Rules, Corporations Act and other applicable laws. In particular, the Company reserves the right to accept late Applications under the Offer (either generally or in particular cases) and to withdraw the Offer without prior notice.*
- 2. The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the New Shares are expected to commence trading on the ASX may vary.*
- 3. The commencement of quotation of New Shares is subject to confirmation from the ASX.*

1.3 Background to the Offer

The Directors of your Company are making final assessments of the commitment to the development of the Lake Wells Sulphate of Potash Project (**LSOP** or **Project**). In preparing to make that commitment, the Board and Management team are focused on carefully reviewing the Project development strategy and implementation risks, maintaining the Project tenure in good standing and validating the development capital to build the Project.

The Directors consider the rigorous and methodical manner in which the Project has been de-risked to be the fundamental basis upon which its economic merits are built. Existing commercial solar evaporation sulphate of potash (**SOP**) projects generally occupy the lowest quartile of the cost of production curve, and the LSOP's auspicious geography, which allows for abundant sunshine and minimal impact from rain weather events, indicates it will be among the lowest cost producers globally¹.

Designed as a 100% borefield brine abstraction project, the favourable environmental setting is augmented by a very large, drainable JORC compliant Measured Mineral Resource estimate of over 18 million tonnes of SOP². The Company's choice of a low technical risk borefield development, compared to alternative methods of brine abstraction, has to a degree been vindicated by the under-performance of peer developments that relied on those alternative methods. Through the exploration and study phases of the LSOP, Management have accessed external consultants with identifiable track records of success in their fields to assist with de-risking the three essential elements of a solar SOP project: brine abstraction, evaporation, and processing.

Through the final study programs which led to the release of the Front-End Engineering Design (**FEED**) financial outcomes in April 2021¹, the Company has continued to foster the relationships with the main Engineering, Procurement and Construction (**EPC**) contractors in the development. The principal criteria underpinning the selection of preferred contractors are their technical expertise, their ability to perform an EPC style contract, and their accessibility, as development risk is reduced if qualified, expert third party contractors are local.

There are various factors outside of the Company's control that have contributed to the extended completion of the Project financing. These include the challenging development environment experienced by peer companies, supply chain disruptions generated during the COVID-19 pandemic and further difficult economic conditions created by the conflict in eastern Europe.

¹ Refer ASX Announcement 20 April 2021

² Refer ASX Announcement 5 August 2019 and Mineral Resource Statement on page 42.

Partially offsetting the impact of the above factors on the LSOP development strategy, it is important to note that the financial disclosures made at the conclusion of the FEED program were costed through early 2021 (model M1), and therefore were based upon contracted prices reflecting the already inflated cost environment. Furthermore, there has been a significant increase in the selling price of potash in all markets in that same time period.

Following the release of the FEED disclosures, the Company embarked on an early works program of bore drilling and development. Data generated through this program was incorporated into the hydrogeological flow model which underpins the decisions made in respect to the abstraction of the Mineral Resource. Upon updating the model incorporating the early works data, the flow model has shown that the LSOP production (from brine) can be expanded by 12.5%, from the base of 120,000 tonnes per annum (tpa) to 135,000tpa SOP³.

The first step in updating the LSOP development model is to apply the current costs and prices to the FEED level production model (of 120,000tpa SOP from brine), model M2. This process involves re-costing the eight (8) main packages of work in the development capital expenditure program and the main revenue and cost drivers in operation.

The second step is to then understand the scope and cost implications to those eight (8) packages of work if the development strategy is revised to reach an expanded production level of 135,000tpa SOP (from brine). This 'M3' development model will include a smaller number of production bores, and may include a slightly larger harvest pond evaporation network (c.15%) and possibly a revised process plant design to manage a higher throughput. The design scope for the process plant is critical path in this step of the process. It is anticipated that the M3 estimate will be completed by early October 2022, subject to the provision of third-party cost estimates.

Finally, once armed with the above technical and financial information, the Management team will be able to recommend to the Directors the most appropriate way to develop the LSOP. The options available to the Directors are to develop the current M2 plan, develop the M3 plan or transition to M3 over time. Once the Directors are satisfied with that position, the Company will seek to move to the final investment decision. As at the date of this Prospectus, the Company continues to work on its modelling and is surveying the evolving landscape to secure the best financing available based on the metrics of the Project.

The Directors are confident that the work Management have done in differentiating the technical strength of the LSOP from peer projects in the emerging Western Australian SOP space will allow the Company to continue to move towards closing on the development funding over the balance of 2022. To proceed with that work however, there is need for additional working capital.

The purpose of the Offer is to ensure that the Company is sufficiently capitalised to complete the work required to secure the funding required to progress the Project. Assuming maximum subscription, funding raised through this Offer will be used to meet site-based costs (37.8%), statutory tenement holding costs (23.4%), debt and equity fundraising costs (15.8%) and to provide general working capital (23.0%). In the coming months, the Company will finalise the LSOP development capital and operating expenditure and focus on closing the development capital funding. Where less than the maximum subscription is raised, cut backs will be required to certain expenditures to ensure that the Company continues to be fiscally prudent. Funds raised from this Offer are not intended to contribute to the development costs of the Project.

³ Refer ASX Announcement 7 June 2022

Subject to the final amount raised under the Offer, the Company should meet the costs outlined above for the period to Q4 FY2023, with the intention of finalising the Project development capital within that time.

Your Directors and Management team will focus on the following objectives during this period:

- holding the LSOP in *stasis*, while ensuring that all of the tenure comprising the LSOP is maintained in good standing;
- finalising contemporary costing in the development estimates for the LSOP, including the re-costed M2 base case and the expanded M3 operation;
- concluding a re-costed development strategy; and
- continuing to focus on existing debt and equity procurement strategies whilst developing new relationships in debt and equity markets external to Australia.

1.4 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

The predominant risks relating to the Company and the Offer are summarised below:

Risk Category	Risk
Company-specific	<p>Potential for dilution</p> <p>Shareholders who do not participate in the Offer will experience dilution of their holding in the Company</p>
Company-specific	<p>Additional requirements for capital</p> <p>The Company will require additional funds to develop the LSOP and this may be through equity and/or debt financing, joint ventures or other means. Funds raised under the Offer are not intended to be applied to the substantive costs of the development of the LSOP.</p>
Company-specific	<p>LSOP Project development</p> <p>As at the date of this Prospectus, there is remaining uncertainty around whether the development of the LSOP will proceed as previously announced, will proceed in the intended timeframe, or will proceed at all. Development of the LSOP process will depend upon the review of the costs of that development, the market for end products after development and the ability of the Company to obtain financing to develop the Project.</p>
Company-specific	<p>Going concern</p> <p>The financial report for the half-year ended 31 December 2021 contains a going concern qualification from the Company's auditor.</p> <p>Notwithstanding the 'going concern' qualification included in the Company's financial report for the half-year year ended 31 December 2021, the Directors believe that raising the Minimum Subscription will enable the Company to</p>

	<p>continue operating as a going concern, albeit with reduced operations as outlined in this Prospectus.</p> <p>Failure to achieve the Minimum Subscription will have a material adverse effect on the Company's activities and lead to consideration of the future operations of the Company and/or its ability to continue as a going concern.</p>
Industry-specific	<p>Environmental</p> <p>The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. The occurrence of any safety or environmental incident could delay development or increase costs and significant liabilities could be placed on the Company for damages, clean-up costs or penalties caused by non-compliance.</p>
Industry-specific	<p>Climate risk</p> <p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company including the emergence of new or expanded regulations associated with transitioning to a lower carbon economy and market changes related to climate change mitigation. The Company is also at risk of reputational damage and adverse impacts on operations due to climate change-related events.</p>
Industry-specific	<p>Peer risk</p> <p>There are a number of peer projects under consideration for development in Western Australia, as well as projects that are at a more advanced stage of development than the LSOP. The delayed implementation of these more advanced peer projects has had a negative impact on the sentiment towards investment in the Western Australian SOP sector, and this may continue. It is beyond the Company's ability to assess the likelihood of success of peer projects. The ability of the LSOP and APC to attract development capital may be adversely impacted by the delayed implementation of these peer project developments.</p>
General	<p>Economic conditions and other global or national issues</p> <p>General economic conditions may affect the performance of the Company. Factors such as commodity prices, inflation, interest rates, pandemics, natural disasters and international hostilities may have an impact on the Company's exploration, development and production activities, and its ability to fund those activities. They may also affect the value of the Company.</p>

1.5 Directors' Interests in Securities

Each Director's relevant interest in the securities of the Company at the date of this Prospectus and their Entitlement is set out in the table below:

Director	Existing			Entitlement		\$
	Shares	Options ¹	Performance Rights	New Shares	New Options	
Rhett Brans	789,229	-	939,082	197,308	98,654	7,498
Brett Lambert	635,279	750,000	-	158,820	79,410	6,035
Cathy Moises	-	750,000	-	-	-	-
Matt Shackleton	8,764,478	-	2,379,107	2,191,120	1,095,560	83,263
Natalia Streltsova	-	-	-	-	-	-

Note:

¹ Exercisable at \$0.175 on or before 29 July 2023

The Board recommends all Eligible Shareholders take up their Entitlements. Each of the Directors who are Eligible Shareholders intend to participate in the Offer.

1.6 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out in the table below:

Substantial Holder	Shares ¹	Voting Power (%) ¹
Yandal Investments Pty Ltd	43,864,974	7.83

Note:

¹ This is based on the Substantial Holder Notice released to the ASX on 22 April 2021

In the event all Entitlements are accepted there will be no change to the substantial holder on completion of the Offer.

1.7 Lead Manager

Shaw & Partners and Canaccord Genuity have been appointed joint lead managers (**JLMs**) of the Offer. Terms of the JLM Mandate and total fees payable are outlined in Section 6.4.

1.8 Effect on Control

Based on current holdings and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.6, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

Further there will be no change to any Shareholder's voting power as a result of the issue of the New Options. Where New Options are exercised into Shares, the voting power of the Shareholders who exercise the New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

1.9 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 20.0% as compared to their holdings and number of Existing Shares on issue.

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any, or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer are likely to be diluted by an aggregate of approximately 33.3% (as compared to their holdings and number of Existing Shares on issue).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer ²
Shareholder 1	50,000,000	6.19%	12,500,000	50,000,000	4.95%
Shareholder 2	25,000,000	3.09%	6,250,000	25,000,000	2.47%
Shareholder 3	10,000,000	1.24%	2,500,000	10,000,000	0.99%
Shareholder 4	1,000,000	0.12%	250,000	1,000,000	0.10%
Shareholder 5	100,000	0.012%	25,000	100,000	0.010%

Notes:

¹ This is based on a share capital of 808,382,808 Shares at the date of this Prospectus and assumes no Existing Options or Performance Rights are exercised.

² The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall is not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2 DETAILS OF THE OFFERS

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) New Share for every four (4) Existing Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.038 per Share together with one (1) New Option for every two (2) New Shares applied for and issued. The New Options will be exercisable at \$0.060 and expire 12 months from date of issue.

Based on the capital structure of the Company as set out in Section 3.3 of this Prospectus, a maximum of approximately 202,095,702 New Shares and 101,047,851 New Options (subject to rounding) will be issued pursuant to this Offer to raise up to approximately \$7.68 million (before costs). No funds will be raised from the issue of the New Options. The Offer is not underwritten so if there is a Shortfall the Company may not raise the full amount sought under the Offer.

As at the date of this Prospectus, the Company has 1,500,000 Options on issue, all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 3.3 of this Prospectus for information on the exercise price and expiry date of the Existing Options.

As at the date of this Prospectus, the Company has 7,657,910 Performance Rights on issue. None of these Performance Rights are currently eligible for exercise and therefore they cannot enable participation in the Offer.

Fractional entitlements under the Offer will be rounded up to the nearest whole number. All of the New Shares offered under this Prospectus will rank equally with the Existing Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the New Shares. The New Options will be exercisable at \$0.060 on or before the date that is 12 months from issue and otherwise on the terms set out in Section 4.2.

2.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement & Acceptance Form which is provided with this Prospectus or can be accessed at www.australianpotash.com.au. Eligible Shareholders may choose the options set out in the table below:

Option	Key Considerations	For more information
Take up all of your Entitlement and apply for Securities under the Shortfall Offer	Should you wish to accept all of your Entitlement, then your Application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement & Acceptance Form which is provided with this Prospectus and can be accessed at https://investor.automic.com.au . Please read the instructions carefully.	Section 2.3, Section 2.4 & Section 2.6

	<p>Payment can be made by BPAY^{®4} or EFT, and using these methods you do not need to return the Entitlement & Acceptance Form.</p> <p>Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement & Acceptance Form. Any Shortfall Securities issued to Eligible Shareholders will be issued on the same date as Entitlements under the Offer.</p>	
<p>Take up a proportion of your Entitlement and allow the balance to lapse</p>	<p>Should you wish to take up only part of your Entitlement, you can make payment by BPAY[®] or EFT in accordance with the instructions on the Entitlement & Acceptance Form (which is provided with the Prospectus and can be accessed at https://investor.automic.com.au) for the amount which corresponds to the number of New Shares for which you are subscribing.</p> <p>If you take no further action, the balance of your Entitlement will lapse, and you will have forfeited any potential benefit to be gained from taking up that part of your Entitlement.</p>	<p>Section 2.3 & Section 2.4</p>
<p>Allow all of your Entitlement to lapse</p>	<p>If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse and you will have forfeited any potential benefit to be gained from taking up your Entitlement. Your percentage interest in the Company will also be reduced as a result of the Offer (refer to Section 1.9 for potential dilution).</p>	<p>n/a</p>

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all, or part of their Entitlement.

2.3 Payment options

By BPAY[®]

For payment by BPAY[®], please follow the instructions on the Entitlement & Acceptance Form. You can only make a payment via BPAY[®] if you are the holder of an account with an Australian financial institution that supports BPAY[®] transactions. Please note that should you choose to pay by BPAY[®]:

- a) you do not need to submit the Entitlement & Acceptance Form but are taken to have made the declarations, representations and warranties on that Entitlement & Acceptance Form;
- b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies; and

⁴ [®]Registered to BPAY Pty Ltd; ABN 69 079 137 518

- c) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5.00pm (AWST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

If you have more than one shareholding of Existing Shares and consequently receive more than one Entitlement & Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the customer reference number (**CRN**) specific to that Shareholding as set out in the applicable Entitlement & Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

By Electronic Funds Transfer (overseas Applicants)

For payment by EFT for overseas Eligible Shareholders, please follow the instructions on the Entitlement & Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- a) you do not need to submit the Entitlement & Acceptance Form but are taken to have made the declarations, representations and warranties on that Entitlement & Acceptance Form;
- b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies; and
- c) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities under the Shortfall Offer, to the extent of the excess.

Other Payment Methods and Refunds

Payment will only be accepted by BPAY® or EFT and receipts for payments will not be issued. Cash, bank drafts and cheques will not be accepted.

Any Application Monies received for more than your final allocation of New Shares (or Shortfall Securities under the Shortfall Offer) will be refunded (if greater than \$1.00) as soon as practicable after the close of the Offer. No interest will be paid on any Application Monies received or refunded. Refund amounts, if any, will be paid in Australian dollars and by either direct credit to the nominated bank account as noted in the Share Registry records on the Closing Date or by a cheque sent by ordinary post to your address as recorded by the Share Registry.

No Brokerage

No brokerage, handling fees or stamp duty are payable by Eligible Shareholders in respect of their Applications for Securities under this Prospectus. The amount payable on acceptance will not vary during the term of the Offer and no further amount will be payable upon allotment.

2.4 Implications of an acceptance

Returning a completed Entitlement & Acceptance Form or paying any Application Monies by BPAY® or EFT will be taken to constitute a representation by you that:

- a) you have received a copy of this Prospectus and the accompanying Entitlement & Acceptance Form, and read them both in their entirety; and
- b) you acknowledge that once the Entitlement & Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription

The minimum subscription in respect of the Offers is \$3,575,156 (**Minimum Subscription**).

No Securities will be issued until the Minimum Subscription has been received. If the Minimum Subscription is not achieved within four (4) months after the date of issue of this Prospectus, the Company will either repay the Application Monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one (1) month to withdraw their Application and be repaid their Application Monies.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer (**Shortfall Securities**) will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.038, being the price at which New Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Securities proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement & Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 2.3.

The Board presently intends to allocate Shortfall Securities as follows:

- a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.9%. These Securities will be issued at the same time as Entitlements are issued; and then
- b) to other parties identified by the Directors or the Joint Lead Managers, which may include parties who are not currently Shareholders. These issues may occur progressively over the three (3) month period following the close of the Offer.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.9%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all Applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application Monies will be returned (without interest) as soon as practicable after the closing date of the Shortfall Offer.

2.7 Options Offer to the Joint Lead Managers

This Prospectus also includes the offer of up to 10,000,000 Options to the Joint Lead Managers (or their nominees) in consideration for services provided in relation to the Offer (**JLM Options**). The JLM Options will be issued in the event that 100% of the Shortfall is placed at any time in the available three (3) month period following the closure of the Offer and issued on the terms and conditions set out in Section 4.3.

Only the Joint Lead Managers (or their nominees) may accept the offer of the JLM Options. A personalised Application Form will be issued to the Joint Lead Managers (or their nominees) together with a copy of this Prospectus.

2.8 ASX listing

Application for Official Quotation of the Offer Shares offered pursuant to this Prospectus will be made. If ASX does not grant Official Quotation of the Offer Shares offered pursuant to this Prospectus before the expiration of three (3) months after the date of the Original Prospectus, (or such period as varied by the ASIC), the Company will not issue any Offer Shares and will repay all Application Monies within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Offer Shares is not to be taken in any way as an indication of the merits of the Company or the Offer Shares offered for subscription.

The Company will not apply for Official Quotation of the New Options issued pursuant to this Prospectus.

2.9 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 1.2 of this Prospectus. Shortfall Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shortfall Securities issued is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Share Registry in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement & Acceptance Form or submitting an Application.

Holding statements for Securities issued under the Offer and Shortfall Offer will be mailed as soon as practicable.

2.10 Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

Important Information for New Zealand Investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

This Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets' regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Nominees and custodians

Nominees and custodians may not submit an Entitlement & Acceptance Form on behalf of any Shareholder resident outside Australia or New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement & Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3 PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$7.68 million (before costs).

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

Use	Minimum Subscription (A\$)	%	Full subscription (A\$)	%
Site-based costs	1,116,707	31.2	2,900,000	37.8
Tenement holding costs	1,176,842	32.9	1,800,000	23.4
Progression of development debt and equity financing	430,000	12.0	680,000	8.9
General working capital ¹	574,425	16.1	1,769,119	23.0
Expenses of the Offer ²	277,182	7.8	530,518	6.9
Total	3,575,156	100	7,679,637	100

Notes:

¹ Funds allocated to working capital will be used for administration expenses of the Company, including employee and Directors' remuneration, office rent and other administration and obligatory overheads.

² Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.

If only the Minimum Subscription (\$3,575,156) is raised under the Offers, then the amount allocated to tenement holding costs is not expected to materially change. However, the Company will reduce the amount of funds primarily allocated to the site-based costs and working capital with the Company's focus to be solely on the progression of the debt and equity financing, with the associated reduction in other costs, including staff and exploration costs.

The Company notes that the cost of finalising the M2 and M3 models noted at Section 1.3 above is allocated to staff internally and falls within general working capital.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives will need to be modified as outlined above, which may result in delay or substantial changes to the Company's future plans. In this event (and after accounting for associated Offer costs) it is likely that the Company will appropriately scale back funds available for site-based costs and general working capital as well as reviewing its tenure package to reduce costs. This is also likely to result in the Company re-assessing whether the development of the Project can proceed in those changed circumstances.

The above table is a statement of the Board's current intentions as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Directors reserve the right to alter the way the funds are applied.

3.2 Effect of the Offer

The principal effect of the Offer, assuming some Entitlements are accepted and all Shortfall is placed by the JLMs (and no Shares are issued including on exercise of Existing Options prior to the Record Date), will be to:

- a) increase cash reserves by \$7,149,119 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- b) increase the number of Shares on issue from 808,382,808 as at the date of this Prospectus to 1,010,478,510 Shares; and
- c) increase the number of Options on issue from 1,500,000 as at the date of this Prospectus to 112,547,851 Options (noting 10,000,000 of these Options will only be issued if 100% of the Shortfall is placed by the JLMs and they earn the JLM Options).

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company is set out below.

Shares	Minimum Subscription	Full subscription
Existing Shares currently on issue	808,382,808	808,382,808
New Shares issued pursuant to the Offer ¹	94,083,052	202,095,702
Total Shares on issue after completion of the Offer¹	902,465,860	1,010,478,510

Note:

¹ This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of Offer Shares issued under the Offer.

Options	Minimum Subscription	Full subscription
Currently on issue: Unquoted exercisable at \$0.175 on or before 29 July 2023	1,500,000	1,500,000
New Options issued pursuant to the Offer ¹	47,041,526	101,047,851
JLM Options issued under the JLM Mandate relating to the Shortfall Offer ²	Nil	10,000,000 ³
Total Options on issue after completion of the Offer⁴	48,541,526	112,547,851

Note:

¹ Refer to Section 4.2 for the terms of the New Options.

² Refer to Section 4.3 for the terms of the JLM Options.

³ Assuming some Entitlements are accepted and all Shortfall is placed by the JLMs.

⁴ This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of New Options issued under the Offer.

Performance Rights		Minimum Subscription	Full subscription
Currently on issue:			
Performance Rights – Tranche B	3,811,196		
Performance Rights – Tranche C	3,846,714	7,657,910	7,657,910
Performance Rights issued pursuant to the Offer		Nil	Nil
Total Performance Rights on issue		7,657,910	7,657,910

The capital structure on a fully diluted basis as at the date of this Prospectus is 817,540,718 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Existing Options are exercised prior to the Record Date) would be 1,120,684,271 Shares. On the basis that only some Entitlements are accepted by Shareholders and the JLMs place 100% of the available Shortfall and therefore earn the JLM Options, the fully diluted capital structure will be 1,130,684,271 Shares.

No Existing Shares or Existing Options are subject to escrow restrictions, either voluntary or ASX imposed. On vesting of Performance Rights and conversion to Shares, those Shares will be subject to a voluntary escrow restriction period of 12 months.

3.4 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2022 and the unaudited pro-forma balance sheet as at 30 June 2022 shown below have been prepared on the basis of accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming some Entitlements are accepted, all Shortfall is placed by the JLMs, no Existing Options are exercised prior to the Record Date and including the maximum anticipated expenses of the Offer. It has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Unaudited (30/06/2022) (\$)	Pro-forma Minimum Raise (30/06/2022) (\$)	Pro-forma Maximum Raise (30/06/2022) (\$)
Current Assets			
Cash	878,794	4,176,768	8,027,913
Trade and other receivables	259,734	259,734	259,734
Prepayments	213,368	213,368	213,368
Inventory	227,206	227,206	227,206
Total current assets	1,579,102	4,877,076	8,728,220
Non-Current Assets			
Plant and equipment	471,084	471,084	471,084

	Unaudited (30/06/2022) (\$)	Pro-forma Minimum Raise (30/06/2022) (\$)	Pro-forma Maximum Raise (30/06/2022) (\$)
Intangibles	4,353	4,353	4,353
Exploration and evaluation	35,669,846	35,669,846	35,669,846
Total non-current assets	36,145,283	36,145,283	36,145,283
Total assets	37,724,385	41,022,359	44,873,503
Current Liabilities			
Trade creditors	625,427	625,427	625,427
Tenement liabilities	440,874	440,874	440,874
Laverton Training Centre liabilities	124,668	124,668	124,668
Other liabilities	954,239	954,239	954,239
Lease liabilities – current	44,115	44,115	44,115
Provisions – current	393,127	393,127	393,127
Total current liabilities	2,582,450	2,582,450	2,582,450
Non-Current Liabilities			
Provisions – non-current	1,857,818	1,857,818	1,857,818
Total non-current liabilities	1,857,818	1,857,818	1,857,818
Total liabilities	4,440,268	4,440,268	4,440,268
Net assets (liabilities)	33,284,117	36,582,091	40,433,236
Equity			
Share capital	60,491,225	64,066,381	67,496,251
Options reserve	2,165,868	2,730,362	3,522,524
Retained loss	(29,372,976)	(30,214,651)	(30,585,540)
Total equity	33,284,117	36,582,091	40,433,235

4 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Offer Shares

The following is a summary of the more significant rights and liabilities attaching to the Offer Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- i. each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- ii. on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one (1) vote; and
- iii. on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one (1) vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may

determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as they consider fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

e) Shareholder liability

As the Offer Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

f) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

g) Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

h) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

i) Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Terms of the New Options

The following terms apply to the New Options being offered pursuant to this Prospectus.

a) Entitlement

Each New Option entitles the holder to subscribe for one (1) Share upon exercise of the New Option.

b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.060 (**Exercise Price**).

c) Expiry Date

Each New Option will expire at 5.00pm AWST on the date that is 12 months after the date of issue of the New Options (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d) Exercise Period

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

e) Notice of Exercise

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by EFT or other means of payment acceptable to the Company.

f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

g) Timing of issue of Shares on exercise

Within five (5) Business Days after the Exercise Date, the Company will:

- i. issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- ii. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- iii. if admitted to the official list of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under g)ii for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

h) Shares issued on exercise

Shares issued on exercise of the New Options will rank equally with the then issued Shares of the Company.

i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

j) Participation in new issues

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

k) Change in exercise price

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

l) Transferability

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

4.3 Terms of the JLM Options

The following terms apply to the JLM Options being offered pursuant to this Prospectus.

a) Entitlement

Each JLM Option entitles the holder to subscribe for one (1) Share upon exercise of the JLM Option.

b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each JLM Option will be \$0.076 (**Exercise Price**).

c) Expiry Date

Each JLM Option will expire at 5.00pm AWST on the date that is two (2) years after the date of issue of the JLM Options (**Expiry Date**). A JLM Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d) Exercise Period

The JLM Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

e) Notice of Exercise

The JLM Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the JLM Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each JLM Option being exercised in Australian currency by EFT or other means of payment acceptable to the Company.

f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each JLM Option being exercised in cleared funds (**Exercise Date**).

g) Timing of issue of Shares on exercise

Within five (5) Business Days after the Exercise Date, the Company will:

- i. issue the number of Shares required under these terms and conditions in respect of the number of JLM Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- ii. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- iii. if admitted to the official list of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the JLM Options.

If a notice delivered under g)ii for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- h) Shares issued on exercise

Shares issued on exercise of the JLM Options will rank equally with the then issued Shares of the Company.

- i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- j) Participation in new issues

There are no participation rights or entitlements inherent in the JLM Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the JLM Options without exercising the JLM Options.

- k) Change in exercise price

A JLM Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the JLM Option can be exercised.

- l) Transferability

The JLM Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5 RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained within the Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5, and all of the other information set out in this Prospectus, and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific risks

a) Potential for dilution

In addition to potential control impacts set out in Section 3.3, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 20.0% (as compared to their holdings and number of Existing Shares).

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer are likely to be diluted by an aggregate of approximately 33.3% (as compared to their holdings in the capital of the Company on a fully diluted basis on issue as at the date of the Prospectus).

It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.040 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

b) Additional requirements for capital

The funds raised under the Offer are considered sufficient to meet the current proposed objectives of the Company in the timeframe disclosed. Additional funding will be required to develop the Lake Wells Sulphate of Potash Project and also in the event if the future costs exceed the Company's estimates to effectively implement its business and operations plans, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its development program. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

c) LSOP Project Development

As at the date of this Prospectus, there is remaining uncertainty around whether the development of the LSOP will proceed as previously announced, will proceed in the intended timeframe, or will proceed at all. Development of the LSOP project will depend upon the review of the costs of that development, the market for end products after development and the ability of the Company to obtain financing to develop the Project.

d) Going concern

While completing the audit review of the Company's financial report for the half-year ended 31 December 2021, the Company's auditor made a statement regarding the Company's ability to continue as a going concern.

Notwithstanding the 'going concern' qualification included in the Company's financial report for the half-year year ended 31 December 2021, the Directors believe that raising the Minimum Subscription will enable the Company to continue operating as a going concern, albeit with reduced operations as outlined in this Prospectus.

Failure to achieve the Minimum Subscription will have a material adverse effect on the Company's activities and lead to consideration of the future operations of the Company and/or its ability to continue as a going concern.

e) Exploration costs and success

In addition to the LSOP, the Company holds interests in several other projects in the northeastern Goldfields of Western Australia. Any exploration costs associated with these projects are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant

uncertainties and, as a result, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice.

The tenements at these other projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that further exploration will result in the discovery of an economic ore deposit at these projects. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

f) **Coronavirus (COVID-19) risk**

The outbreak of COVID-19 continues to impact global economic markets. The ongoing nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by any economic uncertainty caused by COVID-19. Further, any new governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Company is operationally based in Western Australia and may continue to be impacted in various ways including supply chain and operational challenges, possible disruptions in access, limited specialised workers' availability, and cross border movement restrictions. The Company will however continue to operate with the best intentions of fulfilling commitments to Shareholders.

The Directors continue to monitor the situation and consider the impact of COVID-19 on the Company's business and financial performance however the consequences are inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will update the market in regard to the impact of COVID-19 on its project and any adverse impact on the Company.

5.3 Industry specific

a) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. Whilst unlikely due to the proposed nature of activities at LSOP, the occurrence of any such safety or environmental incident could delay development or increase costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment,

environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.

b) Climate risk

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- i. the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences;
- ii. climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates;
- iii. companies that engage in or support carbon intensive activities risk a loss of social licence and reputational damage. Activist shareholders, even when motivated by profit, can target companies with environmental issues because it perpetuates the negative spin;
- iv. flooding, cyclones and fires are examples of primary climate-related risks that may have an impact on the Company's site-based activities by restricting access, damaging infrastructure or generating delays;
- v. litigation may be initiated in the situation where it is claimed that loss or harm is suffered because of the Company's adverse impact on the environment (although Australia does not have a history of extensive climate change-related litigation);
- vi. extended approval timeframes may be experienced for activities that have an environmental impact, such as mining, based on requirements to address climate risks.

c) Peer risk

The SOP production sector is new to Australia, and it requires a positive investment sentiment to attract development capital. There is a risk that delayed implementation of more advanced peer solar SOP projects in Western Australia will negatively impact investor sentiment towards new developments including the LSOP. While considerable focus has been placed on minimising the LSOP implementation risk, the market sentiment is largely beyond the control of the Company as it relies upon factors over which the Board and Management are not able to exercise influence.

d) Failure to satisfy expenditure commitments

Interests in tenements in Western Australia are governed by the mining acts and regulations that are current in this State and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in its tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

e) Mine development

Development of a mining operation at the LSOP is dependent on a number of factors including, but not limited to ongoing favourable geological conditions, receiving any outstanding necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of conditions and hazards which are beyond its control, including failure to achieve predicted grades, operational and technical difficulties, issues in commissioning, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, environmental hazards, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurance can be given that the Company will achieve commercial viability of the LSOP.

f) Resource estimates

The delineated Resource for the Lake Wells Sulphate of Potash Project, and any future project delineated Resource, is an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and

analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

g) Native Title and Aboriginal heritage

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Further to this, it is possible that an Indigenous Land Use Agreement (**ILUA**) may be registered against one or more of the tenements in which the Company has an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

h) Tenure and access

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

Tenements are subject to the applicable mining acts and regulations in Western Australia. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

5.4 General risks

a) Economic conditions and other global or national issues

General economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics may have an impact on Company's exploration, development and production activities, as well as on its ability to fund those activities. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally and may potentially have an impact on the review currently being undertaken of the LSOP financial model both from the perspective of inflated costs and increased SOP prices. The nature and extent of the effect of this conflict on the performance of the Company and the value of its Shares remains unknown. The Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.

b) Market conditions

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Share market conditions are affected by many factors such as:

- general economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions);
- introduction of tax reform or other new regulation, policy or legislation;
- changes in exchange rates, interest rates and rates of inflation;
- changes in investor sentiment toward particular market sectors;
- variation in commodity prices;
- the demand for, and supply of, capital; and
- the global security situation and the possibility of terrorist disturbances or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

c) Litigation risks

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

d) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant

by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

e) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Offer Shares under this Prospectus.

f) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior Management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

g) Change in government policy and legislation

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

5.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus. Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6 ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings that are pending.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- a) it is subject to regular reporting and disclosure obligations;
- b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - i. the annual financial report most recently lodged by the Company with the ASIC;
 - ii. any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - iii. any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	ASX Announcement
24 Sep 2021	Securities Trading Policy
11 Oct 2021	Australian Market Organic Certification
18 Oct 2021	Lake Wells Project Development Update
21 Oct 2021	Laverton Training Centre – An APC Indigenous Initiative
25 Oct 2021	Annual Report to shareholders
25 Oct 2021	2021 Corporate Governance Statement

Date	ASX Announcement
25 Oct 2021	Appendix 4G
27 Oct 2021	Date of AGM & Closing Date for Director Nominations
29 Oct 2021	Trading Halt
29 Oct 2021	Quarterly Cashflow Report
29 Oct 2021	Quarterly Activities Report
2 Nov 2021	\$12m Capital Raising to Advance Lake Wells SOP Project
2 Nov 2021	Investor Presentation
2 Nov 2021	Proposed issue of securities - APC
2 Nov 2021	Proposed issue of securities - APC
9 Nov 2021	Application for quotation of securities - APC
9 Nov 2021	Cleansing Notice
11 Nov 2021	Notice of Annual General Meeting/Proxy Form
11 Nov 2021	Letter to Shareholders - Notice of AGM & Proxy Form
22 Nov 2021	Share Purchase Plan - Shareholders Invitation to Participate
23 Nov 2021	Lake Wells Potash Project Development Update
7 Dec 2021	Notification regarding unquoted securities - APC
15 Dec 2021	AGM Presentation
15 Dec 2021	Results of Meeting
16 Dec 2021	Change of Company Auditor
16 Dec 2021	Appointment of Chair
16 Dec 2021	Initial Director's Interest Notice
16 Dec 2021	Final Director's Interest Notice
17 Dec 2021	Share Purchase Plan Results
17 Dec 2021	Application for quotation of securities - APC
20 Dec 2021	Change of Registry Address
22 Dec 2021	Application for quotation of securities - APC
22 Dec 2021	Cleansing Notice
29 Dec 2021	Notification of cessation of securities - APC
4 Jan 2022	Notification of cessation of securities - APC
18 Jan 2022	Notification regarding unquoted securities - APC
31 Jan 2022	Quarterly Cashflow Report
31 Jan 2022	Quarterly Activities Report
8 Feb 2022	Emerging Resources Conference Presentation
18 Feb 2022	Notification of cessation of securities - APC
22 Feb 2022	Material Upgrade to Logistics Route
28 Feb 2022	\$250,000 RED Grant for Laverton Training Centre
2 Mar 2022	Lake Wells Sulphate of Potash Project
16 Mar 2022	Half Year Accounts

Date	ASX Announcement
19 Apr 2022	Notification of cessation of securities - APC
21 Apr 2022	Application for quotation of securities - APC
2 May 2022	Quarterly Cashflow Report
2 May 2022	Quarterly Activities Report
20 May 2022	Strengthening Management Team
7 Jun 2022	Updated flow model increases SOP production potential
26 July 2022	Quarterly Cashflow Report
26 July 2022	Quarterly Activities Report
27 July 2022	Non-renounceable Entitlement Offer
27 July 2022	Disclosure Document
27 July 2022	Proposed issue of securities - APC

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.australianpotash.com.au.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market traded prices of the Shares on ASX during the three (3) months immediately preceding the date of release of this Prospectus and the respective dates of those trades were:

	(\$)	Date
Highest	0.073	5 May 2022
Lowest	0.038	29 July 2022
Last	0.040	4 August 2022

6.4 Material contracts

The Company has engaged Shaw and Partners and Canaccord Genuity to act as joint lead managers of the Offer (**JLM Mandate**), the material terms of which are summarised below:

- a) the JLM Mandate does not constitute an underwriting agreement, a commitment on the part of the JLMs to subscribe for any Securities or to procure others to do so or commit any capital, nor does it constitute a guarantee that the Offer will be successful;
- b) the JLMs may (but without any obligation to do so) subscribe on their own account for Securities. Additionally, the directors and employees of the JLMs may also participate on their own accounts at their discretion;

- c) the Company will pay the JLMs:
 - i. a 3% management fee on proceeds received under the Offer and Shortfall Offer;
 - ii. a 3% selling fee on any Shortfall amounts placed by the JLMs;
 - iii. 5,000,000 JLM Options to each of the JLMs in the event that 100% of the Shortfall is placed at any time in the available three (3) month period following the closure of the Offer. The JLM Options will be exercisable at any time within two (2) years from their date of issue at a 100% premium to the Offer Price; and
- d) the Company agrees to offer the JLMs a first right of refusal to act as JLMs, joint underwriter or joint bookrunner if it undertakes any capital raising within the 12 month period following the completion of the Offer.

The JLM Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and confidentiality provisions).

6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the two (2) years preceding lodgement of this Prospectus with the ASIC, any interest in:

- a) the formation or promotion of the Company;
- b) any property acquired or proposed to be acquired by the Company in connection with:
 - i. its formation or promotion; or
 - ii. the Offers; or
- c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- a) as an inducement to become, or to qualify as, a Director; or
- b) for services provided in connection with:
 - i. the formation or promotion of the Company; or
 - ii. the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement under the Offer, is set out in Section 1.5.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum

remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (ie. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2020 and 2021 Annual Report and that estimated (un-audited) amount for the period 2021/22.

	Actual		Estimated
	2019/20	2020/21	2021/22
Rhett Brans ¹	47,596	383,612	295,750
Brett Lambert	36,345	84,750	53,750
Cathy Moises ²	-	81,519	53,750
Matt Shackleton	299,032	425,738	400,000
Natalia Streltsova ³	-	-	48,871
Jim Walker ⁴	61,909	76,650	35,712

Notes:

¹ Transitioned from Non-Executive Director to Executive Director 09/06/2020 & resumed Non-Executive role 20/05/2022

² Appointed 29/07/2020

³ Appointed 15/12/2021

⁴ Resigned 15/12/2021

6.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- b) promoter of the Company;

holds, or has held within the two (2) years preceding lodgement of this Prospectus with the ASIC, any interest in:

- a) the formation or promotion of the Company;
- b) any property acquired or proposed to be acquired by the Company in connection with:

- i. its formation or promotion; or
 - ii. the Offers; or
- c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- a) the formation or promotion of the Company; or
- b) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$17,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$43,202 (excluding GST and disbursements) for legal services provided to the Company.

Shaw and Partners and Canaccord Genuity will be paid a management fee of up to \$460,778 in respect of the Offer (subject to the proportion of take up of Entitlements by Eligible Shareholders) and may receive 10,000,000 JLM Options under the Offer detailed in Section 2.7. During the 24 months preceding lodgement of this Prospectus with the ASIC, Shaw and Partners has received \$792,000 (excluding GST) and Canaccord Genuity has received \$600,000 (excluding GST) in fees from the Company for similar services.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Shaw and Partners and Canaccord Genuity have given their written consent to being named as the joint lead managers to the Offer in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

6.8 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$530,518 (excluding GST) if all Entitlements are placed and \$277,182 for the Minimum Subscription and are expected to be applied towards the items set out in the table below:

	Minimum Subscription (\$)	Full subscription (\$)
ASIC fees	3,206	3,206
ASX fees	11,996	19,063
Legal fees	21,500	21,500
Share Registry fees	10,971	10,971
Broker fees	214,509	460,778
Miscellaneous	15,000	15,000
Total	277,182	530,518

6.9 Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Matt Shackleton
 Managing Director & CEO
Australian Potash Limited

7 GLOSSARY

\$ or A\$	means Australian dollar.
Applicant	an Eligible Shareholder who submits an Entitlement & Acceptance Form and/or payment of Application Monies.
Application	means an application for New Shares lodged in accordance with the instructions in this Prospectus and the Entitlement & Acceptance Form.
Application Monies	means monies paid by Eligible Shareholders in respect of New Shares the subject of an Application.
ASIC	means the Australian Securities and Investment Commission.
ASX	means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.
ASX Listing Rules	means the official listing rules of the ASX (as amended from time to time).
ASX Settlement Operating Rules	means the settlement rules of the securities clearing house which operates CHESS.
AWST	means Australian Western Standard Time.
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.
Canaccord Genuity	means Canaccord Genuity (Australia) Limited (ACN 075 071 466).
CHESS	means the Clearing House Electronic Sub-Register System operated by ASX Settlement Pty Ltd (ACN 008 504 532).
Closing Date	means the date specified in the timetable in Section 1.2 (unless extended).
Company	means Australian Potash Limited (ACN 149 390 394).
Constitution	means the constitution of the Company as at the date of this Prospectus.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company as at the date of this Prospectus.
EFT	means electronic funds transfer.
Eligible Shareholder	means a Shareholder as at the Record Date with a registered address in Australia or New Zealand who is eligible to participate in the Offer.
Entitlement	the number of New Shares for which an Eligible Shareholder is entitled to subscribe for under the Offer.

Entitlement & Acceptance Form	means the application form either attached to or accompanying this Prospectus.
Existing Options	means Options on issue at the Record Date.
Existing Shares	means Shares on issue at the Record Date.
Ineligible Shareholder	means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.
JLM	or Joint Lead Managers means Canaccord Genuity and Shaw and Partners.
JLM Mandate	means the mandate entered into between the Company and the JLMs.
JLM Options	means the options issuable to the JLMs as outlined in Section 6.4(c)iii on the terms set out in Section 4.3.
Minimum Subscription	has the meaning given in Section 2.5.
New Option	means an Option and issued pursuant to the Offer or Shortfall Offer on the terms set out in Section 4.2.
New Shares	means the Shares to be issued to Eligible Shareholders who accept the Offer.
Offer	means the pro rata non-renounceable entitlement issue to Eligible Shareholders the subject of this Prospectus.
Offers	means the Offer, the Shortfall Offer and the offer to the JLMs.
Offer Price	means \$0.038 per New Share.
Offer Shares	means the Shares offered under the Offer and the Shortfall Offer pursuant to this Prospectus.
Official Quotation	means official quotation on ASX.
Opening Date	means the date specified in the timetable in Section 1.2.
Option	means an option to acquire a Share.
Optionholder	means a registered holder of an Option.
Original Prospectus	means the Prospectus lodged with ASIC on 26 July 2022.
Performance Right	means the right to subscribe for a Share upon vesting of specified performance conditions.
Prospectus	means this prospectus.
Record Date	means the date specified in the timetable set out in Section 1.2.
Section	means a section of this Prospectus.

Securities	means New Shares and New Options.
Share	means a fully paid ordinary share in the Company.
Shareholder	means a registered holder of a Share.
Share Registry	means the Company's share registry, Automic Registry Services.
Shaw and Partners	means Shaw and Partners Limited (ACN 003 221 583).
Shortfall	means any shortfall of New Shares taken up by Eligible Shareholders.
Shortfall Offer	means the offer of Shortfall Securities as described in Section 2.6.
Shortfall Securities	means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

Mineral Resource Estimate

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.

Hydrogeological Unit	Volume of aquifer (MCM)	Specific Yield (mean)	Drainable Brine Volume (MCM)	K Concent ⁿ (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 2: 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)