

29 September 2017

Dear Shareholder

AUSTRALIAN POTASH LIMITED – PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE

As announced on 25 August 2017, Australian Potash Limited (ACN 149 390 394) (**APC or the Company**) is undertaking a 1:3 pro rata non-renounceable rights issue (**Rights Issue or Offer**) of approximately 85,491,024 options to acquire fully paid ordinary shares (**Loyalty Options**) to raise \$854,910.24. The price of Loyalty Options under the Offer is \$0.01 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 28 September 2017.

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

Item	Proceeds of the Entitlement Offer	Full Subscription (\$)	%
1.	Expenses of the Offer	\$20,929	2.45%
2.	Working capital	\$833,981.24	97.55%
	Total	\$854,910.24	100%

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5.00pm (WST) on Wednesday, 4 October 2017, whose registered address is in Australia or New Zealand.

Loyalty Options will be issued on the terms and conditions as set out in section 6.1 of the Prospectus.

Following completion of the Offer, the Company will have issued approximately 85,491,024 Loyalty Options resulting in total Options on issue of approximately 114,563,547.

A copy of the Prospectus is available on ASX's and APC's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 9 October 2017. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of Loyalty Options.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for Loyalty Options pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Security Transfer Australia Pty Ltd (**Share Registry**) by no later than 5.00pm (WST) on the Closing Date, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.

- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5.00pm (WST) on the Closing Date, by completing and returning your Entitlement and Acceptance Form by filling in the number of Loyalty Options you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.01 per Option).
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates for the Offer

Event	Proposed Date
Lodgement of Prospectus with the ASIC	28 September 2017
Lodgement of the Prospectus and Appendix 3B with ASX	28 September 2017
Notice sent to Option holders	29 September 2017
Notice sent to Shareholders	29 September 2017
Ex date	3 October 2017
Record date for determining Entitlements	4 October 2017
Prospectus despatched to Shareholders & Company announces despatch has been completed	9 October 2017
Closing date of Entitlement Offer*	18 October 2017
Securities quoted on a deferred settlement basis	19 October 2017
Notification of under-subscriptions to ASX (if any)	23 October 2017
Issue Date	25 October 2017
Quotation of Loyalty Options issued under the Offer	26 October 2017

* The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Options are expected to commence trading on ASX may vary.

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for Loyalty Options, please contact your financial adviser or Leigh-Ayn Absolom, APC's Company Secretary, on +61 422 516 743.

Yours sincerely



MATT SHACKLETON
Executive Chairman