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ABN 58 149 390 394

29 September 2017

Dear Shareholder

AUSTRALIAN POTASH LIMITED – PRO-RATA NON-RENOUCEABLE 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 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.

Ineligible shareholders

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you have any queries concerning the Rights Issue, please contact your financial adviser or Leigh-Ayn Absolom, APC's Company Secretary, on +61 422 516 743.

Yours sincerely

MATT SHACKLETON
Executive Chairman

