

27 July 2022

Non-renounceable Entitlement Offer

Australian Potash Limited (**ASX: APC** or the **Company**) advises that it will be conducting a pro-rata non-renounceable entitlement offer to existing eligible shareholders. The Company is seeking to raise up to approximately \$7.68million (before costs) through the offer of one (1) new fully paid ordinary share in the capital of the Company (**Share**) for every four (4) shares held by eligible shareholders registered at 1 August 2022 at an issue price of \$0.038 per Share, plus one (1) free attaching option for every two (2) new Shares subscribed for (**Options**) (**Offer**). The Options will have an exercise price of \$0.060 and an expiry date that is 12 months from the date of issue. The Offer is not underwritten and there is no minimum subscription.

The issue price for the Offer represents a 20.8% discount to the closing price of the Company's shares on 26 July 2022, being the last trading day before this announcement.

Shaw and Partners Limited and Canaccord Genuity (Australia) Limited have been appointed Joint Lead Managers of the Offer.

Indicative Use of Proceeds of Offer

The Company proposes to use the proceeds of the Offer as follows:

Use	Approximate amount to be allocated assuming full subscription under the Offer (A\$)	%
Site-based costs	2,900,000	37.8
Tenement holding costs	1,800,000	23.4
Progression of development debt and equity financing	680,000	8.9
General working capital	1,769,119	23.0
Expenses of the Offer	530,518	3.9
Total	7,679,637	100.0

The above expenditure budget is indicative only and may change according to the circumstances prevailing at the time.

Summary of the Offer

1. The Offer comprises one (1) new Share for every four (4) Shares held by existing eligible shareholders at 5.00pm AWST on 1 August 2022 (**Record Date**) at \$0.038 per Share plus one (1) free attaching option for every two (2) Shares subscribed for.

2. Eligible shareholders will comprise those shareholders with a registered address in Australia or New Zealand at the Record Date (**Eligible Shareholders**).
3. The Offer is not underwritten and there is no minimum subscription.
4. Share entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.
5. Up to approximately 202,095,702 Shares and 101,047,851 Options will be issued pursuant to the Offer (excluding any options that may be issued to the Joint Lead Managers as part of their fee). Shareholders who do not take up all or any part of their entitlement will not receive any payment or value in respect of the entitlement not taken up and their equity interest in the Company will be diluted.
6. Any fractional entitlements arising from the Offer will be rounded up.
7. Shares issued under the Offer will rank equally with existing Shares on issue on the Record Date. The Company will make application for official quotation of the new Shares proposed to be issued under the Offer.
8. Options issued under the Offer will have an exercise price of \$0.060 and will expire at 5.00pm AWST on the date that is 12 months from the date of issue.
9. Eligible Shareholders will be able to apply for additional Shares over and above their entitlements under a shortfall facility, with the Board of Directors reserving the right to place and issue other shortfall securities. The Board of Directors' allocation policy with respect to any application for additional Shares under the shortfall facility is to give priority in allocations to eligible shareholders so long as the issue of shortfall securities does not take their voting power to in excess of 19.9%, then to other parties who are not currently shareholders.

Timetable

Further details of the Offer, including details on how to accept and key risks associated with investment, are set out in the Prospectus which will be released to the ASX shortly and is expected to be dispatched to Eligible Shareholders on 4 August 2022.

Outlined below is a timetable of relevant events and dates relating to the Offer. These events and dates are indicative only and subject to change. Subject to the ASX Listing Rules, the *Corporations Act 2001* (Cth) and other applicable laws, the Company's Board of Directors reserves the right to modify all dates, including the Offer closing date.

Event	Date
Lodgement of prospectus with ASIC	26 July 2022
Lodgement of prospectus & Appendix 3B with ASX	27 July 2022
'Ex' date	29 July 2022
Record date for determining entitlements	5.00pm AWST 1 August 2022
Opening date of the Offer, prospectus dispatched to Eligible Shareholders, letters sent to ineligible shareholders and announcement that dispatch has occurred	4 August 2022
Last day to extend the closing date	10 August 2022
Closing date of the Offer	5.00pm AWST 15 August 2022

Event	Date
Shares quoted on a deferred settlement basis	16 August 2022
Notification of shortfall (if any) under the Offer	18 August 2022
Issue and allotment of Shares and Options to Eligible Shareholders under the Offer, dispatch of holding statements and announcement of Appendix 2A & Appendix 3G	19 August 2022
Quotation of the Shares issued to Eligible Shareholders under the Offer	20 August 2022
Issue and allotment of Shares and Options under the Shortfall Facility and announcement of Appendix 2A & Appendix 3G	By 15 November 2022

Applications for new Shares under the Offer may only be made by following the instructions on the Entitlement & Acceptance Form which accompanies the Prospectus. Shareholders eligible to participate in the Offer should read the Prospectus carefully and consult their professional advisers as necessary.

Enquiries

Any enquiries regarding the Offer should be directed to the Company Secretary:

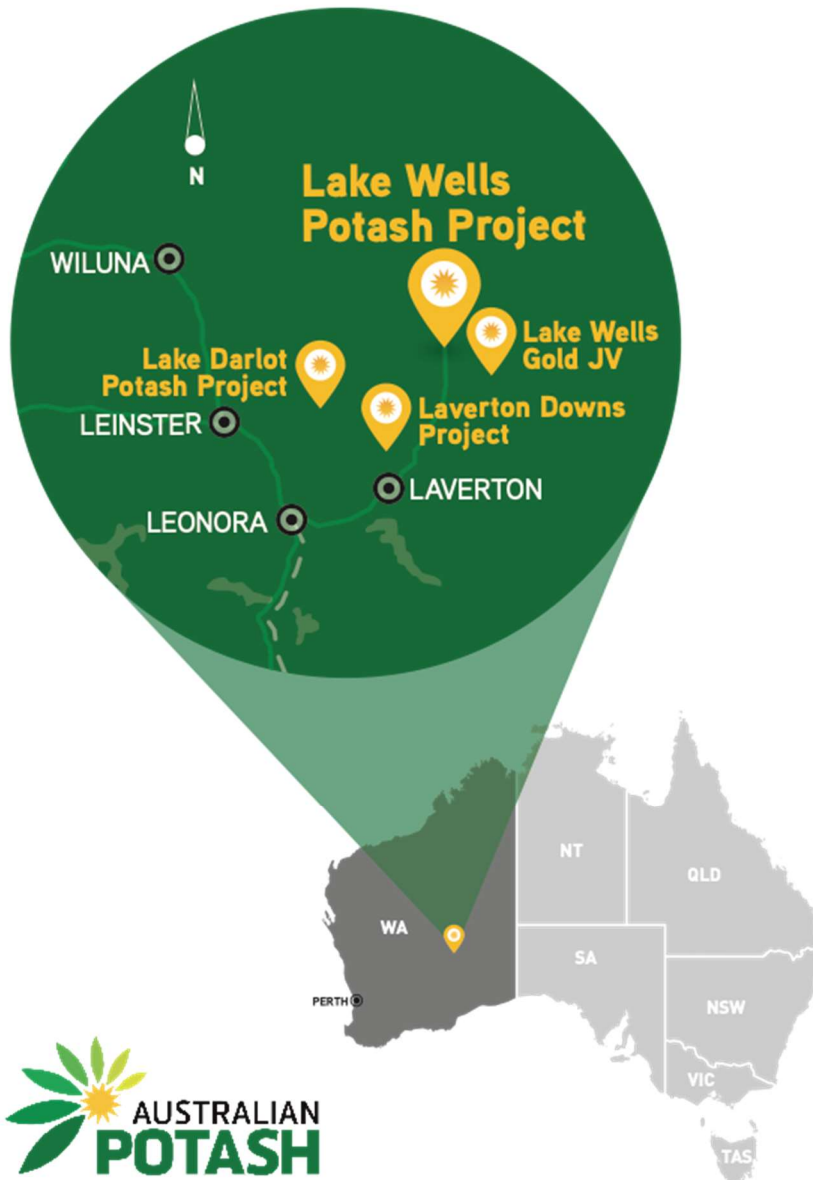
Michelle Blandford
m.blandford@australianpotash.com.au
 +61 (0) 8 9322 1003

This release was authorised by the Managing Director.

Matt Shackleton
 Managing Director & CEO
m.shackleton@australianpotash.com.au
 +61 (0) 438 319 841

Michelle Blandford
 Company Secretary
m.blandford@australianpotash.com.au
 +61 (0) 408 088 295

This release does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer or sale would be illegal. This release may not be distributed or released in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the securities referred to in this release in any jurisdiction outside Australia. In particular, the new Shares to be offered in the Entitlement Offer have not been, and none of them will be, registered under the *US Securities Act 1993 (Securities Act)* or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new Shares may not be offered, directly or indirectly to, any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable United States' state securities laws.



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

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

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

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

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

ⁱ Refer to ASX Announcement 9 April 2021

ⁱⁱ Refer to ASX Announcement 8 April 2021