



AUSTRALIAN POTASH LIMITED

ACN 149 390 394

NOTICE OF GENERAL MEETING

TIME: 10.00am AWST

DATE: Tuesday, 30 May 2023

PLACE: Subiaco Meeting Rooms
Level 1, Suite 9, 110 Hay Street
Subiaco WA 6008

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (AWST) on Friday, 26 May 2023.

NOTICE OF MEETING

Notice is hereby given that a General Meeting of Shareholders of Australian Potash Limited (ACN 149 390 394) will be held at 10.00am AWST on Tuesday, 30 May 2023 at Subiaco Meeting Rooms, Level 1, Suite 9, 110 Hay Street, Subiaco, Western Australia for the purpose of transacting the business outlined below.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting. Terms used in this Notice of Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary contained within the Explanatory Statement.

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES – LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 23,081,729 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement is included below.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT OPTIONS – LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 115,408,645 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement is included below.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES – LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 92,326,916 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement is included below.

Dated: 26 April 2023

By order of the Board


Michelle Blandford
Company Secretary

Voting Exclusion Statements:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolutions set out below by or on behalf of:

Resolution 1: A person who participated in the issue or is a counterparty to the agreement being approved (namely any of the recipients who participated in the Placement), or any Associate of that person or those persons.

Resolution 2: A person who participated in the issue or is a counterparty to the agreement being approved (namely any of the recipients who participated in the Placement), or any Associate of that person or those persons.

Resolution 3: A person who participated in the issue or is a counterparty to the agreement being approved (namely any of the recipients who participated in the Placement), or any Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolutions by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return no later than 10.00am AWST on Sunday, 28 May 2023 by:

- Hand delivery to: Automic
Level 5, 126 Phillip, Sydney NSW 2000
- Post to: Automic
GPO Box 5193, Sydney NSW 2001
- Fax to: +61 2 8583 3040
- Email to: **meetings@automicgroup.com.au**; or
- Lodge online at **<https://investor.automic.com.au/#/loginsah>** via logging in and clicking on "Meetings" and using the Holder Number as shown at the top of the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one half (½) of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

A corporation may elect to appoint a representative in accordance with section 250D of the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out in this Notice. Voting will be conducted via a poll and each Shareholder shall be entitled to one (1) vote for every one (1) Share held.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 1003.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders of Australian Potash Limited (ACN 149 390 394) in connection with the business to be conducted at a General Meeting of the Company to be held at 10.00am AWST on Tuesday, 30 May 2023 at Subiaco Meeting Rooms, Level 1, Suite 9, 110 Hay Street, Subiaco, Western Australia.

The purpose of the Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTIONS 1 TO 3 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SECURITIES

1.1 Background

As announced on 16 March 2023, the Company received firm commitments via a placement to raise \$2.077 million (before costs) (**Placement**) through the issue of 115,408,645 Shares at an issue price of 1.8 cents (**Placement Shares**), each with one free attaching unlisted Option for every one Placement Share subscribed for and issued (**Placement Options**) (together, the **Placement Securities**).

On 23 March 2023, 23,081,729 Shares and 115,408,645 Options were issued pursuant to the Company's capacity under Listing Rule 7.1 (being the subject of Resolutions 1 and 2) and 92,326,916 Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 30 November 2022 (being the subject of Resolution 3).

The issue of the Placement Securities did not breach Listing Rule 7.1 at the time of the issue.

The Placement was not underwritten, and no fees were payable to any broker, adviser or other third party in relation to the capital raising. Participants in the Placement were existing Shareholders in the Company who are professional or sophisticated investors, as those terms are defined in section 708 of the Corporations Act.

Resolutions 1 to 3 seek the approval of Shareholders to ratify the issue of the Placement Securities. They are ordinary resolutions, requiring them to be passed by a simple majority of votes cast by the Shareholders entitled to vote on them.

1.2 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 November 2022.

The issue of the Placement Securities does not fit within any of the exceptions to Listing Rule 7.1 or 7.1A set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it uses up part of the combined 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity

to issue further equity securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the date of issue of the Placement Securities.

None of the Placement Options were issued utilising the 10% placement capacity available to the Company under Listing Rule 7.1A as the terms of the Placement Options do not meet the criteria required to do so.

1.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 and 7.1A. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Securities.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares and Placement Options under Listing Rule 7.1. Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares under Listing Rule 7.1A.

1.4 Technical information required by Listing Rule 14.1A

If Resolutions 1 to 3 are passed, the Placement Securities will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Securities.

If Resolutions 1 to 3 are not passed, the Placement Securities will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Securities.

1.5 Technical information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 1 to 3:

- a) the Placement Securities were issued to professional and sophisticated investors who were existing Shareholders of the Company. The recipients were identified through a bookbuild process which involved the Company seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that other than Yandal Investments Pty Ltd, an existing substantial holder in the Company that participated in the Placement and increased their overall relevant interest voting power from 7.83% to 9.85%, none of the recipients were a related party of the Company, member of the Company's Key Management Personnel, substantial holders of the Company or an adviser of the Company or an Associate of any of these parties;

- c) an aggregate of 115,408,645 Placement Shares and 115,408,645 Placement Options were issued on the following basis:
 - i. 23,081,729 Shares and 115,408,645 Options were issued under the Company's 15% placement capacity under Listing Rule 7.1 (ratification of which is sought under Resolutions 1 and 2); and
 - ii. 92,326,916 Shares were issued the Company's 10% placement capacity under Listing Rule 7.1A (ratification of which is sought under Resolution 3);
- d) all of the Placement Shares were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Placement Options are unlisted, with an exercise price of 3.6 cents and an expiry date of 21 March 2025 (refer to Appendix A for all terms and conditions of the Placement Options);
- e) the Placement Securities were issued on 23 March 2023;
- f) the issue price of the Placement Shares was 1.8 cents per Share. The Placement Options were issued for nil consideration as they were issued free attaching with the Shares on a one for one basis. The Company has not and will not receive any other consideration for the issue of the Placement Securities (other than in respect of funds received on exercise of the Placement Options). Should the holders of the Placement Options choose to exercise the Placement Options in line with their terms and conditions, then the Company will receive up to \$4.154 million for the exercise of those securities;
- g) the purpose of the issue of the Placement Securities was to raise \$2.077 million (before costs) which will be applied towards working capital (including funding of outstanding creditors) and for general purposes; and
- h) the Placement Securities were not issued under an agreement.

1.6 Board recommendation

All of the Directors recommend that Shareholders vote in favour of Resolutions 1 to 3.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolutions 1 to 3. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolutions 1 to 3 or to abstain from voting.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investment Commission.

Associate has the same meaning as in Listing Rule 19.2.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the current board of directors of the Company.

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.

Chair means the chair of the Meeting.

Company means Australian Potash Limited (ACN 149 390 394).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

GM or General Meeting or Meeting means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

Listing Rules means the Listing Rules of ASX.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Placement is defined in Section 1.1.

Placement Options is defined in Section 1.1.

Placement Securities is defined in Section 1.1.

Placement Shares is defined in Section 1.1.

Proxy Form or Proxy Voting Form means the proxy voting form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

APPENDIX A: TERMS & CONDITIONS OF PLACEMENT OPTIONS

The following terms apply to the Placement Options.

a) Entitlement

Each Placement Option entitles the holder to subscribe for one (1) fully paid ordinary share upon exercise of the Placement Option.

b) Exercise Price

Subject to paragraph i), the amount payable upon exercise of each Placement Option will be A\$0.036 (**Exercise Price**).

c) Expiry Date

Each Placement Option will expire at 5.00pm AWST on 21 March 2025 (**Expiry Date**). A Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d) Exercise Period

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

e) Notice of Exercise

The Placement Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Placement Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Placement Option being exercised in Australian currency by electronic funds transfer 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 Placement 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 Placement 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 Placement 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 Placement 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 a holder of a Placement Option 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 Placement Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Placement Options without exercising the Placement Options.

k) Change in exercise price

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

l) Transferability

The Placement Options are transferable subject to approval of the Company, and any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.