

31 October 2023

Quarterly Activities Report – September 2023

- **Technical review of the exploration results generated by former joint venture partner St Barbara Limited at the Lake Wells Gold Project completed with walk-up drill targets identified**
- **Cashflow rationalisation continued through the quarter with reduction in employed headcount, sale of site assets and surrender of mining lease tenure**
- **Funding strategy for recapitalisation of the Company continues to be developed to achieve re-compliance with ASX Listing Rules**
- **Training continues at Laverton Training Centre with delivery of nationally accredited training courses both at Laverton and on the Ngaanyatjarra Lands**

Australian Potash Limited (**ASX: APC** or the **Company**) is pleased to provide its Quarterly Activities Report for the period ending 30 September 2023.

Managing Director and CEO, Matt Shackleton, commented: “The Board spent the majority of the quarter considering the funding options open to the Company to ensure shareholders are given the best opportunity to realise value on their investment. While acknowledging the suspension of the potash project development was not an ideal outcome for any of our stakeholders, the pragmatic pathways remaining open to the Company must be and are being pursued. The directors continue to remain positive about these options, with a near-term plan to come out of suspension and re-commence trading on ASX.”

Operational Update

Lake Wells Gold Project (LWGP)

In 2018, APC and St Barbara Limited (**SBM**) entered into a joint venture for the exploration, development and mining of non-potash minerals at the Lake Wells Gold Project. Over the duration of that joint venture, SBM spent approximately \$3.5million exploring (primarily for gold) the tenements, which sit contiguous to, and south of, the Lake Wells Sulphate of Potash (**LSOP**) development envelope. The LWGP extends approximately 80km to the south of Lake Wells, where it adjoins tenure currently being explored by successful gold producer Gold Road Resources Limited (ASX: GOR).

APC now has 100% ownership of the tenure comprising the LWGP¹.

A geological review of all previous exploration results was concluded in the quarter, with recommendations developed for an aircore drill program to the most prospective ‘walk-up’ drill targets. In light of the Company’s current financial position, engagement of drilling contractors and contract geologists has not occurred at this point in time, however progressing exploration at the LWGP remains a strategic priority when the Company is recapitalised.

¹ Beneficial ownership of 100%; formal transfer of tenure remains pending

Nexus REE & Lithium Project (Nexus)

The Nexus Project is located in the West Arunta of Western Australia's Kimberley region. The project comprises an exploration licence application (E80/5917) and the Company has entered into an agreement to purchase a contiguous exploration licence (E80/5778).

Attention has been focused on the West Arunta region recently through the discovery of a high-grade carbonatite hosted niobium deposit by explorer WA1 Resources Limited (ASX: WA1) and ongoing lithium exploration by Independence Group (ASX: IGO), amongst others.

APC's exploration strategy at Nexus is to expand the work conducted by previous tenement holders, by pursuing the increasing tenor of lithium and rare earth mineralisation in the lacustrine clays overlying the Bitter Springs formation to the south of the Webb Granite.

Laverton Downs Project (LDP)

The Laverton Downs Project is located approximately 5km north of Laverton. Regional geology highlights the potential for gold and nickel sulphide mineralisation. Project evaluation undertaken by APC incorporating regional datasets, detailed magnetic data and high precision geochemical assay results derived from historical bottom of hole drill samples confirmed that a Kambalda-style nickel deposit host rock type is present within the LDP.

In early 2023, APC signed a binding Tenement Sale Agreement with Maverick Minerals Pty Ltd for the sale and purchase of the six tenements comprising the LDP. The due diligence period has been completed and settlement is pending Maverick's IPO and listing on the ASX, which is anticipated in the second half of CY2023.

Lake Wells Sulphate of Potash Project (LSOP)

Rationalisation of the LSOP's minerals tenure and site assets continued through the quarter and the rehabilitation program commenced in earnest.

The rehabilitation of the ground disturbances at Lake Wells is being conducted in accordance with the Company's approved Mine Closure Plan, and focus has been on the off-playa areas of disturbance. The integrity of the on-playa surface does not support heavy machinery traffic, with the resettlement of these small areas back into the playa anticipated over subsequent wet seasons.

It is anticipated that all APC site personnel and assets will demobilise from Lake Wells by the end of October or early November 2023.

Laverton Training Centre (LTC)

The Laverton Training Centre is an initiative of APC which provides access to nationally accredited vocational training for long-term unemployed Aboriginal people living in this remote part of Western Australia. The LTC training ethos is modelled on the highly successful Martu-ku Yiwarra Training Centre in Wiluna, a unique four-year pilot remote Aboriginal vocational training program which was funded by local employers, overseen by Martu Elders, and had training delivered by Central Regional TAFE Kalgoorlie as the registered training organisation.

During the period, workplace health and safety (**WHS**), chainsaw and 4WD maintenance and operation courses were conducted on Ngaanyatjarra Lands from a camp in the Gibson Desert. In addition, a Martu Aboriginal workforce was established and trained in White Card, skid steer and roller operations for employment by Main Roads WA on major roadworks on the Goldfields Highway west of Wiluna.

Remote Aboriginal Ranger training has also been delivered in several locations over the past quarter. Over 30 remote Aboriginal Rangers have been trained 'on-country' in this period, including in the Great Victoria Desert (Pitjantjatjara Rangers), and the Little Sandy and Gibson Deserts (Martu Rangers).



Photos 1-3: LTC training delivery in the September 2023 quarter including remote delivery in the Gibson Desert and roadworks' skid steer and roller operations

To the date of writing, 138 individual students have completed a total of 428 federally accredited vocational training units at the LTC, with 86% of these students experiencing a direct employment outcome. Of the students, 107 identify as Aboriginal or Torres Strait Islanders and 38 as women. LTC students have attended training from Leonora, Mount Margaret, Laverton, Wiluna, Kalgoorlie and the Ngaanyatjarra and Tjuntjunjarra communities.

Corporate Update

Capital movements during the period relate to the lapsing of unlisted options and performance rights. As at the date of this report, the Company's capital comprises:

- 1,038,689,490 fully paid ordinary shares (ASX: APC)
- 115,408,645 unlisted options exercisable at \$0.036 and expiring 21 March 2025.

Financial Commentary

The Financial Report for the period ending 30 June 2023 is still pending at the date of this report.

The Quarterly Cashflow Report (Appendix 5B) for the period ending 30 September 2023 provides an overview of the Company's financial activities. Cash at the end of the quarter was \$1.278 million.

During the quarter, payments to related parties and their associates totalled \$97,000, comprising directors' salaries, fees and superannuation. In addition, a summary of the expenditure incurred during the quarter on the activities described in this report is as follows: exploration and evaluation \$307,000 expensed and \$270,000 capitalised; staff costs \$201,000; and administration and corporate costs \$184,000. Proceeds of \$950,000 was received in relation to property, plant and equipment.

Mining Tenement Holdings

In line with obligations under ASX Listing Rule 5.3.3, APC provides the following information relating to its mining tenement holdings as at 30 September 2023.

Area	Tenement	Interest at 30 June 2023	Action	Interest at 30 September 2023
Lake Wells	E38/1903	100%	-	100%
	E38/2113	100%	-	100%
	E38/2505	100%	-	100%
	E38/2901	100%	-	100%
	E38/2988	100%	-	100%
	E38/3018	100%	-	100%
	E38/3021	100%	-	100%
	E38/3028	100%	-	100%
	E38/3039	100%	Surrendered 7 August 2023	0%
	E38/3224	100%	-	100%
	E38/3225	100%	-	100%
	E38/3226	100%	-	100%
	E38/3270	100%	-	100%
	E38/3423	100%	-	100%
	ELA38/3784	100%	Withdrawn 7 August 2023	0%
	ELA38/3785	100%	Withdrawn 7 August 2023	0%
	ELA38/3786	100%	Withdrawn 7 August 2023	0%
	L38/350	100%	Surrendered 6 September 2023	0%
	L38/351	100%	Surrendered 7 August 2023	0%
	L38/356	100%	Surrendered 6 September 2023	0%
	LA38/359	100%	Withdrawn 6 September 2023	0%
	LA38/360	100%	Withdrawn 6 September 2023	0%
	M38/1274	100%	Surrendered 14 August 2023	0%
	M38/1275	100%	Surrendered 22 August 2023	0%
	M38/1276	100%	Surrendered 14 August 2023	0%
	M38/1287	100%	Surrendered 22 August 2023	0%
M38/1288	100%	Surrendered 14 August 2023	0%	
M38/1289	100%	Surrendered 14 August 2023	0%	
Laverton Downs	E38/2724 ²	100%	-	100%
	E38/3014 ²	100%	-	100%
	E38/3132 ²	100%	-	100%
	E38/3402 ²	100%	-	100%
	E38/3403 ²	100%	-	100%
	E38/3404 ²	100%	-	100%
Nexus	ELA80/5917	100%	Application pending	100%

No tenements are subject to any farm-in or farm-out agreements.

² Tenements held by Laverton Downs Pty Ltd, a wholly owned subsidiary of APC. On 28 February 2023 the Company announced that it had entered into a binding Letter of Intent in relation to the conditional sale of the tenements to Maverick Minerals Pty Ltd.

This release was authorised by the Board of Directors.

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