

3 November 2020

ASX ANNOUNCEMENT
ASX: APC

AUSTRALIAN POTASH LIMITED

APC SUCCESSFULLY RAISES \$7M TO ADVANCE THE LAKE WELLS SULPHATE OF POTASH PROJECT

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) is pleased to advise that it has received firm commitments for \$7 million through a placement of 63,063,070 fully paid ordinary shares (**Placement Shares**) at an issue price of 11.1 cents each (**Placement**). The bookbuild was oversubscribed with strong demand from institutional and professional investors.

The Placement Shares will be issued on the same terms as, and rank equally in all respects with, the existing fully paid ordinary shares in the Company. 14,405,007 Placement Shares will be issued under the Company's 15% placement capacity under ASX Listing Rule 7.1, and 48,658,063 Placement Shares will be issued under the Company's 10% placement capacity under ASX Listing Rule 7.1A. Settlement is expected on or around Tuesday 10 November 2020.

Matt Shackleton, Managing Director of APC said, "*APC are very pleased by the high demand and institutional investors taking note before key catalysts materialise over the coming quarter.*"

"The strong support for the Placement is a testament to our Lake Wells SOP Project's appeal as one of this state's pre-eminent mining-agri projects, positioned as a low cost, high return, ultra-low carbon emitting SOP project, which sits comfortably in the lowest quartile of the global cost curve

"The Placement delivers a strong balance sheet for the Company. Finalising the EPA approvals pathway, presenting further offtake agreements and finalising the syndicated debt facility, with NAIF, commercial lenders and recently EFA now rounding out due diligence, positions the Company and the project exceptionally well leading into 2021."

Euroz Hartleys Limited and Canaccord Genuity (Australia) Limited (**Canaccord**) are Joint Lead Managers to the Placement.

Use of Funds

Proceeds from the Placement will be applied towards:

- Completion of front-end engineering design (**FEED**) optimisation program at the Company's 100% owned Lake Wells Sulphate of Potash Project (**LSOP**) in Western Australia;

- Minor works associated with the finalisation of the offtake program, syndicated debt facility (including NAIF), EPC contracting, and EPA approvals process;
- Minor pre-development activities; and
- General working capital purposes.

This release was authorised by the Board of Directors of the Company.

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About Australian Potash Limited



K-Brite is a registered trademark brand of Australian Potash Limited (ASX: APC), representing the premium Sulphate of Potash (SOP) to be produced from the Company's flagship Lake Wells Sulphate of Potash Project (LSOP).

APC holds a 100% interest in the LSOP, located approximately 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.

Following the release of the Definitive Feasibility Study (DFS) in August 2019ⁱ, APC is focused on the Front-end Engineering Design (FEED) Study, finalising offtake discussions and securing financing to develop the LSOP.

The DFS was underpinned by extensive and rigorous testwork, data, and modelling. The DFS confirmed that the LSOP will be a long life, low capital and high margin SOP producer.

Key outcomes from the DFS include:

- 30-year mine life producing 150,000tpa of premium grade SOP utilising approximately 21% of the total Measured Resource estimate
- Long mine life underpinned by 3.6Mt reserve and **18.1Mt** Measured Resource estimate
- Pre-tax NPV₈ of **A\$665m** and an IRR of 25%
- Development capex of A\$208M with sector leading capital intensity of A\$1,387/t
- First quartile industry opex of US\$262/t providing high cash operating margins

ⁱ Refer to ASX Announcement 28 August 2019 'Definitive Feasibility Study Outstanding Financial Outcomes'. That announcement contains the relevant statements, data and consents referred to in this announcement. Apart from that which is disclosed in this document, Australian Potash Limited, its directors, officers and agents: 1. Are not aware of any new information that materially affects the information contained in the 28 August 2019 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 28 August 2019 announcement continue to apply and have not materially changed.