

15 September 2021

US Market Organic Products: OMRI Certification; SOP Pricing Update

Highlights

- **K-Brite™ Potassium Sulphate SOP allowed for use in certified organic production or food processing in compliance with the US Department of Agriculture National Organic Program**
- **The K-Brite™ Potassium Sulphate SOP will appear in the *OMRI Products List*® available on the OMRI website, and in the next print version**
- **North American based subscribing certifiers, state programs and others will receive information regarding the OMRI status of the K-Brite™ suite of products in the next quarterly update to those subscribers**
- **Global SOP prices showing strong growth as global agricultural markets recover, driving demand for premium potassic fertilisers**

Australian Potash Limited (**ASX: APC** or the **Company**) is pleased to advise that K-Brite™ Potassium Sulphate SOP has been allowed by the United States' premier organic certification body, Organic Materials Review Institute (**OMRI**), for use in the production and processing of organic foods.

Australian Potash Managing Director and CEO, Matt Shackleton said, "There are several themes working through global fertiliser demand curves – increasing population and decreasing use of arable agricultural land being pre-eminent. To these macro-trends is added a shift towards organic farming in many jurisdictions. In Sri Lanka for example there is now a ban on the import of chemical fertilisersⁱ, and in China there is an action plan to replace the use of chemical fertilisers with organic fertilisersⁱⁱ. APC has offtake positions in both of these jurisdictions and is well positioned to respond to the trend towards organic food production across the world's major SOP markets.

"Data summarised at Figure 1 below shows movements in SOP pricing globally as the world's economies begin to recover from the pandemic. While affected by higher-than-average ocean freight costs, there is a significant demand-pull effect in SOP pricing, particularly in those markets where premium quality produce continues to command a premium price point.

"Commentary around the forward contracts being negotiated in China for the supply of MOP through 2022 suggest a marked increase in the price of muriate of potash, MOP. There is historically a lag effect in SOP price increases vis a vis MOP price increases as Mannheim SOP producers pass increased costs of production through to their consumers. Spot pricing in the south-east Asian and South American markets confirm this upward trend in MOP pricing."

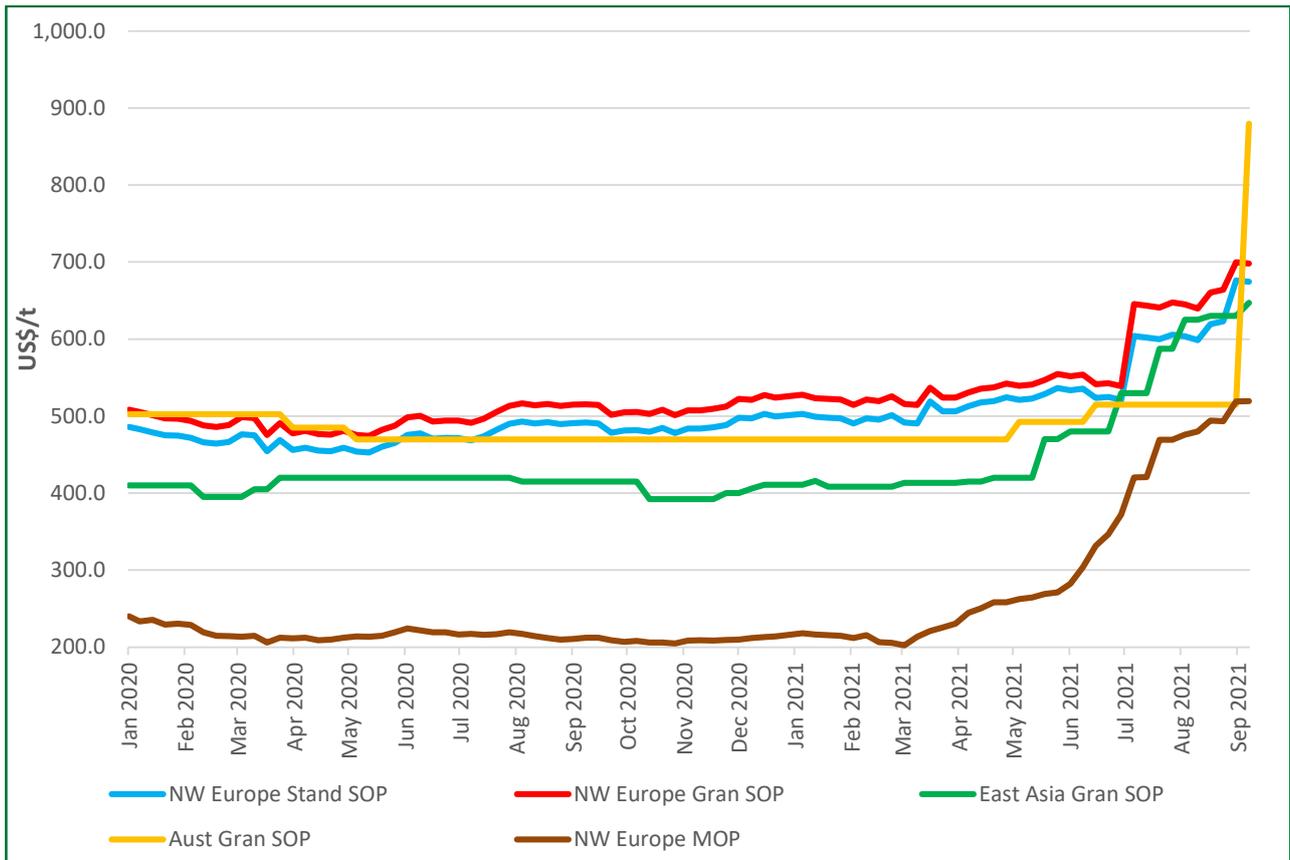


Figure 1ⁱⁱⁱ: SOP pricing across the world’s lucrative markets is trending strongly upwards on the back of increasing demand and Mannheim SOP input costs

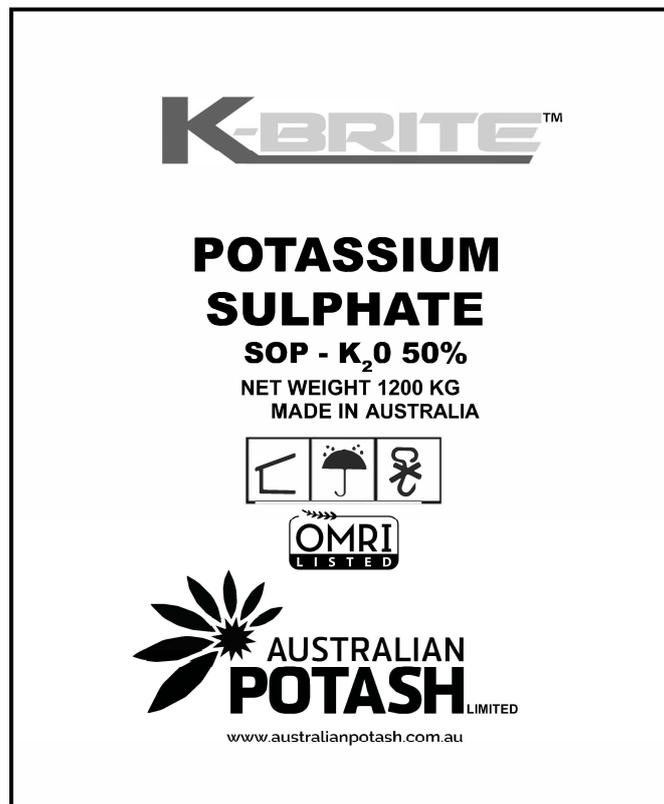


Figure 2: Example K-Brite™ product label with OMRI certification

This release was authorised by the Managing Director of the Company.

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About OMRI

The Organic Materials Review Institute (OMRI) is an international non-profit organisation that determines which input products are allowed for use in organic production and processing. OMRI Listed® products are allowed for use in certified organic operations under the USDA National Organic Program.



Forward Looking Statements

This announcement contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These forward-looking statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward-looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

ⁱ Acting on a presidential decision to move the country to entirely organic farming, the Sri Lankan government has banned chemical fertiliser imports (Argus Potash, 13 May 2021)

ⁱⁱ The Chinese Central Government published an action plan for the replacement of chemical fertilisers with organic fertilisers, following up on the No.1 Central Document that was issued targeting air pollution (Argus, 3 August 2017)

ⁱⁱⁱ Argus Consulting, September 2021

About Australian Potash Limited



APC holds a 100% interest in the **Lake Wells Sulphate of Potash (LSOP)**, located approximately 500kms 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 mid-2023.^{iv}

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

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

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

^{iv} Refer to ASX Announcement 20 April 2021 'FEED positions K-Brite at the Premium End of SOP Market'. 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 20 April 2021 announcement; and 2. State that the material assumptions and technical parameters underpinning the estimates in the 20 April 2021 announcement continue to apply and have not materially changed.

^v Refer to ASX Announcement 9 April 2021 'Massive Nickel Sulphide Targets Identified at Laverton Downs'. 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 9 April 2021 announcement; and 2. State that the material assumptions and technical parameters underpinning the estimates in the 9 April 2021 announcement continue to apply and have not materially changed.

^{vi} Refer to ASX Announcement 8 April 2021 'SBM Acquires 70% Interest in Lake Wells Gold Project'. 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 8 April 2021 announcement; and 2. State that the material assumptions and technical parameters underpinning the estimates in the 8 April 2021 announcement continue to apply and have not materially changed.