

16 March 2023

\$2million Placement

Major Shareholders Support Strategic Plans

- **A\$2.08 million in firm commitments received for placement to existing shareholders**
- **Proceeds to be used to support working capital requirements while discussions advance with prospective Strategic Investors in respect to Lake Wells Sulphate of Potash Project (LSOP) funding¹**

Australian Potash Limited (**ASX:APC** or the **Company**) is pleased to announce that it has received firm commitments to raise approximately A\$2.08 million via the placement of 115,408,645 shares (**New Shares**) to be issued at 1.8 cents per share (**Offer Price**) with a 1:1 attaching option (**Attaching Options**).

The New Shares will rank equally with the Company's existing fully paid ordinary shares on issue. The Attaching Options will be exercisable at 3.6 cents and have an expiry date of 21 March 2025, being two (2) years from the anticipated date of issue. The New Shares and Attaching Options will be issued out of the Company's available capacity under ASX Listing Rules 7.1 and 7.1A.

The Offer Price represents a 5.3% discount to the closing share price of 1.9 cents on Tuesday, 14 March 2023, being the last day the Company's shares were traded prior to this announcement, and a 11.8% discount to the 5 day volume weighted average price of 2.04 cents.

Strategic Investment Review Process

The Company has received a number of serious expressions of interest in regard to the development and funding for LSOP giving rise to a Strategic Investment Review focused on the potential to attract a strategic partner with the balance sheet capacity and, ideally, industry expertise in either fertiliser feedstocks or the development of solar SOP brines globally. The expression of interest process has not yet closed and all expressions of interest are confidential, preliminary and indicative in nature. A decision about the outcome of the Strategic Investment Review will be taken only after due diligence has been undertaken, formal offers have been considered and Board approval finalised.

Matt Shackleton, APC's Managing Director and CEO said: "APC's largest shareholder, Mark Creasy, and other large and long-term shareholders on APC's register have shown their support for APC's strategic plans. We continue to advance opportunities with prospective strategic partners and investors that have the technical experience and financial capacity to assist in funding and developing the LSOP. The NAIF and EFA – both Australian Federal Government funding bodies – have extended their respective approvals for debt financing until 30 June 2023 which continues to support APC's discussions with relation to securing the total finance package required to develop the LSOP. The board and management continue to have strong confidence in the LSOP's robust development, financing and operating parameters reinforced through the review of interested parties.

¹ Whilst discussions with key strategic parties are advanced and ongoing, there is no guarantee a transaction will be agreed or completed.

“The LSOP is scheduled to produce over 200ktpa of SOP for at least 30 years, using less than 30% of its Resource over that time². The growth profile for the entire APC Lake Wells Project area, includes the Lake Wells East area. I refer readers to the announcement we released on that additional project area on 13 October 2022.

“Sulphate of potash is trading at spot prices in various markets globally at between US\$680 – US\$940³ (A\$1,025 – A\$1,420) a tonne reflecting tight supply chain conditions as a result of the conflict in Europe and post-COVID logistics recovery. The pricing model underpinning the LSOP valuation of A\$1.014 billion² is based on a long-run average FOB sales price of US\$567 per tonne, which assumption has not changed.”

Use of Proceeds

Sources of funds	A\$m	Uses of funds	A\$m
Placement proceeds	2.08	Working capital (including funding of outstanding creditors) and general purposes	2.08
Existing cash (31 December 2022)	1.38		1.38
Total	3.46	Total	3.46

Placement Indicative Timetable

Event	Date
Placement announced	Friday, 17 March 2023
Settlement of Placement	Monday, 20 March 2023
Allotment of New Shares and Attaching Options issued under the Placement	Tuesday, 21 March 2023
New Shares issued under the Placement commence trading on ASX	Thursday, 23 March 2023

This release was authorised by the Managing Director.

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² Refer ASX Announcement 21 September 2022 ‘Increased Production Delivers Superior Economic Outcomes for World Scale LSOP’. That announcement contains the relevant statements, data and consents referred to in this announcement. APC, its directors, officers and agents: 1. Are not aware of any new information that materially affects the information contained in the 21 September 2022 announcement; and 2. State that the material assumptions and technical parameters underpinning the estimates in the 21 September 2022 announcement continue to apply and have not materially changed.

³ Source: www.argusmedia.com

About Australian Potash Limited



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.

APC holds a 100% interest in the **Lake Wells Gold Project**, located 500km northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.

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