

2 February 2024

## Cessation of Voluntary Administration

Company returned to the control of the Board of Directors

Program to Re-quote APC shares on ASX initiated

Prospectus share issue to raise \$6m with \$2.75m underwritten

Exploration to re-commence immediately

The Directors of **Australian Potash Limited (APC or the Company) (ASX: APC)** are pleased to announce that this morning FTI Consulting's Mr Hayden White informed the Australian Securities and Investments Commission that he and fellow Voluntary Administrator Mr Daniel Woodhouse had ceased their roles with the Company and the Company has been returned to the control of its Board of Directors.

The Company is no longer under external administration.

### Highlights:

- Creditors voted at the second meeting of creditors on Friday 19 January to accept the Deed of Company Arrangement (**DOCA**) proposed by Matt Shackleton
- All previous trade and other creditors of the Company (c.\$4.2m) have been transferred to the recently established Creditors' Trust and off the Company's balance sheet
- All assets of the Company have been preserved
- The Company is finalising the audit of its 2023 financial accounts which when lodged will partly address the suspension of APC from the ASX: the Company is working towards resumption of trading on ASX in March 2024
- Prospectus to raise a maximum of \$6m through a Priority and General Placement of shares with \$2.75m underwritten by Canaccord Genuity as Lead Manager and Cumulus Wealth as Co-lead Manager

**Managing Director and CEO, Matt Shackleton said:** "We successfully and quickly negotiated our way through the VA process, which now allows us to move forward with having APC's shares re-quoted on ASX.

The Company's balance sheet has been significantly restructured with all previous trade creditors and other payables agreeing to the settlement terms proposed in the DOCA. Most creditors will receive 100 cents in the dollar. This is a great outcome for our suppliers and our shareholders.

Towards the end of 2023 we re-analysed all previous results on the Lake Wells Gold Project and have identified walk up drill targets that we will get to work on immediately. We will also push forward with the requisite access and heritage agreements at the Nexus REE Project in the West Arunta.

We will shortly lodge a Prospectus for the issue of shares to fund the planned exploration programs, and heritage & access work. The capital raising process has been managed by Canaccord Genuity and Cumulus Wealth, who will underwrite \$2.75 million of the targeted \$6 million maximum raise.

“Finally, I would like to welcome to the Board Mr Jonathan Fisher, who’s breadth of experience across various mineral commodities, corporate management, commercial development and stakeholder relations will bring valuable perspective. Natalia Streltsova and Rhett Brans have resigned their directorships, and to them I extend sincere appreciation for their valuable contribution to the Company and support and advice to me over the past several years.”

## **DOCA**

At the second meeting of creditors on 19 January 2024 creditors voted to accept the DOCA proposal put forward by Matt Shackleton. The DOCA provided for the formation of a creditors’ trust, with Voluntary Administrators Mr Hayden White and Mr Daniel Woodhouse appointed trustees of the trust. The DOCA was executed and effectuated on 1 February 2024.

All trade creditors and other payables addressed in the DOCA have been novated to the creditors’ trust, leaving the Company’s balance sheet with employee entitlements and \$1m in converting loans as the only liabilities.

## **Converting Loans**

To fund the creditors’ trust, the Company has issued converting loans to the value of \$1m, with a concomitant obligation to sub-underwrite \$2.75m in a Priority and General Placement the subject of the pending Prospectus. The terms of the loans are as follows:

- Each \$1 of converting loan confers a sub-underwritten commitment of \$2.75
- 1 Sub-Underwriting Option will be issued for each 2 shares sub-underwritten exercisable at \$0.0015 per option for a period of 3 years. The Company will seek to have the Sub-Underwriting Options listed on ASX
- Converting loans can be converted into ordinary shares in the Company at \$0.001 per share
- In the event the loans are converted into ordinary shares the lender will receive Commitment Options at 0.8 options per share exercisable at \$0.0015 per option for a period of 3 years. The Company will seek to have the Commitment Options listed on ASX.

## **Placement**

The Company will lodge with ASIC a Prospectus for the issue of ordinary shares and options to raise a maximum of \$6m, with \$2.75m of the issue underwritten. The broad terms of the proposed share placement are as follows:

- A Priority Placement offer of ordinary shares will be made to all existing shareholders on the register at the record date (to be determined)

- Following the closure of the Priority Placement offer a General Placement offer of ordinary shares will be made
- All shares will be offered at \$0.001 per share
- 1 free attaching Placement Option will be issued for each 2 ordinary shares subscribed for under both the Priority and General Placement offers, exercisable at \$0.0015 per option for a period of 3 years. The Company will seek to have the Placement Options listed on ASX.

*This announcement has been authorised for release to ASX by the Board of Directors of Australian Potash Limited.*

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