

24 May 2018

ISSUE OF PLACEMENT SHARES

Australian Potash Limited (ASX: APC) (**Company**) is pleased to advise that, subsequent to the announcement on 16 May 2018, it has now issued a total of 42,485,000 fully paid ordinary shares (**Placement Shares**) at an issue price of \$0.07 per share (**Placement**). A total of 16,797,693 Placement Shares have been issued in accordance with the Company's placement capacity under ASX Listing Rule 7.1 and a total of 25,687,307 Placement Shares were issued in accordance with the Company's placement capacity under ASX Listing Rule 7.1A. The Company's Executive Chairman and two Non-Executive Directors have indicated an intention to subscribe for 715,000 Placement Shares, however the issue of these shares will be subject to shareholder approval at the Company's next general meeting.

As part of the Placement, the Company will issue one free attaching option with every two Placement Shares (**Options**). The Options will be exercisable at \$0.12 with an expiry date of three years from issue and will be listed on ASX if there are more than 50 holders and all ASX requirements are met. The allotment of Options is subject to shareholder approval at a general meeting of the Company scheduled to take place in June/July 2018.

An Appendix 3B is attached with respect to the issue of the Placement Shares.

Additional disclosure under ASX Listing Rule 3.10.5A

Under Listing Rule 3.10.5A, the Company provides the following information in relation to the Shares issued under Listing Rule 7.1A:

- (a) the dilution to existing holders of the Shares issued under Listing Rule 7.1A is 8.9%;
- (b) the Company issued the Shares under Listing Rule 7.1A instead of undertaking a rights issue due to the time period required to undertake a rights issue and the opportunity it provided to bring new sophisticated investors into the Company;
- (c) the Placement was not underwritten; and
- (d) Hartleys Limited acted as broker to the Placement and Patersons Securities Limited acted as co-manager to the Placement, and both will be paid a fee of 6% of the funds raised by each pursuant to the Placement. No other costs were incurred in connection with the Placement.

Secondary Trading Notice Notification Pursuant to Paragraph 708A(5)(e) of the Corporations Act 2001 (Act)

Re: Issue of 42,485,000 Placement Shares

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. By the Company giving this notice, sale of the Securities noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:


- (a) the Company issued the Securities without disclosure to investors under Part 6D.2 of the Act;
- (b) as at 23 May 2018 the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
- (c) as at 23 May 2018 there is no information:
 - i. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - ii. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - A. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - B. the rights and liabilities attaching to the Placement Shares.

For further information, please contact:

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Australian Potash Limited

ACN

149 390 394

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares (Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 42,485,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.07 per Share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued pursuant to a placement to sophisticated and professional investors announced on 16 May 2018</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>30 November 2017</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>16,797,693</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>25,687,307</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>Nil</p>

+ See chapter 19 for defined terms.

6f	Number of +securities issued under an exception in rule 7.2	Nil						
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	<p>The Shares were issued at \$0.07 per Share, the issue price being agreed on 13 May 2018.</p> <p>The 15 day VWAP to immediately prior to 24 May 2018 was \$0.08. The issue price of \$0.07 represents a 12.5% discount to the 15 day VWAP.</p> <p>The VWAP was sourced from IRESS.</p>						
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable						
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure 1						
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	24 May 2018						
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>304,358,073</td><td>Fully paid ordinary shares</td></tr><tr><td>37,594,906</td><td>Options, exercise price \$0.20, expiring 25 October 2019</td></tr></table>	Number	+Class	304,358,073	Fully paid ordinary shares	37,594,906	Options, exercise price \$0.20, expiring 25 October 2019
Number	+Class							
304,358,073	Fully paid ordinary shares							
37,594,906	Options, exercise price \$0.20, expiring 25 October 2019							

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New issue announcement

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	4,500,000	Options, exercise price \$0.125, expiring 30 November 2018
	4,500,000	Options, exercise price \$0.175, expiring 30 November 2018
	3,430,000	Options, exercise price \$0.10, expiring 21 April 2021
	3,430,000	Options, exercise price \$0.15, expiring 21 April 2021
	5,000,000	Options, exercise price \$0.125, expiring 2 May 2019
	1,861,702	Options, exercise price \$0.175, expiring 28 November 2019
	2,034,883	Options, exercise price \$0.225, expiring 28 November 2019
	2,559,526	Options, exercise price \$0.175, expiring 14 December 2019
	2,756,412	Options, exercise price \$0.225, expiring 14 December 2019
	1,500,000	Options, exercise price \$0.225, expiring 9 May 2020
	1,250,000	Options, exercise price \$0.225, expiring 30 November 2020
	1,250,000	Options, exercise price \$0.225, expiring 30 November 2020

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - DELETED – NOT APPLICABLE

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

+ See chapter 19 for defined terms.

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: (Company secretary)
Print name: Sophie Raven

Date: 24 May 2018

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid *ordinary securities on issue 12 months before the *issue date or date of agreement to issue	221,454,213
Add the following: <ul style="list-style-type: none"> Number of fully paid *ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid *ordinary securities issued in that 12 month period with shareholder approval Number of partly paid *ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	5,420,000 fully paid ordinary shares issued on 19/09/2017, rule 7.2 exception 15 29,598,860 fully paid ordinary shares issued on 23/08/2017, approved by shareholders on 30 November 2017 400,000 fully paid ordinary shares issued on 7/12/2017, rule 7.2 exception 14
Subtract the number of fully paid *ordinary securities cancelled during that 12 month period	Nil
“A”	256,873,073
Step 2: Calculate 15% of “A”	
“B”	0.15 [Note: this value cannot be changed]
Multiply “A” by 0.15	38,530,961

+ See chapter 19 for defined terms.

Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of *equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>5,000,000 fully paid ordinary shares issued on 24 November 2017</p> <p>16,797,693 fully paid ordinary shares issued on 24 May 2018</p>
“C”	21,797,693
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	38,530,961
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	(21,797,693)
<p>Total [“A” x 0.15] – “C”</p>	<p>16,733,268</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
<p>“A”</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	256,873,073
Step 2: Calculate 10% of “A”	

+ See chapter 19 for defined terms.

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“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	25,687,307
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of *equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none">• This applies to equity securities – not just ordinary securities• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained• It may be useful to set out issues of securities on different dates as separate line items	25,687,307 fully paid ordinary shares issued on 24 May 2018
“E”	25,687,307
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	25,687,307
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	(25,687,307)
Total [“A” x 0.10] – “E”	Nil <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.