

5 August 2022

Australian Potash Limited – Pro-rata Non-Renounceable Rights Issue

Dear Shareholder,

As announced on 27 July 2022, Australian Potash Limited (**APC or Company**) is undertaking a pro-rata non-renounceable rights issue of one (1) fully paid ordinary share for every four (4) shares held by eligible shareholders at an issue price of \$0.038 per share together with one (1) free option for every two (2) shares applied for and issued to raise up to \$7.68million (before costs) (**Offer**).

Based on the current capital structure of the Company, a maximum of approximately 202,095,702 fully paid ordinary shares (**New Shares**) and 101,047,851 options will be issued (excluding any options issued to the Joint Lead Managers of the Offer as part of their fee).

The funds raised from the Offer are intended to be applied in accordance with the table below:

Use	Minimum subscription (A\$)	%	Full subscription (A\$)	%
Site-based costs	1,116,707	31.2	2,900,000	37.8
Tenement holding costs	1,176,842	32.9	1,800,000	23.4
Progression of development debt and equity financing	430,000	12.0	680,000	8.9
General working capital	574,425	16.1	1,769,119	23.0
Expenses of the Offer	277,182	7.8	530,518	6.9
Total	3,575,156	100	7,679,637	100

The Offer is being made to all shareholders of the Company named on its register of members at 5.00pm AWST on 1 August 2022, whose registered address is in Australia or New Zealand. A shareholder who has a registered address outside Australia and New Zealand will not be eligible to participate in the Offer.

You are receiving this letter as, according to our records, you unfortunately do not satisfy the eligibility criteria to participate in the Offer.

The restrictions upon eligibility to participate in the Offer arise because of the legal and regulatory requirements in certain countries, the relatively small number of shareholders or shares that are held by shareholders in certain countries, the relatively low value of New Shares to which shareholders would otherwise be entitled and the cost of complying with regulatory requirements in certain countries.

The Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the *Corporations Act 2001* (Cth), that it would be unreasonable to make offers under the Offer to shareholders of the Company

in countries other than Australia or New Zealand due to the legal limitations and potential cost of complying with regulatory requirements in those countries.

Accordingly, APC wishes to advise that it will not be extending the Offer to you, and you will not be able to subscribe for New Shares under the Offer. As the Offer is non-renounceable (entitlements are not tradeable on ASX or otherwise transferable), you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible.

This letter is to inform you about the Offer. It is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

If you have any queries, please contact the Company's share registry, Automic Group on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) or alternatively consult your stockbroker, solicitor, accountant or other professional adviser.

On behalf of the Board and management of APC, I regret that you are not eligible to participate in the Offer and thank you for your continued interest in the Company.

Yours faithfully



Natalia Streltsova
Non-Executive Chair
Australian Potash Limited