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ABN 58 149 390 394

15 February 2019

Dear Shareholder,

Australian Potash Limited – pro-rata renounceable rights issue

As announced on 11 February 2019, Australian Potash Limited (ACN 149 390 394) (**APC** or the **Company**) is undertaking a 3 for 14 pro-rata renounceable rights issue (**Rights Issue** or **Offer**) of approximately 65,372,802 fully paid ordinary shares (**New Shares**) to raise approximately \$5,229,824.

The price of the New Shares under the Offer is 8 cents per New Share (**Issue Price**). The Company will also issue 1 free attaching option (**New Option**) for every 4 New Shares issued, exercisable at 12 cents per New Option on or before 8 August 2021. The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 13 February 2019.

The Offer is partially underwritten by Patersons Securities Limited. The terms of the underwriting are set out in section 8.4 of the Prospectus.

The funds raised under the Offer will be used for expenses of the definitive feasibility study for the Lake Wells Potash Project, corporate, administration and staffing expenses and working capital, as well as satisfying the costs of the Offer.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm WST on 19 February 2019, whose registered address is in Australia, New Zealand, Singapore or Hong Kong.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 65,372,802 New Shares resulting in total Shares on issue of approximately 370,445,875.

A copy of the Prospectus is available on ASX's and APC's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 22 February 2019. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:



- You may take up all or some of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlements**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Automatic Registry Services (**Share Registry**) by no later than 5.00pm AEST on 5 March 2019, by either completing and returning your Entitlement and Acceptance Form together with your application money or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may seek to sell all or some of your Entitlements on ASX. You can seek to sell your Entitlements on ASX from 18 February 2019 until the close of market on 26 February 2019. To sell any of your Entitlements you need to contact your broker as soon as possible.
- You may transfer all or some of your Entitlements to another person other than on ASX. To transfer all or some of your Entitlements you will either need to contact your CHESSE Controlling Participant (usually your broker) and follow their instructions or complete a renunciation and transfer form (which can be obtained from Share Registry) and return it, together with the purchaser's cheque for the Entitlements they wish to take up so that it is received by the Share Registry by no later than 5:00pm AEST on 5 March 2019.
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates for the Offer

Event	Proposed Date
Lodgement of Prospectus with the ASIC	13 February 2019
Lodgement of Prospectus & Appendix 3B with ASX	13 February 2019
Notice sent to Optionholders	13 February 2019
Notice sent to Shareholders	15 February 2019
Ex date	18 February 2019
Rights start trading	18 February 2019
Record Date for determining Entitlements	19 February 2019
Prospectus sent out to Shareholders & Company announces this has been completed	22 February 2019
Rights stop trading	26 February 2019
Last date to extend the closing date	28 February 2019
Closing Date*	5 March 2019
ASX notified of under subscriptions	8 March 2019
Issue date/Shares entered into Shareholders' security holdings	12 March 2019
Quotation of Shares issued under the Offer	13 March 2019

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.



If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Sophie Raven, APC's Company Secretary, on +61 8 9322 1003 or +61 (0) 400 007 906.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Matt Shackleton", is enclosed within a thin, light grey rectangular border.

Matt Shackleton
Managing Director and CEO

