

3 June 2020

ASX ANNOUNCEMENT
ASX: APC

AUSTRALIAN POTASH LIMITED

COMPLETION OF RIGHTS ISSUE

Highlights

- **Rights Issue successfully completed** with application made for over 70% of the entitlements offered
- **Approximately \$2.23 million raised by** the offer to existing shareholders
- **Rights uptake complements** the \$2m placement completed in April 2020ⁱ

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) is pleased to confirm that its pro rata renounceable rights offer of 1 share for every 7 shares held by eligible shareholders at an issue price of \$0.05 per new fully paid ordinary share (**Rights Issue**) closed as planned on 29 May 2020.

Eligible shareholders who applied for their full entitlement under the Rights Issue were also able to apply for new shares in excess of their entitlement, through a shortfall offer.

Managing Director and CEO, Matt Shackleton, commented: *“The strong vote of support shown by our shareholders through this rights issue is very encouraging.*

“There is clear recognition of the continued good work the APC team are doing on the offtake program, where just under 50% of the planned production is now contracted; the approvals pathway, where we recently received consent from the Environmental Protection Authority to commence minor works on site and our Environmental Review Document is progressing steadily through the approvals process; and financing, where we have experienced project debt providers in our data room conducting due diligence.

“The changes we have been making through the FEED program are yielding some quite outstanding results, including reducing the LSOP’s already low carbon footprint and improving logistics.

“The building blocks are all here: a major JORC compliant Measured Resource estimate that is the largest in class, a methodical, thorough and detailed sequence of study programs minimising execution and financing risk, strong demand for our offtake product and a clearly defined newsflow.”

The results of the Rights Issue are as follows:

	Number of shares	Gross proceeds	Percentage
Total number of shares offer under the Rights Issue (including ineligible holdings)	63,132,876	\$3,156,643	100%
Total number of shares applied for eligible shareholders	33,318,794	\$1,665,940	52.8%
Total number of shares subscribed under shortfall	11,311,542	\$565,577	17.9%
Rights Issue subtotal	44,630,336	\$2,231,517	70.7%
Rights Issue Shortfall Offer	18,502,540	\$925,126	29.3%

Under the terms of the Rights Issue, the Directors, in consultation with the Lead Manager Canaccord Genuity, have reserved the right to allocate the shortfall of 18,502,540 ordinary shares at their discretion within 3 months of the Rights Issue closing date.

Under the revised indicative timetable released on 13 May 2020, 44,630,336 new fully paid ordinary shares will be issued on 5 June 2020, with quotation on ASX taking place on 10 June 2020.

The Board of Directors would like to thank all shareholders for their continued support of APC.

This announcement is authorised for release by APC's Managing Director & CEO.

About Australian Potash Limited



K-Brite is a registered trademark brand of Australian Potash Limited (ASX: APC), representing the premium Sulphate of Potash (SOP) to be produced from the Company's flagship Lake Wells Project.

APC holds a 100% interest in the Lake Wells Sulphate of Potash Project (LSOP) located approximately 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.

Following the release of the Definitive Feasibility Study (DFS) in August 2019ⁱⁱ, APC is focused on the Front-end Engineering Design (FEED) Study, finalising offtake discussions and securing financing to develop the LSOP.

The DFS was underpinned by extensive and rigorous testwork, data, and modelling. The DFS confirmed that the LSOP will be a long life, low capital and high margin SOP producer.

Key outcomes from the DFS include:

- 30-year mine life producing 150,000tpa of premium grade SOP utilising approximately 21% of the total Measured Resource estimate
- Long mine life underpinned by 3.6Mt reserve and **18.1Mt** Measured Resource estimate
- Pre-tax NPV8 of **A\$665m** and an IRR of 25%
- Development capex of A\$208M with sector leading capital intensity of A\$1,387/t
- First quartile industry opex of US\$262/t providing high cash operating margins

Forward Looking Statements

This announcement contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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ⁱ Refer to ASX Announcement 1 May 2020 '\$2m Placement Completed and \$3.15m Rights Issue Announced'.

ⁱⁱ Refer to ASX Announcement 28 August 2019 'Definitive Feasibility Study Outstanding Financial Outcomes'. That announcement contains the relevant statements, data and consents referred to in this announcement. Apart from that which is disclosed in this document, Australian Potash Limited, its directors, officers and agents: 1. Are not aware of any new information that materially affects the information contained in the 28 August 2019 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 28 August 2019 announcement continue to apply and have not materially changed.