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**AUSTRALIAN POTASH LIMITED**

**ACN 149 390 394**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 2.00pm AWST

**DATE:** Wednesday, 15 December 2021

**PLACE:** Vibe Hotel Subiaco, 9 Alvan Street, Subiaco WA 6008

*The business of the Meeting affects your shareholding and your vote is important.*

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (AWST) on Monday, 13 December 2021.*

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## **NOTICE OF MEETING**

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Notice is hereby given that the Annual General Meeting of Shareholders of Australian Potash Limited (ACN 149 390 394) will be held at 2.00pm AWST on Wednesday, 15 December 2021 at the Vibe Hotel, 9 Alvan Street, Subiaco, Western Australia for the purpose of transacting the business outlined below.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting. Terms used in this Notice of Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary contained within the Explanatory Statement.

## **AGENDA**

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### **1. FINANCIAL STATEMENTS & REPORTS**

To receive and consider the Financial Report of the Company for the financial year ended 30 June 2021 consisting of the Financial Statements and Notes, the Director's Report, the Remuneration Report, the Directors' Declaration and the Independent Audit Report.

### **2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **advisory resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's financial report for the financial year ended 30 June 2021.”*

### **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BRETT LAMBERT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Brett Lambert, a director who retires by rotation, and being eligible, is re-elected as a director of the Company.”*

### **4. RESOLUTION 3 – APPOINTMENT OF AUDITOR**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That pursuant to and in accordance with section 327B(1)(b) of the Corporations Act 2001 (Cth), KPMG, being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as auditor of the Company effective from the date of the Meeting and on the terms and conditions outlined in the Explanatory Statement.”*

## 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT TRANCHE 1 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 97,488,039 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement is included below.

## 6. RESOLUTION 5 – APPROVAL FOR ISSUE OF PLACEMENT TRANCHE 2 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 52,511,961 Shares on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement is included below.

## 7. RESOLUTION 6 – APPROVAL FOR ISSUE OF SHARE PURCHASE PLAN SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 25,000,000 Shares to Eligible Shareholders under a Share Purchase Plan on the terms and conditions set out in the Explanatory Memorandum.”*

## 8. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY

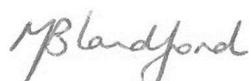
To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

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**Dated: 11 November 2021**

**By order of the Board**



**Michelle Blandford**  
**Company Secretary**

**Voting Prohibition Statement:**

The Company will, in accordance with the Corporations Act, disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel (**KMP**), details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution 1; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

**Voting Exclusion Statements:**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolutions set out below by or on behalf of:

**Resolution 4:** A person who participated in the issue or is a counterparty to the agreement being approved (namely any of the recipients who participated in Tranche 1 of the Placement), or any Associate of that person or those persons.

**Resolution 5:** A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely any of the recipients who participated in Tranche 2 of the Placement), or any Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolutions by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## VOTING BY PROXY

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To vote by proxy, please complete and sign the enclosed Proxy Form and return no later than 2.00pm AWST on Monday, 13 December 2021 by:

- Hand delivery to: Automic  
Level 5, 126 Phillip, Sydney NSW 2000
- Post to: Automic  
GPO Box 5193, Sydney NSW 2001
- Fax to: +61 2 8583 3040
- Email to: **meetings@automicgroup.com.au**; or
- Lodge online at **<https://investor.automic.com.au/#/loginsah>** via logging in and clicking on "Meetings" and using the Holder Number as shown at the top of the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

A corporation may elect to appoint a representative in accordance with section 250D of the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

## VOTING IN PERSON

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To vote in person, attend the Meeting at the time, date and place set out in this Notice. Voting will be conducted via a poll and each Shareholder shall be entitled to one (1) vote for every one (1) Share held.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 1003.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of Shareholders of Australian Potash Limited (ACN 149 390 394) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at 2.00pm AWST on Wednesday, 15 December 2021 at the Vibe Hotel, 9 Alvan Street, Subiaco, Western Australia.

The purpose of the Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 of the Corporations Act, the business of the Meeting will include receipt and consideration of the financial report of the Company for the financial year ended 30 June 2021 which includes the Financial Statements and Notes, the Directors' Report, the Remuneration Report, the Directors' Declaration and the Independent Audit Report.

Neither the Corporations Act nor the Constitution requires a vote on the reports however Shareholders will have the opportunity to ask questions about them at the Meeting.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.australianpotash.com.au](http://www.australianpotash.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the Directors' Report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

Under the Corporations Act, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### **2.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this AGM.

### **2.4 Proxy voting restrictions**

Shareholders appointing a proxy for this Resolution should note the following:

- If you appoint a member of the KMP (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy: You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority on this Resolution.
- If you appoint the Chair as your proxy (where they are also a member of the KMP whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member): You do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you should be aware of the acknowledgement on the Proxy Form that expressly authorises the Chair to exercise their discretion in exercising your proxy, and that the Chair intends to cast undirected proxies in favour of the Resolution, even though this Resolution is connected directly or indirectly with the remuneration of KMP.
- If you appoint any other person as your proxy: You do not need to direct your proxy how to vote on this Resolution but may do so if you wish.

Where appointed as an undirected proxy and authorised to do so, the Chair will cast available proxy votes in favour of Resolution 1. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 1 or abstain from voting.

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## **3. RESOLUTION 2 – ELECTION OF DIRECTOR – BRETT LAMBERT**

### **3.1 General**

Clause 14.2 of the Constitution requires that one third (1/3) of the Directors must retire at each annual general meeting and also provides that no Director (except for the Managing Director) of the Company may hold office (without re-election) past the third annual general meeting following the Director's appointment or three (3) years, whichever period is longer. Listing Rule 14.4 also provides that no director of a listed entity may hold office (without re-election) past the third annual general meeting following their appointment or three (3) years, whichever period is longer.

Brett Lambert was last re-elected in 2018 and therefore must retire, and being eligible, offers himself for re-election. This satisfies the requirements under both the Constitution and the Listing Rules in relation to the term of office and also one third (1/3) of directors retiring at each general meeting.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### **3.2 Director's biography**

Brett Lambert is a mining engineer and experienced company director in the Australian and international mineral resources industries. Over a career spanning 35 years, Brett has held senior management roles with Western Mining Corporation, Herald Resources Limited, Western Metals Limited, Intrepid Mines Limited, Thundelarra Exploration Limited and Bullabulling Gold Limited. He has successfully managed several greenfields resource projects through feasibility study and development and has been involved in numerous facets of financing resource project development.

Brett Lambert has experience as a director of companies listed on the ASX, AIM (London) and the Toronto Stock Exchange and holds a BAppSc (Mining Engineering) degree from Curtin University in Western Australia. He currently serves as a director on ASX-listed companies Metal Hawk Limited, Mincor Resources NL, Musgrave Minerals Limited and Saturn Metals Limited.

Brett Lambert is considered an independent director.

### **3.3 Board recommendation**

All of the Directors, except Brett Lambert who has abstained from making a recommendation, recommend that Shareholders vote in favour of Resolution 2. Brett contributes a range of skills to the Board encompassing project development, engineering expertise and resources industry knowledge.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 2. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 2 or to abstain from voting.

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## **4. RESOLUTION 3 – APPOINTMENT OF AUDITOR**

### **4.1 General**

Hall Chadwick has submitted their resignation as auditor of the Company to ASIC. Subject to ASIC's approval of Hall Chadwick's resignation and in accordance with section 327C(1) of the Corporations Act, the Company will be required to appoint a new auditor to the casual vacancy. Under section 327C(2) of the Corporations Act, an auditor who has been appointed to fill a casual vacancy only holds office until a company's next annual general meeting.

Pursuant to section 328B of the Corporations Act, the Company has received a valid member notice of nomination which has nominated KPMG to be appointed as the new auditor of the Company. A copy of the notice of nomination is set out in Annexure A of this Notice of Meeting.

KPMG has provided the Company with its written consent to act, subject to Shareholder approval being obtained and ASIC consenting to the resignation of Hall Chadwick, as the Company's auditor in accordance with section 328A(1) of the Corporations Act. Accordingly,

under this Resolution, Shareholder approval is being sought to appoint KPMG as the auditor of the Company.

The Board's decision in relation to a change in auditor has been made to align with the expectations of financiers to the Lake Wells Sulphate of Potash Project (**LSOP**).

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

#### **4.2 Board recommendation**

All of the Directors recommend that Shareholders vote in favour of Resolution 3.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 3. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 3 or to abstain from voting.

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### **5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT TRANCHE 1 SHARES**

#### **5.1 General**

On 2 November 2021, the Company announced a capital raising comprising a two-tranche placement to professional and sophisticated investors to raise \$12 million (before costs) (**Placement**), together with a share purchase plan for eligible Shareholders to raise up to \$2 million (**SPP**). The issue price per Share for the Placement was \$0.08 per Share.

On 9 November 2021, a total of 97,488,039 Shares were issued in the first tranche of the Placement to investors pursuant to the Placement, utilising the Company's capacity available under Listing Rule 7.1 (**Placement Tranche 1 Shares**). The issue of the Placement Tranche 1 Shares raised a total of \$7.8 million before costs.

The Company engaged the services of Shaw and Partners Limited as Lead Manager, with Canaccord Genuity (Australia) Limited acting as Co-Manager (together **Joint Managers**). The Company will pay the Joint Managers an aggregate fee of approximately \$468,000 (being 6% of the amount raised under the issue of the Placement Tranche 1 Shares) in consideration for the provision of services to the Company with respect to the Placement.

Resolution 4 seeks the approval of Shareholders to ratify the issue of Shares under the Placement.

#### **5.2 Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Placement Tranche 1 Shares does not fit within any of the exceptions to Listing Rule 7.1 set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Placement Tranche 1 Shares.

None of the Placement Tranche 1 Shares were issued utilising the 10% placement capacity available to the Company under Listing Rule 7.1A as the terms of the Placement Tranche 1 Shares do not meet the criteria required to do so.

### **5.3 Listing Rule 7.4**

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 via this Resolution 4 for the issue of the Placement Tranche 1 Shares under the Placement.

Resolution 4 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### **5.4 Technical information required by Listing Rule 14.1A**

If Resolution 4 is passed, the Placement Tranche 1 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Tranche 1 Shares.

If Resolution 4 is not passed, the Placement Tranche 1 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Tranche 1 Shares.

### **5.5 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- a) the Placement Tranche 1 Shares were issued to professional and sophisticated investors who are clients of the Joint Managers or known to the Company. The recipients were identified through a bookbuild process, which involved the Joint Managers seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were related parties of the Company, members of the Company's KMP, substantial holders of the Company, advisers of the Company or an Associate of any of these parties. Regal Funds Management Pty Ltd, an existing shareholder of the Company, was issued more than 1% of the issued capital of the Company however remains less than a substantial shareholder;
- c) all of the Placement Tranche 1 Shares were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- d) the Placement Tranche 1 Shares were issued on 9 November 2021;

- e) the issue price was \$0.08 per Share under the issue of Placement Tranche 1 Shares. The Company has not and will not receive any other consideration for the issue of the Placement Tranche 1 Shares;
- f) the purpose of the issue of the Placement Tranche 1 Shares was to raise \$7.8 million (before costs), which will be applied towards:
  - (i) continued bore development targeting 30-50% borefield capacity developed and de-risked pre-final investment decision for the LSOP;
  - (ii) continued earthworks developing bore pads, access tracks and pipeline route; and
  - (iii) provide working capital to progress material contracts and finalise debt process; and
- g) the Placement Tranche 1 Shares were not issued under an agreement.

## 5.6 Board recommendation

All of the Directors recommend that Shareholders vote in favour of Resolution 4.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 4. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 4 or to abstain from voting.

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## 6. RESOLUTION 5 – APPROVAL FOR ISSUE OF PLACEMENT TRANCHE 2 SHARES

### 6.1 General

As outlined above in Section 5.1, the Company recently announced the Placement, and issued the Placement Tranche 1 Shares on 9 November 2021.

The second tranche of the Placement comprises a commitment from professional and sophisticated investors for a total of a further 52,511,961 Shares at an issue price of \$0.08 (**Placement Tranche 2 Shares**), for \$4.2 million before costs. The Placement Tranche 2 Shares have not been issued as the issue of these Shares would exceed the Company's available placement capacity under Listing Rule 7.1, are not eligible to be issued under Listing Rule 7.1A, and none of the exceptions in Listing Rule 7.2 apply, therefore Shareholder approval is required.

The Company will pay the Joint Managers an aggregate fee of approximately \$252,000 (being 6% of the amount raised under the issue of the Placement Tranche 2 Shares) in consideration for the provision of services to the Company with respect to the Placement.

As stated previously, Listing Rule 7.1 provides a mechanism by which a company can issue securities up to 15% of its issued capital, subject to various conditions. Following the issue of the Placement Tranche 1 Shares, the Company had no available capacity under Listing Rule 7.1 to issue Shares to participants in the second tranche of the Placement.

Resolution 5 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### 6.2 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Placement Tranche 2 Shares and secure additional funds of \$4.2 million (before costs). The effect of Resolution 5 being passed will be to allow the Company to issue the Placement Tranche 2 Shares,

and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

If Resolution 5 is not passed (and assuming that Resolution 4 is passed), the issue of the Placement Tranche 2 Shares can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

If both Resolution 5 and Resolution 4 are not passed, the Company will not be able to proceed with the issue of the Placement Tranche 2 Shares and will not realise the additional funds intended to be raised pursuant to the issue of those Shares, reducing the Company's capacity to proceed with the intended uses of the funding of the Placement, as set out in the Company's announcement on 2 November 2021.

### **6.3 Technical information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the information below is provided in relation to Resolution 5:

- a) the maximum number of fully paid ordinary shares to be issued by the Company is 52,511,961 Shares;
- b) it is anticipated that, subject to Shareholder approval being received, the Placement Tranche 2 Shares will be issued on or around 22 December 2021 but otherwise within three (3) months after the date of the Meeting, or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules;
- c) the issue price of the Placement Tranche 2 Shares will be \$0.08, being the same price as the Placement Tranche 1 Shares;
- d) the Placement Tranche 2 Shares will be allotted to the participants in the second tranche of the Placement, who are professional and sophisticated investors and are clients of the Joint Managers or known to the Company and who participated in the retail book of the Placement. The recipients were identified through a bookbuild process, which involved the Joint Managers seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- e) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients are:
  - (i) related parties of the Company, members of the Company's KMP, substantial holders of the Company, advisers of the Company or an Associate of any of these parties; and
  - (ii) being issued more than 1% of the issued capital of the Company;
- f) the Placement Tranche 2 Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- g) the purpose of the issue of the Placement Tranche 2 Shares is to raise \$4.2 million (before costs), which will be applied towards:
  - (i) continued bore development targeting 30-50% borefield capacity developed and de-risked pre-final investment decision for the LSOP;
  - (ii) continued earthworks developing bore pads, access tracks and pipeline route; and

- (iii) provide working capital to progress material contracts and finalise debt process;
- h) the Placement Tranche 2 Shares are not being issued under an agreement; and
- i) the Placement Tranche 2 Shares are not being issued under, or to fund, a reverse takeover.

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## 7. RESOLUTION 6 – APPROVAL FOR ISSUE OF SHARE PURCHASE PLAN SHARES

### 7.1 General

As outlined above in Section 5.1, on 2 November 2021 the Company announced a capital raising comprising the Placement and SPP. The SPP will provide Eligible Shareholders with the opportunity to purchase up to \$30,000 worth of Shares at an issue price of \$0.08 (**SPP Shares**), being the same price as that for the Tranche 1 Placement Shares and Tranche 2 Placement Shares, irrespective of the size of their shareholding, without incurring brokerage or transaction costs. The SPP is intended to raise up to \$2 million and is not underwritten.

The Listing Rules provide an exception to the requirement to utilise the Company's placement capacity under Listing Rule 7.1 or Listing Rule 7.1A for securities issued under a securities purchase plan, which is conditional upon:

- satisfaction of the conditions in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Regulatory Instrument)*;
- the number of securities to be issued is not greater than 30% of the number of fully paid ordinary securities already on issue; and
- the issue price of the securities is at least 80% of the volume weighted average price (**VWAP**) for securities in that class calculated over the last five (5) days on which sales in the securities were recorded, either before the day on which the issue was announced or before the day on which the issue was made.

The Company's SPP complies with the requirements of the Regulatory Instrument and the number of securities to be issued will not be greater than 30% of the number of fully paid ordinary securities on issue. The issue price of \$0.08 however is less than 80% of the five day VWAP (the VWAP was \$0.1262 and 80% of the VWAP is \$0.1010). On this basis the issue of the SPP Shares is not eligible for the exception under Listing Rule 7.2.

As previously noted, the issue of the Placement Tranche 1 Shares exhausted the Company's available placement capacity under Listing Rule 7.1 and, as the SPP Shares are also not eligible to be issued under the Company's 10% placement capacity available under Listing Rule 7.1A, Shareholder approval is therefore required.

Resolution 6 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### 7.2 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the SPP Shares and secure additional funds of up to \$2 million. The effect of Resolution 6 being passed will be to allow the Company to issue the SPP Shares, and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to proceed with the SPP and Shareholders will not be able to participate in the capital raising of the Company.

The Company has applied for, and the ASX has granted, a waiver of Listing Rule 7.3.9 to enable all Eligible Shareholders to vote on this Resolution 6, on the following conditions:

- that the SPP is not underwritten, or if it is underwritten, the Company excludes any votes cast on the Resolution by any proposed underwriter or sub-underwriter of the SPP; and
- that the Company excludes any votes cast in favour of the Resolution by any investor who may receive Shares under any SPP shortfall.

The ASX has also granted the Company a waiver from Listing Rule 10.11 to the extent necessary to permit the directors of the Company to participate in the SPP without Shareholder approval under Listing Rule 10.11 on the following conditions:

- Shareholders approve the SPP; and
- Directors and their Associates are offered Shares under the SPP on the same terms as other Shareholders.

### **7.3 Technical information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the information below is provided in relation to Resolution 6:

- a) the maximum number of fully paid ordinary shares to be issued by the Company is 25,000,000 Shares;
- b) it is anticipated that, subject to Shareholder approval being received, the SPP Shares will be issued on or around 17 December 2021, being five (5) business days after the closing date of the SPP, or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules;
- c) the issue price of the SPP Shares will be \$0.08, being the same price as the Placement Tranche 1 Shares and Placement Tranche 2 Shares;
- d) the SPP Shares will be allotted to Eligible Shareholders who apply for Shares under the Company's SPP which was announced on 2 November 2021;
- e) the SPP Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- f) the purpose of the issue of the SPP Shares is to raise up to \$2 million, which will be applied towards:
  - (i) continued bore development targeting 30-50% borefield capacity developed and de-risked pre-final investment decision for the LSOP;
  - (ii) continued earthworks developing bore pads, access tracks and pipeline route; and
  - (iii) provide working capital to progress material contracts and finalise debt process;
- g) the SPP Shares are not being issued under an agreement; and
- h) the SPP Shares are not being issued under, or to fund, a reverse takeover.

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## 8. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY

### 8.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**10% Placement Capacity**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 7 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% Placement Capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 7 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 7 is not passed, the Company will not be able to access the additional 10% Placement Capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the AGM must be in favour of Resolution 7 for it to be passed.

### 8.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 7:

(a) Period for which the 10% Placement Capacity is valid

The 10% Placement Capacity will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum Price

Any Equity Securities issued under the 10% Placement Capacity must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the VWAP of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in section 5.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 10% Placement Capacity

The Company intends to use any funds raised from any issues of Equity Securities under the 10% Placement Capacity for ongoing working capital requirements as the Company continues its development of its Lake Wells Sulphate of Potash Project in Western Australia. Funds may also be used for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition) or continued exploration expenditure on the Company's other projects.

The purpose of seeking the 10% Placement Capacity is to enable the Company the flexibility to issue Equity Securities in addition to the 15% placement capacity afforded to the Company under Listing Rule 7.1, should the Board identify a need and opportunity to do so. The Directors are not currently aware of any matters which would require a change to the Company's current corporate and strategic objectives.

(d) Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Equity Securities under the issue. If Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 10 November 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.04	\$0.08	\$0.12
			50% decrease	Issue Price	50% increase
		Funds Raised			
<b>Current</b>	747,408,347 Shares	74,740,834 Shares	\$2,989,633	\$5,979,266	\$8,968,900
<b>50% increase</b>	1,121,112,520 Shares	112,111,252 Shares	\$4,484,450	\$8,968,900	\$13,453,350
<b>100% increase</b>	1,494,816,994 Shares	149,481,699 Shares	\$5,979,266	\$11,958,535	\$17,937,803

*\*The number of Shares on issue (Variable A in the formula) could increase because of the issue of Shares the subject of Resolutions 5 and 6 of this Notice, or the issue of other securities that do not require Shareholder approval (such as under a pro-rata rights issue) or that are issued with Shareholder approval under Listing Rule 7.1.*

The table above uses the following assumptions:

- (i) There are currently 747,408,347 Shares on issue.
- (ii) The issue price set out above is the closing market price of the Shares on the ASX on 10 November 2021.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options or Performance Rights are exercised into Shares before the date of issue of the Equity Securities.
- (v) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vi) This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
- (vii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) Allocation policy under the 10% Placement Capacity

The recipients of any Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Compliance with Listing Rule 7.1A.4

If the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4.

(g) Previous approval under Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 25 November 2020.

In the 12 months preceding the date of the Meeting, the Company has issued 1,456,324 Shares using the 10% placement capacity available under Listing Rule 7.1A. The issue of these securities represents 0.23% of the total number of Equity Securities on issue at the commencement of the 12 month period (being 25 November 2020), which was 627,249,456 on a fully diluted basis.

Details of these Equity Securities are provided below.

Date of Issue	31 May 2021
Number & class issued	1,456,324 fully paid ordinary shares
Names of allottees or basis for allotment	Allotted to professional and sophisticated investors who are clients of Canaccord Genuity, Euroz Hartleys or Shaw and Partners who participated in the retail book of the capital raising announced in May 2021
Equity Securities' price of issue and discount to market	\$0.14 (the Equity Securities were issued at a discount to market of 20%)
Total cash consideration and use of funds	\$203,885 (before costs) The funds raised were for application towards pre-development activities at the LSOP in advance of a final investment decision, finalising the syndicated debt facility and commencing the maiden diamond drilling program at the Laverton Downs Project

### 8.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in Section 8.1.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**Associate** has the same meaning as in Listing Rule 19.2.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**AWST** means Australian Western Standard Time as observed in Perth, Western Australia.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Australian Potash Limited (ACN 149 390 394).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Eligible Shareholder** means a Shareholder who is registered as a holder of Shares at 5.00pm AWST on 1 November 2021 and whose registered address is in Australia or New Zealand.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Joint Managers** is defined in section 5.1.

**KMP** or **Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the Listing Rules of ASX.

**LSOP** means the Lake Wells Sulphate of Potash Project.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Performance Right** means a right to a share with performance vesting conditions.

**Placement** is defined in section 5.1.

**Placement Tranche 1 Shares** is defined in section 5.1.

**Placement Tranche 2 Shares** is defined in section 6.1.

**Proxy Form** means the proxy form accompanying the Notice.

**Regulatory Instrument** means ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.

**Remuneration Report** means the remuneration report set out in the Director's Report section of the Company's annual financial report for the year ended 30 June 2021.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Spill Meeting** is defined in section 2.2.

**Spill Resolution** is defined in section 2.2.

**SPP** or **Share Purchase Plan** is defined in section 5.1.

**SPP Shares** is defined in section 7.1.

**Variable A** means "A" as set out in the formula in Listing Rule 7.1A.2.

**VWAP** means volume weighted average price.

26 October 2021



Leigh-Ayn Absolom  
15 Brompton Heights  
Gidgegannup WA 6083

The Board of Directors  
Australian Potash Limited  
PO Box 180  
Subiaco WA 6904

Dear Directors

**NOTICE OF NOMINATION OF PROPOSED AUDITOR**

Pursuant to Section 328B(1) of the Corporations Act 2001, I, Leigh-Ayn Absolom, being a member of Australian Potash Limited, hereby give you notice of the nomination of KPMG of 235 St George's Terrace, Perth as auditor of Australian Potash Limited.

Yours faithfully



Leigh-Ayn Absolom

If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **2.00pm (WST) on Monday, 13 December 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY VOTE ONLINE

**Vote online at <https://investor.automic.com.au/#/loginsah>**

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



## SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your Shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as they choose. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.



