

ASX ANNOUNCEMENT

ASX: APC



24 May 2021

Australian Potash Limited raises \$10m in Placement following heavy demand for new share issue

- Placement of \$10 million to global institutional, professional and sophisticated resources investors
- The Company's largest shareholder, Yandal Investments Pty Ltd, has committed to subscribe for \$800,000 of new shares in the Placement, maintaining its pro-rata holding in the Company
- Funds to be applied to pioneering works at the Lake Wells Sulphate of Potash Project and to the maiden Diamond Drill Hole (DDH) program at Laverton Downs nickel sulphide project

Australian Potash Limited (**ASX: APC** or the **Company**) advises that it has received firm commitments from global institutional, professional and sophisticated investors for a placement of \$10 million (before costs), which will be completed by way of a two-tranche placement as detailed below (**Placement**).

Funds raised from the Placement will be applied towards:

- (i) Pre-development activities at the Lake Wells SOP Project in advance of a Final Investment Decision, including:
 - Drilling of paleochannel production wells including fit-out of headworks and brine pipeline;
 - Commencement of early works for the Lake Wells Village including in-ground services, water treatment plant and power supply;
 - Finalising the syndicated debt facility with the commercial bank 'club' which is in addition to the existing undrawn debt facilities;
- (ii) Commencing the maiden DDH program across the Laverton Downs nickel sulphide target areas following identification of strong EM conductor plates scheduled to commence in May¹.

Canaccord Genuity (Australia) Limited and Euroz Hartleys Limited acted as Joint Lead Managers to the Placement.

Australian Potash Managing Director and CEO, Matt Shackleton, said, "The heavy institutional and sophisticated investor demand for the offer reflects well on the Lake Wells SOP Projects very robust financial metrics, and supports our transition into development. The LSOP still carries the largest 100% Measured JORC compliant SOP resource across the space, which speaks to the technically de-risked nature of the development. With over 75% by value of construction contracts to be executed under an EPC strategy, long tenor debt that includes NAIF and Export Finance Australia and 100% bore-field brine abstraction, APC's development strategy provides a clear path to successful operations."

"In addition to the LSOP, we look forward to unlocking the inherent value in the Laverton Downs nickel sulphide targets with a maiden diamond program scheduled to commence in May."



The Placement Shares will be issued in two tranches and will be issued on the same terms as and rank equally with, the existing fully paid ordinary shares of the Company. A total of 62,221,428 shares will be issued in the first tranche (**Tranche 1 Shares**) at \$0.14 per share, with 60,765,104 shares being issued within the Company's existing ASX Listing Rule 7.1 placement capacity and 1,456,324 being issued within the Company's existing ASX Listing Rule 7.1A placement capacity. The Tranche 1 Shares will be issued on or about Monday, 31 May 2021.

The second tranche, being subject to shareholder approval at a general meeting of the Company to be held in early July 2021, is to issue 9,207,144 fully paid ordinary shares (Tranche 2 Shares) at \$0.14 per share.

The funds raised will be applied towards:

- (iii) Pre-development activities at the Lake Wells SOP Project in advance of a Final Investment Decision;
- (iv) Finalising the syndicated debt facility with commercial bank 'club' which is in addition to the existing debt facilities;
- (v) Commencing the maiden DDH program across the Laverton Downs nickel sulphide target areas following identification of strong EM conductor platesⁱⁱ.

This release was authorised by the Board of the Company.

For further information:

Matt Shackleton

Managing Director & CEO

m.shackleton@australianpotash.com.au

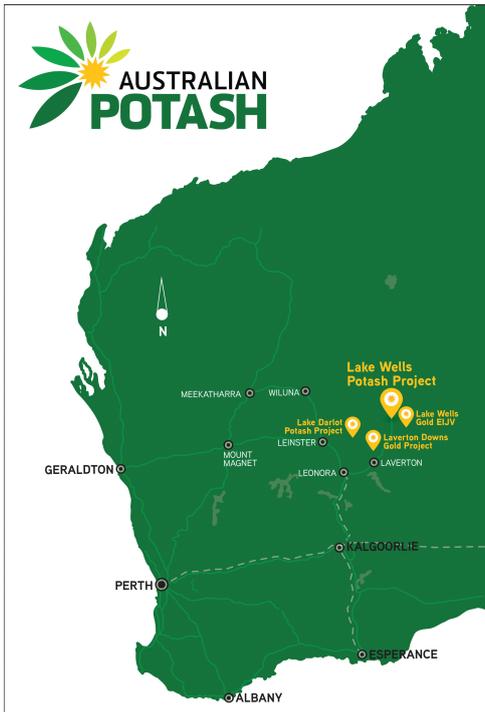
+61 (0) 438 319 841

Stephen Buckley

Company Secretary

s.buckley@australianpotash.com.au

+61 8 6189 1155



About Australian Potash Limited

APC holds a 100% interest in the **Lake Wells Sulphate of Potash (LSOP)**, located approximately 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields. The Company is finalising pre-development plans for commencement of construction. First production from the LSOP is scheduled mid-2023.ⁱⁱⁱ



K-Brite is a registered trademark brand of Australian Potash Limited and the brand under which the suite of high quality, premium SOP products from the LSOP will be marketed.

APC holds a 100% interest in the **Laverton Downs Project**, located 5kms north of Laverton, in Western Australia's Eastern Goldfields.^{iv}

APC holds a 30% free-carried interest in the **Lake Wells Gold Project**, located 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.^v

Please visit www.australianpotash.com.au for more information.

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 forward-looking 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.

ⁱ Refer to ASX Announcement 9 April 2021 'Massive Nickel Sulphide Targets Identified at Laverton Downs'. 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 9 April 2021 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 9 April 2021 announcement continue to apply and have not materially changed.

ⁱⁱ Refer to ASX Announcement 9 April 2021 'Massive Nickel Sulphide Targets Identified at Laverton Downs'. 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 9 April 2021 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 9 April 2021 announcement continue to apply and have not materially changed.

ⁱⁱⁱ Refer to ASX Announcement 20 April 2021 'FEED positions K-Brite at the Premium End of SOP Market'. 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 20 April 2021 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 20 April 2021 announcement continue to apply and have not materially changed.

^{iv} Refer to ASX Announcement 9 April 2021 'Massive Nickel Sulphide Targets Identified at Laverton Downs'. 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 9 April 2021 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 9 April 2021 announcement continue to apply and have not materially changed.

^v Refer to ASX Announcement 8 April 2021 'SBM Acquires 70% Interest in Lake Wells Gold Project'. 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 8 April 2021 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 8 April 2021 announcement continue to apply and have not materially changed.