

2 November 2021

\$12m Capital Raising to Advance Lake Wells SOP Project

- **A\$12.0 million firm commitment received in a two-tranche placement at A\$0.08 per share**
- **Proceeds used to advance the Lake Wells Sulphate of Potash Project focusing on continued bore development and de-risking Final Investment Decision, earthworks and working capital**
- **The first tranche of the placement to be completed utilising existing placement capacity under ASX Listing Rule 7.1, raising A\$7.8 million, with the second tranche raising A\$4.2 million subject to shareholder approval at the AGM to be held on Wednesday, 15 December 2021**
- **A Share Purchase Plan will be offered to existing eligible shareholders to raise up to A\$2.0 million, subject to shareholder approval**

Australian Potash Limited (**APC** or the **Company**) is pleased to announce that it has received firm commitments to raise approximately A\$12.0 million via a two tranche placement (**Placement**) at an issue price of A\$0.08 per share (**Offer Price**).

The Placement shares (**Shares**) will be issued in two tranches and will rank equally with the Company's existing fully paid ordinary shares on issue:

- **Tranche 1 – 97,488,039 Shares are expected to be issued on or about Tuesday, 9 November 2021 pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1 (Unconditional Placement); and**
- **Tranche 2 – 52,511,961 Shares will be issued subject to, and conditional upon, shareholder approval at the annual general meeting of the Company to be held on Wednesday, 15 December 2021 (Conditional Placement).**

The Offer Price represents a 30.4% discount to the closing share price of A\$0.115 on Thursday, 28 October 2021, being the last day the Company's shares were traded prior to this announcement, and a 27.3% discount to the 20 day volume weighted average price of \$0.110.

Matt Shackleton, APC's Managing Director and CEO said: "Funds raised from this placement and SPP will allow APC to continue to develop and de-risk the Lake Wells SOP Project over the coming months. Our progressive de-risking strategy, when applied to the Mineral Resource[#], is to continue developing bores, pump-testing those bores and then reconciling recorded flow rates back to the hydro-model, which is effectively our mine development plan. At this point, our schedule indicates we will have approximately 30%-50% of the production borefield by volume developed through Q1 2022.

"Corporately we remain focused on finalising credit approval processes for the balance of the syndicated, development debt facility. I look forward to updating shareholders on progress at the LSOP presently."

Use of Proceeds

Proceeds from the Offer, together with existing cash, will be used to continue to advance the Lake Wells Sulphate of Potash Project through to a Final Investment Decision (**FID**) targeted for end Q1 2022.

Sources of funds	A\$m	Uses of funds	A\$m
Placement Proceeds (Tranche 1 & 2)	12	Borefield drilling and test pumping	7 – 8
Share Purchase Plan (SPP) proceeds	0 – 2	Earthworks and site-based expenditure	5 – 6
Existing cash (30 September 2021)	3	Working capital and general purposes	3
Total	15 – 17	Total	15 – 17

Proceeds will be used to:

- ✓ Continue bore development targeting 30-50% borefield capacity developed and de-risked pre-FID;
- ✓ Continue earthworks developing bore pads, access tracks and pipeline route; and
- ✓ Provide working capital to progress material contracts and finalise debt process.

Placement Indicative Timetable

An indicative Placement timetable is set out below:

Event	Date
Placement announced and trading resumes on ASX	Tuesday, 2 November 2021
Settlement of Unconditional Placement	Monday, 8 November 2021
Allotment of new Shares issued under the Unconditional Placement	Tuesday, 9 November 2021
New Shares issued under the Unconditional Placement commence trading on ASX	Wednesday, 10 November 2021
Expected date of shareholders' meeting to approve issuance of Conditional Placement Shares	Wednesday, 15 December 2021
Settlement of Conditional Placement	Tuesday, 21 December 2021
Allotment of new Shares issued under the Conditional Placement	Wednesday, 22 December 2021
New Shares issued under the Conditional Placement commence trading on ASX	Thursday, 23 December 2021

Share Purchase Plan Details

In addition to the Placement, the Company intends to conduct a Share Purchase Plan (**SPP**) to raise up to A\$2.0 million. Eligible APC shareholders as at the record date of 5.00pm AWST on Monday, 1 November 2021 with a registered address in Australia or New Zealand will be offered the opportunity under the SPP to apply for up to A\$30,000 worth of new Shares (subject to scale back at the Company's absolute discretion) at the same price as those shares issued under the Placement, being \$0.08 (**SPP Shares**).

The issue of the SPP Shares will be subject to shareholder approval being received at the Company's annual general meeting expected to be held on Wednesday, 15 December 2021.

The terms and conditions of the SPP will be detailed in a SPP Offer Booklet to be dispatched to eligible shareholders and released to the ASX on or about Monday, 22 November 2021.

An indicative SPP timetable is set out below:

Event	Date
Record date for eligibility to participate in the Share Purchase Plan	5.00pm AWST Monday, 1 November 2021
Dispatch of SPP documents to eligible shareholders	Monday, 22 November 2021
SPP opens	Monday, 22 November 2021
SPP closes	5.00pm AWST Monday, 13 December 2021
Expected date of shareholders' meeting to approve issuance of SPP Shares	Wednesday, 15 December 2021
Allotment of new shares under the SPP (subject to shareholder approval)	Friday, 17 December 2021

*All times quoted refer Perth, Australia time. The timetable is indicative only and remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules. The Company reserves the right to change the timetable or cancel the SPP at any time before new Shares are issued, subject to regulatory requirements. The Company encourages eligible shareholders who wish to participate in the SPP to act promptly in submitting their application forms.

Shaw and Partners Limited acted as Lead Manager to the Placement, with Canaccord Genuity (Australia) Limited acting as Co-Manager.

This release was authorised by the Board of the Company.

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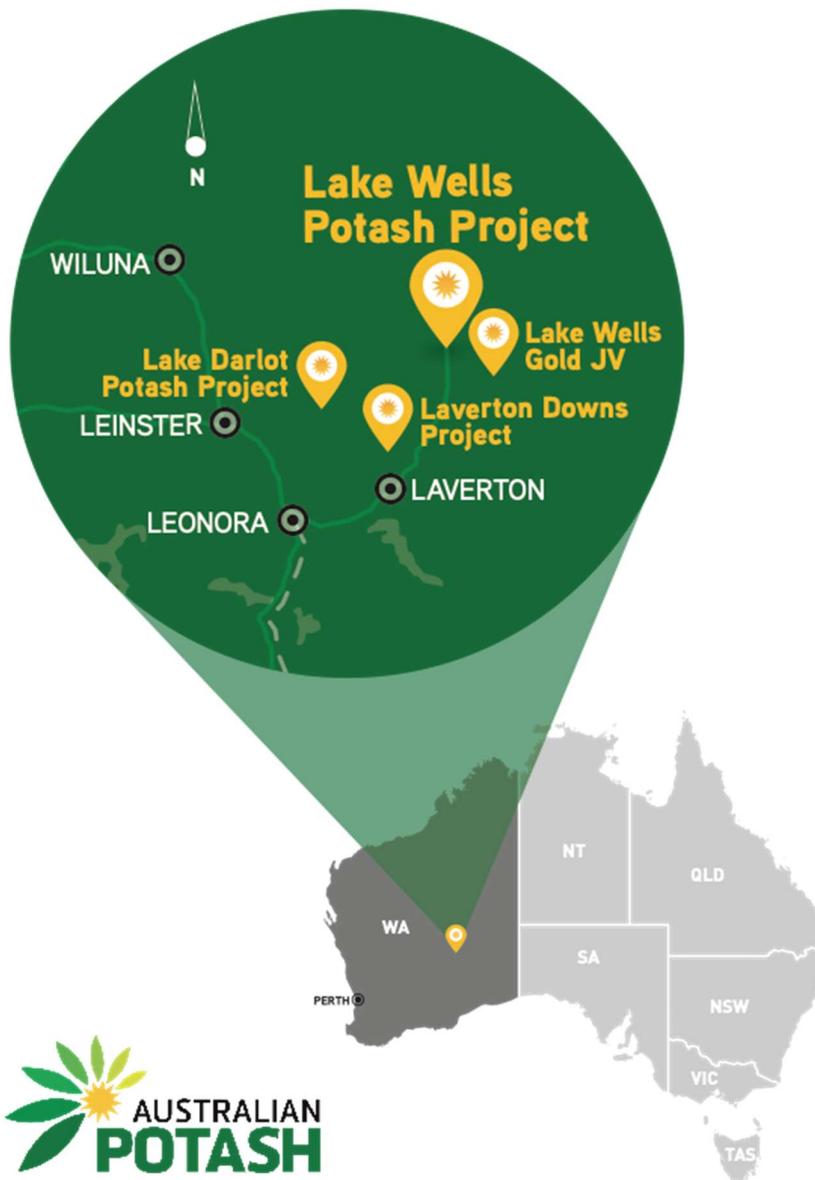
#Mineral Resource Estimate

The information in this report that relates to the Mineral Resource is based on information announced to the ASX on 8 August 2019. APC confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the Estimate in the relevant market announcement continue to apply.

Hydrogeological Unit	Volume of aquifer (MCM)	Specific Yield (mean)	Drainable Brine Volume (MCM)	K Concent ⁿ (mg/L, weighted mean value)	SOP Grade (mg/L, weighted mean value)	SOP Resource (MT)
Loam	5,180	10%	518	4,009	8,941	4.6
Upper aquitard	10,772	7%	754	3,020	6,735	5.1
Crete	479	5%	24	2,386	5,320	0.1
Upper sand	801	17%	136	3,435	7,660	1.0
Lower aquitard	9,502	8%	760	3,367	7,509	5.7
Mixed aquifer	440	17%	75	3,645	8,129	0.6
Basal sand	503	23%	116	3,415	7,616	0.9
Total (MCM/MT)	27,678		2,383	3,343	7,455	18.1

Measured JORC Mineral Resource Estimate for Lake Wells Sulphate of Potash Project based on modelled aquifer volume, specific yield and weighted mean K concentrations (derived from modelling)

About Australian Potash Limited



APC holds a 100% interest in the **Lake Wells Sulphate of Potash (LSOP)**, located approximately 500km 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 for 24 to 27 months from a Final Investment Decision.

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 5km north of Laverton, in Western Australia's Eastern Goldfields.ⁱ

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

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

ⁱ Refer ASX Announcement 9 April 2021

ⁱⁱ Refer ASX Announcement 8 April 2021