

10 May 2023

Corporate Update

Australian Potash Limited (**ASX: APC** or the **Company**) provides an update regarding a number of corporate matters.

Strategic Investment Process

The Company has previously announced that it is undertaking a strategic review process on its Lake Wells Sulphate of Potash Project (**LSOP**). Further to those announcements, the Company confirms that due diligence materials are being reviewed by third parties with a view to strategic investment into the LSOP. Global parameters underpinning mineral fertiliser demand remain strong, and the Board remains confident in the viability of the LSOP. However, whilst this strategic investment process is continuing, the directors caution that all current discussions are preliminary, no offer has been tabled that is capable of execution, and there is a risk that no suitable investment proposal is received.

AusIndustry Research & Development (R&D) Process

The directors advise that they have now informed the Administrative Appeals Tribunal (**AAT**) that the Company will not be contesting its ability to claim aspects of the 2018/2019 R&D incentive. The Company provisioned \$1.38m in its 2022 financial statements for these amounts, as reported in the Annual Report lodged with ASX on 29 September 2022.

The directors understand that with the cessation of the AAT process, the Department of Industry, Science, Energy and Resources will, in conjunction with the Australian Taxation Office (**ATO**), seek to recover the amount provisioned from the Company, however no such request has yet been received. It is the directors' expectation that where the ATO makes a demand for the payment of this amount, an arrangement will be entered into with the ATO to settle the Company's outstanding liability over a period of time, however no discussions have as yet been held with the ATO on this matter.

Federal Department of Climate Change, Energy, the Environment and Water (DCCEEW)

The Company has been advised by DCCEEW that upon receiving a third-party referral of the LSOP, they have determined that the outcome of their considerations is to deem the LSOP development a 'Controlled Action' under the relevant federal legislation. This is over and above the Western Australian State Government's assessment of the LSOP development, full approval for which was received by the State Minister in February 2021.

The time frame for DCCEEW to consider what actions and potential conditions the Company needs to undertake and adhere to over and above the State imposed conditions is yet to be determined formally and is in part contingent upon the time taken for the Company to furnish the Federal officials with the requested information. The Federal Government further imposes a 'cost recovery' framework to undertake their assessment, which costs have been estimated by them at approximately \$34,000. The Company will incur

additional costs in addition to these fees, associated with whichever consultants DCCEEW deem appropriate to assist them understand the environment within which the LSOP is proposed to be developed.

While the Company was not privy to the initial third-party referral or referrer, the Company confirms that DCCEEW's consideration processes did not include consultation with the Company prior to the initial assessment of a Controlled Action being made. The Company is now working with DCCEEW to develop an assessment plan which will incorporate a timetable. The Company will ensure shareholders remain informed as to this timetable and progress against it.

Northern Australia Infrastructure Facility (NAIF)

As previously announced to ASX on 16 March 2023, NAIF has extended the 'sunset date' for the offer of debt development finance for LSOP to 30 June 2023. NAIF have further advised that unless the Company is able to make material progress in securing the requisite equity development capital by that date, it will have to consider applying that amount of debt funding to alternative uses.

This release was authorised by the Board of Directors.

Matt Shackleton

Managing Director & CEO

m.shackleton@australianpotash.com.au

+61 (0) 438 319 841

Michelle Blandford

Company Secretary

m.blandford@australianpotash.com.au

+61 (0) 408 088 295

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 31 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 **Lake Wells Gold Project**, located 500km northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.

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