

6 December 2023

Appointment of Voluntary Administrators

The Directors of **Australian Potash Limited (APC or the Company) (ASX: APC)** resolved this morning to appoint Voluntary Administrators Hayden White and Daniel Woodhouse of FTI Consulting (**Administrators**) to the Company. Following the continued and exhaustive engagement with shareholders and creditors over the past several weeks in an endeavour to maintain the Company as a going concern, the Directors are now of the view that a formal restructuring process should be allowed to take its course.

None of the Company's subsidiary companies are affected by this appointment and will continue to operate in their normal manner. In particular the Laverton Training Centre corporate trustee will continue to operate as normal, under the guidance of its independent board of Directors.

The Directors will work with the Administrator to close out the restructuring process as quickly as possible.

The Directors are working with existing shareholders and third-party investors and intend submitting a recapitalisation proposal to the Administrators for consideration, which will seek to restructure the balance sheet, avoid liquidation and allow all existing shareholders to participate in future capital raises. It is the view of the board that the Company's assets represent an opportunity to create value for shareholders. For example, the re-assessment of the exploration model and drill assay results from the work conducted at the Lake Wells Gold Project by former joint venture partner, St Barbara Ltd, has identified several 'walk-up' in fill drill targets. With a reconstructed balance sheet, the Company will be able to pursue these and other exploration opportunities across its existing project areas. The Company retains the database for the development of the Lake Wells SOP Project, and the tenure comprising the Nexus Project in the emerging West Arunta region of WA.

Shareholders should be aware that during the Voluntary Administration process, ultimately the creditors of the Company make the final decision on if a recapitalisation proposal should be accepted or not. Creditors rank above shareholders for any returns. The Administrators also report to creditors, not shareholders. As such there can be no guarantee that any recapitalisation proposal will be accepted.

Non-executive Chair Natalia Streltsova commented: "This is clearly a very disappointing day for our shareholders and the APC team. The last two years have been very challenging for your Company with much focus and effort initially on identifying the funding solution for the LSOP. I can assure you that no stone remained unturned in our pursuit of funding for the LSOP development because we believe the project has considerable value for all stakeholders, both economic and social. We still maintain the project information and know-how and will be ready to deploy them should a new opportunity emerge for this project.

"More recently, due to strong negativity in the market towards solar evaporation potash projects in Western Australia, we turned our efforts to re-focusing the Company on our other existing project opportunities where we believe we have project targets that have the potential to create significant shareholder value.

"Notwithstanding this appointment, we continue to work diligently to retain and restore as much value for shareholders as we can in the circumstances. We aim to update our stakeholders with progress in this area in the very near future."

This announcement has been authorised for release to ASX by the Board of Directors of Australian Potash Limited.

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