



31 Ord Street, West Perth WA 6005
PO Box 1941, West Perth WA 6872
+61 8 9322 1003
australianpotash.com.au
@OzPotash
ABN 58 149 390 394

11 February 2019

AUSTRALIAN POTASH TO RAISE UP TO \$5.2 MILLION

Australian Potash Limited (ASX: APC) (**APC** or the **Company**) is pleased to announce that the Company has agreed to undertake a renounceable rights issue (**Rights Issue**) to raise up to approximately \$5,229,824 before costs.

Rights Issue

The Company intends to undertake a pro rata renounceable rights (or entitlements) issue to eligible shareholders to raise up to \$5,229,824 (before the costs of the offer), comprising an offer on the basis of three (3) rights shares (**Rights Shares**) for every fourteen (14) existing shares held at an issue price of 8 cents (\$0.08) per Rights Share, together with one (1) free attaching listed option (**Rights Option**) exercisable at 12 cents (\$0.12) on or before 8 August 2021 for every four (4) Rights Shares subscribed. Shareholders of the Company will be afforded the opportunity to subscribe for Rights Shares in excess of their entitlement to the extent that there is a shortfall.

The Rights Issue is intended to be underwritten to \$4.2 million by Patersons Securities Limited, who are also acting as Lead Manager to the Rights Issue.

The Company's directors intend to participate in the Rights Issue.

The funds raised from the Rights Issue will be used to complete the definitive feasibility study for the Company's high-grade, low cost Lake Wells Potash Project (**LWPP**), and for general working capital.

Further details will be provided in a prospectus (**Prospectus**) which is intended to be lodged with ASX on 13 February 2019.

Indicative Timetable

The current proposed timetable for the Rights Issue is set out below. The dates are indicative only and the Company reserves the right to vary the dates (subject to the Corporations Act and the ASX Listing Rules).

Offer announcement	11 February 2019
Lodgement of Prospectus with ASIC	13 February 2019
Lodgement of Prospectus and Appendix 3B with ASX	13 February 2019
Notice sent to Optionholders	13 February 2019
Notice sent to Shareholders	14 February 2019
Ex date	15 February 2019
Rights start trading	15 February 2019
Record date for determining entitlements	18 February 2019
Prospectus sent out to Shareholders and Company announces this has been completed	21 February 2019

Rights stop trading	25 February 2019
Last date to extend the closing date	27 February 2019
Closing Date*	4 March 2019
ASX notified of any under subscriptions	7 March 2019
Issue date/Shares entered into Shareholders' security holdings	11 March 2019
Quotation of Shares issued under the Offer*	12 March 2019

*The Directors may extend the Closing Date by giving at least 3 business days' notice to ASX prior to the Closing Date. As such the date the Rights Shares are expected to commence trading on ASX may vary.

About Australian Potash Limited

Australian Potash Limited (ASX: APC) is an ASX-listed Sulphate of Potash (SOP) developer. The Company holds a 100% interest in the LWPP located approximately 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields.

The LWPP is a palaeochannel brine hosted sulphate of potash project. Palaeochannel bore fields supply large volumes of brine to many existing mining operations throughout Western Australia, and this technique is a well understood and proven method for extracting brine.

A Scoping Study on the LWPP was completed and released on 23 March 2017¹. The Scoping Study exceeded expectations and confirmed that the Project's economic and technical aspects are all exceptionally strong, and highlights APC's potential to become a significant long-life, low capital and high margin sulphate of potash producer.

Key outcomes from the Scoping Study are as follows:

- Stage 1 production rate of **150,000tpa** of premium-priced sulphate of potash (years 1 – 5)
- Stage 2 production rate of **300,000tpa** of premium-priced sulphate of potash (years 6 – 20)
- Upgraded JORC 2012 Mineral Resource Estimate comprising 14.7m tonnes of SOP, including 12.7mt in the Indicated category²
- At a SOP price of A\$795 per tonne, the Project generates LOM annual operating pre-tax cashflow³ of A\$118m/US\$81m
- Pre-production capital expenditure (Stage 1) of A\$175m/US\$135m and Stage 2 of A\$163m/US\$125m
- Life of Mine (LOM) is 20 years (inc. Stage 1 & Stage 2) –upside to LOM through continued exploration

Forward looking statements disclaimer

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 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

¹ Refer to ASX announcement 23 March 2017 'Scoping Study Confirms Exceptional Economics of APC's 100% Owned LWPP In WA'. 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 23 March 2017 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 23 March 2017 announcement continue to apply and have not materially changed.

² Refer to ASX announcement 23 March 2017 'Scoping Study Confirms Exceptional Economics of APC's 100% Owned LWPP In WA'. 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 23 March 2017 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 23 March 2017 announcement continue to apply and have not materially changed.

³ Operating cashflows include all revenue and operating expenditure, but exclude capital expenditure.

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.

Competent person's statement

The information in the announcement that relates to Exploration Targets and Mineral Resources is based on information that was compiled by Mr Duncan Gareth Storey. Mr Storey is a Director and Consulting Hydrogeologist with AQ2, a firm that provides consulting services to the Company. Neither Mr Storey nor AQ2 own either directly or indirectly any securities in the issued capital of the Company. Mr Storey has 30 years of international experience. He is a Chartered Geologist with, and Fellow of, the Geological Society of London (a Recognised Professional Organisation under the JORC Code 2012). Mr Storey has experience in the assessment and development of paleochannel aquifers, including the development of hypersaline brines in Western Australia. His experience and expertise are such that he qualifies as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves". Mr Storey consents to the inclusion in this report of the matters based on this information in the form and context as it appears.

For further information, please contact:

Matt Shackleton

Managing Director & CEO

 m.shackleton@australianpotash.com.au

 +61 (0) 438 319 841

Sophie Raven

Company Secretary

 s.raven@australianpotash.com.au

 +61 (0) 400 007 906

