



14 July 2021

Letter to Optionholders

Australian Potash Limited (**ASX: APC** or the **Company**) advises that the attached letter is being sent to registered holders of listed options (**ASX: APCOB**) which are exercisable at \$0.12 on or before 5:00pm (AWST) on Sunday, 8 August 2021.

The last date of quotation of APCOB on the ASX will be Monday, 2 August 2021.

This release was authorised by the Company Secretary.

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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.ⁱ

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.ⁱⁱ

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

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

ⁱ 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.

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 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.

14 July 2021

Dear Optionholder

Notification of Expiry of Options

As at the date of this notice, you are a registered holder of listed options (**Options**, ASX code: APCOB) in Australian Potash Limited (**Company**, ASX code: APC). These options were issued to shareholders on 20 March 2019, or have been purchased on market since then.

This letter notifies you of the impending expiry of the Options on Sunday, 8 August 2021. It also sets out your alternative courses of action prior to expiry and provides information about recent prices of the APC shares and the Options.

As at 13 July 2021, the last traded price of APC shares was \$0.135. However, the market price should be monitored for any significant changes. We recommend that you seek independent financial advice if you are unsure whether to exercise your Options.

Your choices as an Optionholder are:

- **Do nothing and allow your Options to lapse**

If you do not take any action to exercise your Options prior to 5:00pm (AWST) on Sunday, 8 August 2021, the Options will expire and your right to purchase shares at \$0.12 will lapse.

- **Exercise all or some of your Options**

To exercise your Options, the enclosed personalised Notice of Exercise of Options and your cleared funds must be received by the Company no later than 5:00pm (AWST) on Sunday, 8 August 2021. Please note that exercising your options does not incur any brokerage costs.

- **Sell all or some of your Options on market**

If you elect not to exercise your Options, you may wish to consider selling your Options on the ASX. Your Options are currently trading on the ASX under the ASX code: APCOB. The last trade for APCOB was on 12 July 2021 and was \$0.015. When considering whether to sell your Options on market, you should bear in mind any brokerage charges that you may incur.

The Options cease trading on the ASX on 2 August 2021. In accordance with ASX Listing Rules, the Company advises the following:

- a) The number of Options you hold at the date of this letter is set out in your Notice of Exercise of Options;

- b) Each Option entitles the holder to receive, on exercise, one fully paid ordinary share in the Company. If all Options are exercised, by all holders of the Options, then 51,222,420 fully paid ordinary shares will be issued;
- c) The exercise price of the Options is \$0.12 per share. If cleared funds are not received by 5:00pm (AWST) on Sunday, 8 August 2021, then your Options will expire with no value and no further entitlement will exist;
- d) Official quotation of APCOB Options on the ASX will cease at the close of trading on 2 August 2021;
- e) There is no underwriting agreement in place for the exercise of the Options;
- f) The latest available market price of APC shares prior to the date of this notice was \$0.135 at the close of trading on 13 July 2021; and
- g) The highest and lowest market prices of APC shares traded in the three months immediately before the date of this notice were:
 - Highest: \$0.185 per share on 19 April 2021
 - Lowest: \$0.120 per share on 18 June 2021

Summary of key dates for Optionholders are:

- Last day of trading/quotation of APCOB Options 2 August 2021
- Final date for exercise and payment of Options 5:00pm AWST on Sunday, 8 August 2021
- Final date for allotment of new APC shares Within 15 business days of the expiry date

If you require any further information in relation to the upcoming expiry of the Options, or need assistance in completing the Notice of Exercise of Options, please contact the APC office on (08) 9322 1003.

Yours faithfully



Michelle Blandford
Company Secretary



Australian Potash Limited | ACN 149 390 394

All Registry Communication to:



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1300 288 664 (within Australia)
+61 2 9698 5414 (international)
hello@automicgroup.com.au
www.automicgroup.com.au

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SRN/HIN:
Security Code: APCOB
Number of Options Held:
Option Expiry Date: 08/08/2021
Exercise Price: \$0.12

NOTICE OF EXERCISE OF OPTIONS

I/we hereby exercise the following number of options and make payment in Australian currency for the amount payable. Please allot me/us Ordinary Shares calculated on the basis of one Ordinary Share for every one Option which I/we exercise. I/We agree to accept such Shares subject to the Constitution of Australian Potash Limited.

1. Number of Options to be Exercised
Total payment required @ \$0.12 per Option exercised
A\$
If the dollar amount paid results in a fraction of a share then the shares allotted will be rounded down.

2. Payment: You can pay either by EFT or cheque
Option A – EFT
Funds to be deposited directly to the following bank account:
Account name: Australian Potash Limited
Account BSB: 086-082
Account number: 19-590-0091
IMPORTANT: When making your EFT payment please ensure that you use your registered holding name as your "payment description". Failure to do so may result in your funds not being allocated to your application and shares subsequently not issued.
Option B – Cheque
• Make your cheque payable to "Australian Potash Limited" and crossed "Not Negotiable".

3. Contact details & signature
Telephone Number
Contact Name (PLEASE PRINT)
Email Address
SUPPORT YOUR COMPANY: By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).
Sign here:
Securityholder 1
Securityholder 2
Securityholder 3
Sole Director/Company Secretary
Director
Director / Company Secretary
NOTE: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. A certified copy of the Power of Attorney must be lodged with this exercise form.

4. Submitting your "Notice of Exercise of Options" form
Please return the completed and signed form together with your cheque payment or copy of your funds transfer receipt:
BY MAIL
Australian Potash Limited
Suite 31
22 Railway Road
Subiaco WA 6008
BY EMAIL
s.nicholas@australianpotash.com.au