



Interim Financial Report

For the half-year ended 31 December 2023



Corporate Directory3
Directors’ Report.....4
Auditor’s Independence Declaration 18
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income..... 19
Condensed Consolidated Statement of Financial Position 20
Condensed Consolidated Statement of Changes in Equity..... 21
Condensed Consolidated Statement of Cash Flows..... 22
Notes to the Condensed Financial Statements 23
Directors’ Declaration 34
Independent Auditor’s Review Report..... 35

Directors

Cathy Moises (Non-Executive Chair)

Matt Shackleton (Managing Director & Chief Executive Officer)

Jonathan Fisher (Non-Executive Director)

Company Secretary

Joel Ives

Registered Office and Principal Place of Business

Level 4, The Read Buildings

16 Milligan Street

PERTH WA 6000

Telephone: +61 8 9322 1003

Solicitors

Steinepreis Paganin

Level 4, The Read Buildings

16 Milligan Street

PERTH WA 6000

Share Registry

Automic Registry Services

Level 2, 267 St George's Terrace

PERTH WA 6000

Auditors

KPMG

235 St George's Terrace

PERTH WA 6000

Website

www.australianpotash.com.au

Stock Exchange Listing

The following are listed (although suspended from 2 October 2023 and at the date of this report) on the Australian Securities Exchange:

Australian Potash Limited fully paid ordinary shares (ASX code APC)

Your directors are pleased to present their report on the consolidated entity consisting of Australian Potash Limited (**APC** or **Company**) and the entities it controlled, at the end of, or during, the half year ended 31 December 2023.

Directors

The names of the directors who held office during or since the end of the half year, to the date of this report, are:

- Cathy Moises Non-Executive Chair
- Matt Shackleton Managing Director & Chief Executive Officer
- Jonathan Fisher Non-Executive Director (appointed 1 February 2024)
- Natalia Streltsova Non-Executive Chair (resigned 1 February 2024)
- Rhett Brans Non-Executive Director (resigned 1 February 2024)

Unless otherwise noted, all directors held office for the entire reporting period.

Principal Activities

The Company embarked on a rationalisation of its tenement portfolio during the half-year, reflecting the lack of investment appetite for the development of the Lake Wells Sulphate of Potash project (LSOP). By the end of October 2023, it had surrendered all six of the mining leases that comprised the LSOP, had rehabilitated ground disturbances within the proposed development envelope for the LSOP and had demobilised all personnel, buildings and accommodation structures and associated infrastructure and other ancillary assets.

At the Nexus Project, there was minimal progress made in respect to the negotiation of a heritage and access agreement with the Tjamu Tjamu (Aboriginal Corp) RNTBC, in part due to the confusion and uncertainty created by the Western Australian Government's legislation and subsequent repeal of the Aboriginal Cultural Heritage Act.

In December 2023, the Company agreed to a variation of the Tenement Sale Agreement executed with Maverick Minerals Limited over the Laverton Downs Project. At the date of this report, Maverick Minerals Limited's shares had not listed on the ASX. In the event the agreement is terminated, the tenement package will remain in the ownership of the Company.

Significant Changes in the State of Affairs

Voluntary Administration

On 6 December 2023 the directors of APC resolved to appoint Voluntary Administrators Hayden White and Daniel Woodhouse of FTI Consulting (Administrators) to the Company with the view to undertake a restructuring of Australian Potash Limited that would enable it to continue as a going concern, avoid liquidation and allow all shareholders the ability to retain value in their investment and participate in future capital raises.

Creditors voted at a second meeting on 19 January 2024 to accept a Deed of Company Arrangement (DOCA) proposed by Managing Director Matt Shackleton, with all creditors of the Company existent

up to the time of appointment of the Administrators, except for outstanding Directors fees and Managing Director employee benefits (in total \$316,859), transferring to a Creditors' Trust and thus removing these liabilities from the Company's balance sheet from that date.

The proposed DOCA included the following key terms:

Key Elements	DOCA Proposal
<p>Purpose</p>	<p>Ensure that creditors of the Company receive a better return than in liquidation.</p> <p>Facilitate a capital raising for the Company of not less than \$2.75m, expected to comprise of convertible loans, a Priority Placement Offer to existing shareholders and a General Placement Offer. Refer to the Notice of Annual General Meeting announced to shareholders on 28 February 2024.</p> <p>Minimise holding costs and reduce further administrators' fees that may be incurred.</p>
<p>Creditors Trust</p>	<p>The DOCA proposal accepted and subsequently effectuated includes the creation of a Creditors' Trust, to facilitate the payment of creditors' claims in accordance with the terms of the DOCA, and to expedite the reinstatement of the Company on the ASX following effectuation of the DOCA. The Creditors' Trust was created on 1 February 2024.</p>
<p>Contributions</p>	<p>The DOCA Contribution to funds available for distribution to creditors out of the Creditors Trust was \$900,000, which was raised in the Company via a converting loan issue of \$1,000,000.</p>
<p>Capital Raising</p>	<p>The Company has issued converting loans to the value of \$1m, with a concomitant commitment to sub-underwrite \$2.75m in a Priority and General Placement the subject of the pending Prospectus. The terms of the loans are as follows:</p> <ul style="list-style-type: none"> • Each \$1 of converting loan confers a sub-underwritten commitment of \$2.75; • 1 Sub-Underwriting Option will be issued for each 2 shares sub-underwritten exercisable at \$0.0015 per option for a period of 3 years. The

	<p>Company will seek to have the Sub-Underwriting Options listed on ASX;</p> <ul style="list-style-type: none"> • Converting loans can be converted into ordinary shares in the Company under the pending Prospectus at \$0.001 per share; • In the event the loans are converted into ordinary shares the lender will receive Commitment Options at 0.8 options per share exercisable at \$0.0015 per option for a period of 3 years. The Company will seek to have the Commitment Options listed on ASX. <p>The Company is preparing to lodge with ASIC a Prospectus in relation to an offer of shares to raise a maximum of \$6m and minimum of \$2.75m (Offer), with the broad terms being:</p> <ul style="list-style-type: none"> • a Priority Placement offer to all existing shareholders on the register at the record date (to be determined); • a General Placement offer following the close of the Priority Placement offer; • an issue price of \$0.001 per share; and • one (1) free attaching option for each two (2) shares subscribed for under both the Priority Placement and General Placement offers, exercisable at \$0.0015 per option for a period of 3 years. The Company will seek to have these options listed on ASX. <p>Canaccord Genuity (Australia) Limited and Cumulus Wealth have been appointed Lead Managers to the Offer. The capital raising will be underwritten to \$2.75million.</p> <p>Refer to the Notice of Annual General Meeting announced to shareholders on 28 February 2024.</p> <p>Refer to the Prospectus lodged on 14 March 2024.</p>
<p>Classification of creditors</p>	<p>The DOCA classifies creditors as follows:</p> <ul style="list-style-type: none"> • Priority creditors: creditors owed wages and other employee entitlements.

	<ul style="list-style-type: none"> Pool A creditors: unsecured creditors owed less than \$60,000. Pool B creditors: unsecured creditors owed more than \$60,000. Excluded creditors: non-executive directors' accrued fees and on-going employee' entitlements including annual and long service leave due to Managing Director Matt Shackleton. 												
<p>Position of Creditors</p>	<p>The estimates shown below are based on the information presently available, the Company's estimated realisable value of assets, and estimated claims of creditors. Whilst the DOCA contemplates the pooling of unsecured creditors into two groups, all unsecured creditors would be treated as a single group in a liquidation:</p> <table border="1" data-bbox="715 927 1385 1384"> <thead> <tr> <th>Categories</th> <th>Liquidation</th> <th>DOCA</th> </tr> </thead> <tbody> <tr> <td>Priority creditors</td> <td>0 to 100 c/\$</td> <td>100 c/\$</td> </tr> <tr> <td>Unsecured creditors – Pool A</td> <td>0 to 13.9 c/\$</td> <td>100 c/\$</td> </tr> <tr> <td>Unsecured creditors – Pool B</td> <td>0 to 13.9 c/\$</td> <td>7.3 to 17.0 c/\$</td> </tr> </tbody> </table>	Categories	Liquidation	DOCA	Priority creditors	0 to 100 c/\$	100 c/\$	Unsecured creditors – Pool A	0 to 13.9 c/\$	100 c/\$	Unsecured creditors – Pool B	0 to 13.9 c/\$	7.3 to 17.0 c/\$
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<p>Conditions precedent to completion/effectuation</p>	<p>The completion of the DOCA was conditional on (unless waived):</p> <ul style="list-style-type: none"> funds greater or equal to the DOCA Contribution (\$900,000) being available to the Company through the proposed converting loans; the ASX providing no objection to the Company relisting on terms acceptable to the Proponent (acting reasonably); the Company holding good title to all of its assets; no material changes or proposed changes to the Company's assets or operations; and 												

	<ul style="list-style-type: none"> the Proponent nominating new directors to the board.
<p>Completion</p>	<p>Upon completion, the following key events occurred contemporaneously:</p> <ul style="list-style-type: none"> the DOCA contribution was received by the Deed Administrators/Trustees; the Creditors' Trust was established, and the Deed Administrators became the Trustees of the Creditors' Trust; the Administrators made changes to the board of directors, as proposed by the Proponent; and control of the Company was returned to the Directors nominated by the Proponent.

On 1 February 2024, it was confirmed that the conditions precedent to effectuation of the DOCA had been met.

On 2 February 2024 it was announced that the Company had exited Voluntary Administration and returned to the control of the Directors.

On 28 February 2024 the Company lodged the audited financial statements and remuneration report for the year ended 30 June 2023, contained within the 2023 Annual Report, with the ASX. The suspension of the Company's shares from trading on ASX was triggered by the non-lodgement of the 30 June 2023 audited financial statements and remuneration report.

Relinquishment of Lake Wells SOP Project Mining Leases

On 15 August 2023 the Company announced that it had concluded a strategic process which aimed to secure funding for the development of the Lake Wells Sulphate of Potash Project. The process did not result in a funding proposition for consideration therefore the decision was made to surrender the mining lease tenure at the Project and sell the camp assets.

Rehabilitation and Mine Closure Report

Following the relinquishment of the mining lease tenure, the Company prepared a Mine Closure Report for the Department of Energy, Mines, Industry Regulation and Industry (DEMIRS) and contracted an earth-moving contractor to effect the rehabilitation of the disturbed areas at Lake Wells.

Over the period to early November 2023, rehabilitation of some on-playa and off-playa ground disturbance was carried out. This entailed the ripping of approximately 17 drill pad areas with many of these being on the lake surface. At the conclusion of the rehabilitation program, a Closure Completion Report (CCP) was completed . Several parts of the development infrastructure were retained by the pastoral lease holder for future use and once recognised by the Pastoral Lands Board is expected to sit outside of the Group's rehabilitation obligation for the site.

The CCP was lodged with DEMIRS on 8 January 2024, and a response from DEMIRS was received on 30 January 2024, requesting additional information prior to accepting the works performed by APC and the satisfaction of obligations regarding rehabilitation of disturbed areas. At the time of this report, there remains a risk that additional rehabilitation work will be required, however it is expected to be immaterial.

Prospectus

On 14 March 2024 the Company lodged a Prospectus for the issue of shares in the Company to raise a maximum of \$6.0 million (Offer). The essential terms of the Prospectus are as follows:

- A Priority Offer of 2,500,000,000 ordinary shares at \$0.001 per share to raise a maximum of \$2,500,000 is made to all shareholders at the record date of 14 March 2024;
- A General Offer of 3,500,000,000 ordinary shares at \$0.001 per share to raise a maximum of \$3,500,000 is made to all interested parties;
- One free attaching option exercisable at \$0.0015 per option for a period of three (3) years from the date of issue will be issued for each two (2) shares subscribed for under the Offer;
- The Offer is underwritten to the value of \$2.75 million by Lead Managers Canaccord Genuity Australia Limited and Cumulus Wealth Limited.

There have been no other transactions or events of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Review of Operations

	31 December 2023		31 December 2022	
	Income	Results	Income	Results
	\$	\$	\$	\$
Australian Potash Limited	239,286	(1,415,274)	114,545	(1,513,867)

Lake Wells Sulphate of Potash Project (LSOP)

The Board of Directors had for several years prior to the period end endeavoured to secure the requisite development equity for the construction of the LSOP. Notwithstanding the support of the Northern Australia Infrastructure Facility and Export Finance Australia with respect to provisional credit approved debt facilities for A\$185,000,000 the sentiment towards the nascent Western Australian SOP sector was such that the Board's endeavours were not met with success.

The LSOP comprised 6 granted Mining Leases (MLs) that attracted Western Australian Government (tenement) rents and Laverton Shire rates on an annualised basis of approximately \$1,400,000, making their retention expensive and imprudent given the lack of development equity and investor engagement. The decision to surrender the MLs and to execute the approved mine closure plan was not taken lightly.

All mining and miscellaneous tenure comprising the Lake Wells Sulphate of Potash Project had been surrendered by 31 October 2023. The Company retains the extensive data base of drilling, assay, geotechnical, seismic and design data and criteria that were generated over the several years the LSOP was explored and studied. Following the extensive rehabilitation of the ground disturbance footprint at the LSOP, all equipment and personnel were demobilised from site by the end of October 2023.

Rehabilitation and Mine Closure Report

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Nexus Rare Earth and Lithium Project (Nexus)

The Company has sought to grow its footprint in a new prospective region of Western Australia by making application for a new exploration licence (E80/5917) and entering into a Tenement Sale

(Purchase) Agreement for a contiguous exploration licence (E80/5778) in the West Arunta. The Company refers to this as its 'Nexus Project'.

Attention has been focused on the West Arunta region recently through the discovery of a high-grade carbonatite hosted niobium deposit by explorer WA1 Resources Limited (ASX: WA1). The area of focus for WA1 is approximately 80km to the north of APC's new tenure (see Figure 3 below). The area is also the subject of an exploration joint venture between a private company and Rio Tinto Exploration Pty Ltd. Furthermore, major Western Australian nickel and lithium production company Independence Group (ASX: IGO) has tenure to the east of the Nexus Project.

The Nexus Project was previously partly explored by Canadian base metals production company First Quantum Minerals (FQM) between 2015 and 2016, who drilled five aircore/slim line reverse circulation holes into the area of E80/5778 as part of a larger drilling campaign across the area. While ostensibly exploring for a large copper system hosted in the basement, FQM submitted 526 samples for multi-element assay.

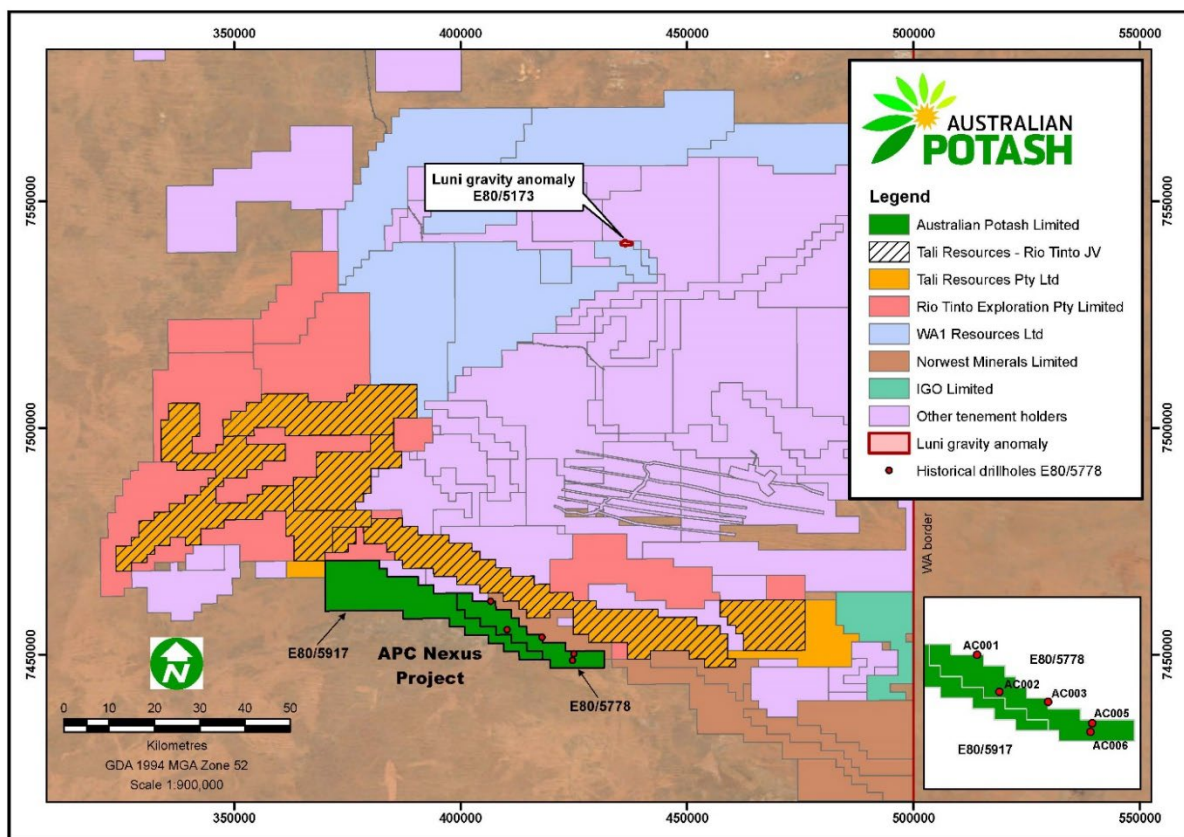


Figure 1: APC's Nexus Project location in the West Arunta region of Western Australia showing relative tenure positions of niobium discoverer WA1, Rio Tinto Exploration and IGO, and drill-hole locations of previous work conducted by FQM

Nexus Exploration Strategy

Several samples analysed by FQM returned anomalous lithium and total rare earth oxide (TREO) assays, and further work conducted by ASX-listed NorWest Minerals (ASX: NWM) in 2022 on the same ground showed that TREO mineralisation increased in concentration with increasing distance from the Webb Granite contact (Refer to NWM ASX Announcement on 22 February 2023).

Geologically, the zone to the south of the Webb Granite is typified by thick (up to 100m) lacustrine and palaeochannel sediments overlying Amadeus Basin metasediments. It is surmised that as the granites and metasediments in the region oxidise and weather, they 'shed' contained components into the nearby sediment traps. The differing mobility properties of the released elements and minerals shed then determine how far they travel, and if they are stopped (or caught) in the palaeochannel and lake clay systems to the south.

About clay-hosted lithium and ionic rare earth projects

There are several examples of clay-hosted lithium and ionic rare earth projects guiding the Company's exploration strategy at its LSOP Project area and the Nexus Project.

America Battery Technology Company's (OTCMKTS: ABML) Tonopah Flats and Loneer Limited's (ASX: INR) Rhyolite Ridge clay-hosted lithium project in Nevada, Arizona Lithium Limited's (ASX: AZL) Big Sandy lithium project in Arizona and Jindalee Resources Limited's (ASX: JRL) McDermitt lithium project in Oregon represent the largest lithium Mineral Resource clay projects. These range from ~1,000-2,000 ppm Li in grade and occur as flat-lying stratigraphic ore bodies within lacustrine sedimentary sequences (Refer to INR ASX Announcement on 27 April 2023; ASL ASX Announcement on 28 April 2023; JRL ASX Announcement on 28 April 2023; ABTC website: www.americanbatterytechnology.com).

Clay-hosted rare earth projects, or ionic clay deposits (when a reasonable proportion of the contained rare earths are clay-adsorbed) are a major global source of rare earths, with China dominating production. A number of other operations globally are nearing production from this deposit type (eg. Aclara, Serra Verde) and many in Australia and globally are at advanced stages of exploration (eg. Koppamurra SA, Caldeira Brazil). Ionic clay deposits can be economically attractive due to the potential for much cheaper mining and metallurgical methods when compared to hard rock rare earth deposits.

APC's exploration strategy at the Nexus Project is to expand the work conducted by FQM and NWM, by pursuing the increasing tenor of lithium and rare earth mineralisation in the lacustrine clays overlying the Bitter Springs formation to the south of the Webb Granite (see Figures 4, 5 and 6).

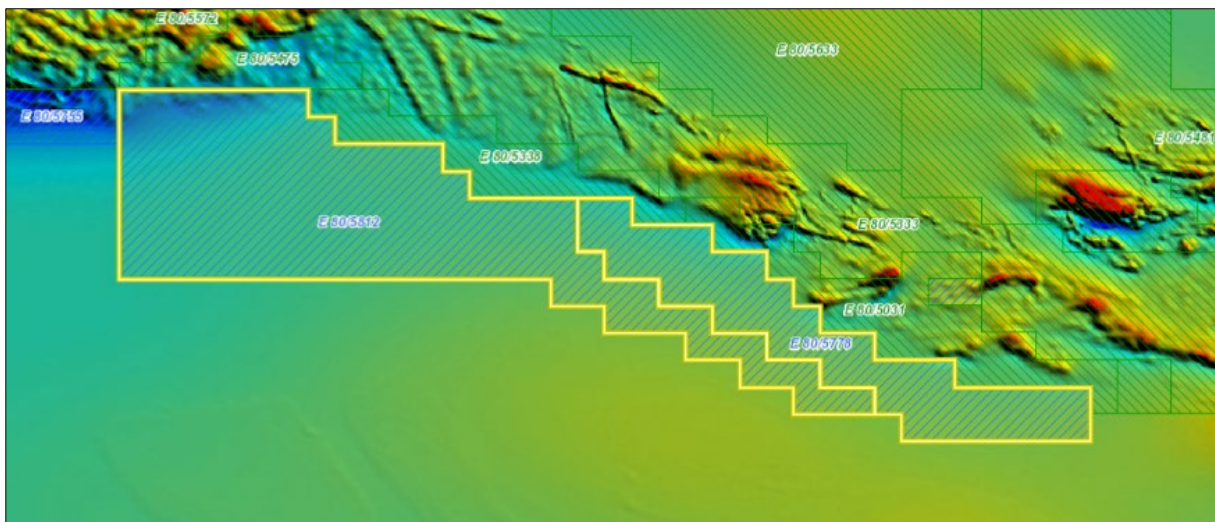


Figure 2: APC's Nexus Project tenements overlain on magnetic image depicting the contact zone between the Webb Granite and the palaeochannel/lacustrine sediments sitting over the Amadeus Basin metasediments

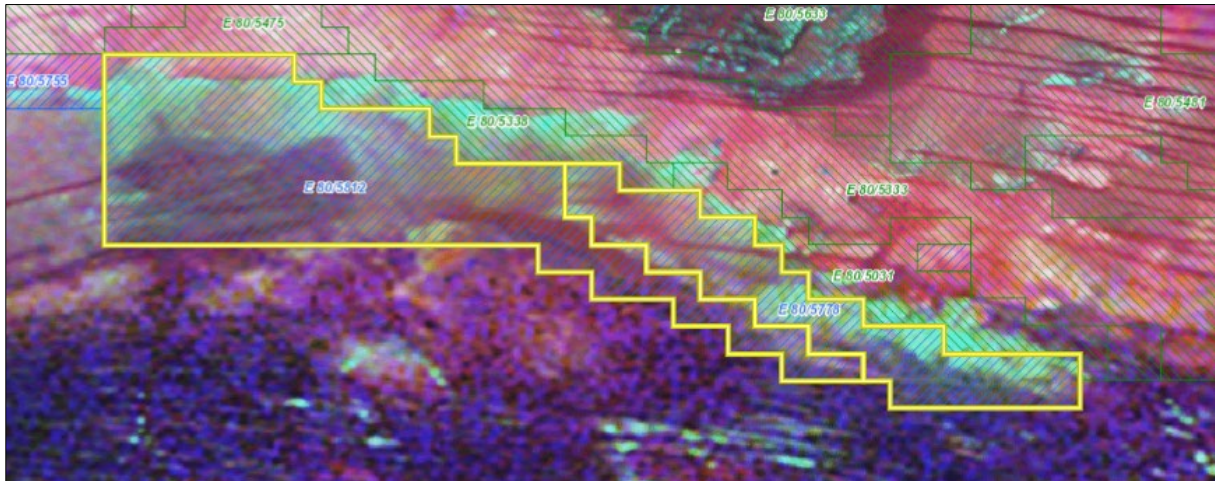


Figure 3: APC's Nexus Project tenements overlain on radiometric image depicting the contact zone between the Webb Granite and the palaeochannel/lacustrine sediments sitting over the Amadeus Basin metasediments

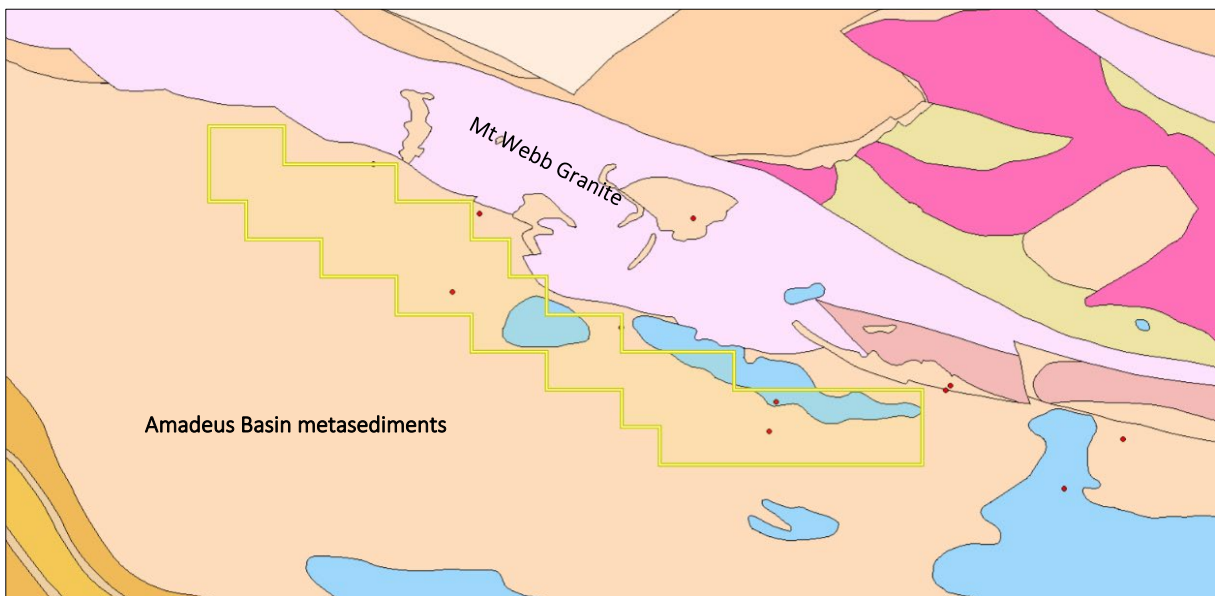


Figure 4: APC's Nexus Project bedrock geology (geophysical interpretation) & tenement E80/5778 with FQM drill collar locations

Laverton Downs Project (LDP)

The Laverton Downs Project is 100% owned by APC and located approximately 20km north of Laverton. Regional geology highlights the potential for gold and nickel sulphide mineralisation. Project evaluation undertaken to date by APC has incorporated regional datasets, detailed magnetic data and high precision geochemical assay results derived from historical bottom of hole drill samples.

In March 2023, the Company executed a Tenement Sale Agreement for the sale of the tenements comprising the LDP to Maverick Minerals Pty Ltd. The terms of the all-cash transaction comprised a \$10,000 one-off payment on the execution date of the transaction (received) and a \$200,000 payment on settlement. Maverick Minerals Pty Ltd is pursuing an Australian Securities Exchange listing of its shares, and anticipates the settlement of the transaction following the completion of that listing, which had not been achieved at the date of this report.

One of the conditions of the Deed of Company Arrangement effectuated in January 2024 was that the proceeds of settlement of the LDP transaction with Maverick would be paid into the creditors' trust and used to settle creditors' claims.

Laverton Training Centre (LTC)

The Laverton Training Centre is an initiative of APC which provides broad community access to pre-employment, nationally accredited vocational training for long-term unemployed Aboriginal and non-Aboriginal people living throughout the north-eastern Goldfields of Western Australia. The LTC remained operational during the period.



Figure 1: The LTC is housed at the purpose refurbished facility in the north-easter Goldfields centre of Laverton



Figure 2: Automotive training courses delivered at the LTC's base in Laverton



Figure 3: Chainsaw training unit being delivered in the Gibson Desert

Financial Position

The Group made a loss for the half year to 31 December 2023 of \$1,415,274 (31 December 2022: \$1,513,867). Cash reserves at 31 December 2023 were \$546,470 (30 June 2023: \$1,291,658).

Events Subsequent to Reporting Date

The Company exited Voluntary Administration following the second Creditor's meeting on 19 January 2024 and the effectuation of the DOCA proposed by Managing Director Matt Shackleton on 2 February 2024. Refer Significant Changes in the State of Affairs above.

On 23 February 2024, the Company lodged the 2023 Annual Report including the audited financial and remuneration reports for the period ended 30 June 2023. The non-lodgement of these reports by 29 September 2023, prompted the Australian Securities Exchange (ASX) to suspend the Company's shares from trading. The Company's shares are still suspended from trading at the date of this report.

On 28 February 2024, the Company notified shareholders that the Company's 2023 Annual General Meeting that had been deferred from November 2023, is to be held on Thursday 28 March 2024 at the Subiaco Meeting Rooms, commencing at 12:00 noon.

On 14 March 2024 the Company lodged a Prospectus for the issue of shares in the Company to raise a maximum of \$6.0 million (Offer). The essential terms of the Prospectus are as follows:

- A Priority Offer of 2,500,000,000 ordinary shares at \$0.001 per share to raise a maximum of \$2,500,000 is made to all shareholders at the record date of 14 March 2024;
- A General Offer of 3,500,000,000 ordinary shares at \$0.001 per share to raise a maximum of \$3,500,000 is made to all interested parties;
- One free attaching option exercisable at \$0.0015 per option for a period of three (3) years from the date of issue will be issued for each two (2) shares subscribed for under the Offer; and
- The Offer is underwritten to the value of \$2.75 million by Lead Manager Canaccord Genuity Australia Limited. Cumulus Wealth Limited are appointed co-manager by Canaccord.

There have been no other transactions or events of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely Developments and Expected Results of Operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) forms part of the Directors' Report and is included on page 18.

Signed in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001* (Cth).

On behalf of the directors:

A handwritten signature in blue ink, appearing to read "Matt Shackleton".

Matt Shackleton

Managing Director & Chief Executive Officer
Perth, 15 March 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Australian Potash Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Australian Potash Limited for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.



KPMG



Glenn Brooks

Partner

Perth

15 March 2024

Australian Potash Limited (in Administration) and its controlled entities

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half year ended 31 December 2023

	Notes	6 months ended	
		31 Dec 2023	31 Dec 2022
		\$	\$
Other income		239,286	114,545
Administration expenses	4	(873,473)	(1,448,739)
Exploration expenses	5	(783,768)	(176,388)
Loss on sale of assets		(2,278)	-
OPERATING LOSS		(1,420,233)	(1,510,582)
FINANCE COSTS			
Finance income		5,834	103
Finance expenses		(875)	(3,388)
NET FINANCE INCOME/(COSTS)		4,959	(3,285)
LOSS BEFORE INCOME TAX		(1,415,274)	(1,513,867)
Income tax benefit/(expense)		-	-
LOSS FOR THE PERIOD		(1,415,274)	(1,513,867)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF AUSTRALIAN POTASH LIMITED		(1,415,274)	(1,513,867)
LOSS PER SHARE (cents per share)			
Basic loss attributable to the ordinary equity holders of the Company		(0.14)	(0.17)
Diluted loss attributable to the ordinary equity holders of the Company		(0.14)	(0.17)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Australian Potash Limited (in Administration) and its controlled entities

Condensed Consolidated Statement of Financial Position for the half year ended 31 December 2023

		31 Dec 2023	30 Jun 2023
	Notes	\$	\$
CURRENT ASSETS			
Cash and cash equivalents		546,470	1,291,658
Trade and other receivables		236,551	268,324
Inventory		-	167,130
TOTAL CURRENT ASSETS		783,021	1,727,112
NON-CURRENT ASSETS			
Plant and equipment		172,365	281,995
Intangibles		2,343	3,015
Exploration and evaluation	6	-	950,000
TOTAL NON-CURRENT ASSETS		174,708	1,234,970
TOTAL ASSETS		957,729	2,962,082
CURRENT LIABILITIES			
Trade and other payables	7	1,513,944	2,017,999
Provisions – current	8	3,418,296	3,498,826
TOTAL CURRENT LIABILITIES		4,932,240	5,516,825
NON-CURRENT LIABILITIES			
Provisions – non-current	8	1,670	6,156
TOTAL NON-CURRENT LIABILITIES		1,670	6,156
TOTAL LIABILITIES		4,933,910	5,522,981
NET LIABILITIES		(3,976,181)	(2,560,899)
EQUITY			
Contributed equity	9	66,745,274	66,745,282
Reserves		1,769,888	1,769,888
Accumulated losses		(72,491,343)	(71,076,069)
TOTAL DEFICIENCY		(3,976,181)	(2,560,899)

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Australian Potash Limited (in Administration) and its controlled entities

Condensed Consolidated Statement of Changes in Equity for the half year ended 31 December 2023

	Issued capital	Reserves	Accumulated losses	Total equity
	\$		\$	\$
BALANCE AT 1 JULY 2022	60,491,225	2,009,627	(29,470,032)	33,030,820
Loss for the period	-	-	(1,513,867)	(1,513,867)
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE LOSS	-	-	(1,513,867)	(1,513,867)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares and options issued during the period	4,365,686	-	-	4,365,686
Share issue transaction costs	(180,309)	-	-	(180,309)
Share-based payments	-	(23,105)	-	(23,105)
BALANCE AT 31 DECEMBER 2022	64,676,602	1,986,522	(30,983,899)	35,679,225
BALANCE AT 1 JULY 2023				
BALANCE AT 1 JULY 2023	66,745,282	1,769,888	(71,076,069)	(2,560,899)
Loss for the period	-	-	(1,415,274)	(1,415,274)
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE LOSS	-	-	(1,415,274)	(1,415,274)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares and options issued during the period	-	-	-	-
Share issue transaction costs	(8)	-	-	(8)
Share-based payments	-	-	-	-
BALANCE AT 31 DECEMBER 2023	66,745,274	1,769,888	(72,491,343)	(3,976,181)

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Australian Potash Limited (in Administration) and its controlled entities

**Condensed Consolidated Statement of Cash Flows
for the half year ended 31 December 2023**

	6 months ended	
	31 Dec 2023	31 Dec 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	2,797
Payment of exploration expense	(740,926)	(166,057)
Payments to suppliers and employees	(1,314,883)	(1,702,592)
Proceeds from sale of consumable inventories	150,000	-
Interest received	5,702	103
Interest paid	(875)	(2,792)
Corporate sponsorship received	133,318	114,545
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	(1,767,664)	(1,753,996)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds in relation to plant and equipment	70,000	111,286
Proceeds from sale of evaluation and exploration	950,000	-
Payments for evaluation and exploration	-	(1,991,399)
NET CASH INFLOWS/(OUTFLOWS) FROM INVESTING ACTIVITIES	1,020,000	(1,880,113)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and options	-	4,365,686
Payments of share issue transaction costs	(8)	(180,309)
Repayments of lease liabilities	-	(44,115)
Interest expense of lease liabilities	-	(596)
NET CASH OUTFLOWS/INFLOWS FROM FINANCING ACTIVITIES	(8)	4,140,666
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(747,672)	506,557
Cash and cash equivalents at beginning of period	1,291,658	878,791
Effect of exchange rate changes on cash and cash equivalents	2,484	(1,281)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	546,470	1,384,067

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

Australian Potash Limited is a company limited by shares, domiciled and incorporated in Australia. This condensed consolidated interim financial report (**Interim Financial Report**) as at and for the six months ended 31 December 2023 comprises the Company (in administration) and its subsidiaries (not in administration, together referred to as the “Group”).

The Group is primarily involved in the exploration for and exploitation of mineral deposits in Western Australia.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2023 is available upon request from the Company’s registered office at Level 4, The Read Buildings, 16 Milligan Street, Perth WA 6000 or at www.australianpotash.com.au.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

This Interim Financial Report contains general purpose financial statements prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001* (Cth), and with International Accounting Standard *IAS 34 Interim Financial Reporting*. All amounts are presented in Australian dollars.

This Interim Financial Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 30 June 2023 and any public announcements made by Australian Potash Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth).

The accounting policies and methods of computation adopted in the preparation of the Interim Financial Report are consistent with those adopted and disclosed in the Company’s annual financial report for the year ended 30 June 2023. The accounting policies are consistent with Australian Accounting Standards adopted by the Australian Accounting Standards Board (**AASB**) and with the International Financial Reporting Standards.

The Interim Financial Report was authorised for issue by the directors on 15 March 2024.

Going Concern Basis

The Interim Financial Report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of \$1,415,274 (2022: \$1,513,867), operating cash outflows of \$1,767,664 (2022: \$1,753,996) and net cash outflows of \$747,672 (2022: inflow \$506,557) as at 31 December 2023. The Group is in a current net liability position of \$4,149,219 and has a net deficiency in equity of \$3,976,181.

The Directors of the Company appointed Voluntary Administrators on 6 December 2023. Following their appointment, the Administrators received a Deed of Company Arrangement (DOCA) proposal from Managing Director Matt Shackleton which was put to creditors and approved on 19 January 2024. The DOCA was subsequently effectuated by the Company and the Administrators on 1 February 2024.

The ability of the Group to continue as a going concern is reliant on the Company securing funds from the planned equity financing (set out below) via prospectus and managing cashflow in line with the funds raised. The Company's requirement to complete the planned equity raising in the near term indicates a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

At the date of signing these financial statements:

- The Company has effectuated the DOCA where all creditors at the time of entering administration, excluding outstanding directors' fees and the Managing Director's accrued employee benefits in total of \$375,662, will be settled by the Creditors' Trust according to the terms and conditions of the DOCA.
- The Group has the following material assets and liabilities which result in an overall net liability position of \$1.06 million:
 - \$58,000 of cash;
 - \$251,642 of other assets, predominately non-refundable prepayments;
 - \$375,662 of accrued directors' fees and employee benefit obligations; and
 - \$1,000,000 of converting loan liabilities which can be called at anytime.
- The Group has engaged Canaccord Genuity as Lead Manager of a proposed share placement (set out below) a maximum of \$6 million who have underwritten \$2.75 million of the raise; and
- Issued converting loans of \$1,000,000 to professional and sophisticated investors in January 2024. The converting loan agreements anticipate the lenders will then sub-underwrite to the Lead Manager for the proposed share placement at the rate of \$2.75 for every \$1.00 of loan funding provided (for a total anticipated sub-underwriting of \$2.75 million).

The Group lodged on 14 March 2024 its Prospectus to raise equity from existing and new shareholders via the issuance of ordinary shares and options. The share placement, targeting a raise of a maximum of \$6 million has the following proposed terms:

- A Priority offer of 2,500,000,000 ordinary shares at 0.1 cent per share to raise a maximum of \$2,500,000 is made to all existing shareholders at the record date of 14 March 2024;
- A General offer of 3,500,000,000 ordinary shares at 0.1 cent per share to raise a maximum of \$3,500,000 to all interested parties;
- 1 free attaching Option will be issued for each 2 ordinary shares subscribed for under both the Priority and General offers, exercisable at 0.15 cent per option for a period of 3 years.

Completion of the planned share placement is dependent upon obtaining necessary regulatory approvals, including from ASIC and ASX to recommence trading on the ASX.

Based on the status of the planned equity financing and the Group's cash flow forecasts, the directors are satisfied that the going concern basis of preparation is appropriate.

However, should any of the matters and uncertainties detailed above not be successfully concluded, the Group may be unable to continue as a going concern and it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

The financial statements do not include any further adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Adoption of new and revised Accounting Standards

The Group has adopted all new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023.

Standards and Interpretations in issue not yet adopted

The Group has reviewed the new and revised Standards and Interpretations on issue not yet adopted for the half year ended 31 December 2023. As a result of this review the Group has determined that there is no material impact of the Standards and Interpretations on issue not yet adopted on the Company and, therefore, no change is necessary to Group accounting policies.

Critical accounting judgements, estimates and assumptions

The Interim Financial Report requires management to make judgments, estimates and assumptions that affect the application of accounting policies. Actual results may differ to these.

The critical accounting judgements, estimates and assumptions adopted in the preparation of the Interim Financial Report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2023.

3. SEGMENT INFORMATION

For management purposes, the Company has identified only one reportable segment being exploration activities undertaken in Australia. This segment includes activities associated with the determination and assessment of the existence of commercial economic reserves from the Company's mineral assets in this geographic location.

Segment performance is evaluated based on the operating profit and loss and cash flows and is measured in accordance with the Company's accounting policies.

4. ADMINISTRATION EXPENSES BY NATURE

		31 Dec 2023	31 Dec 2022
	Notes	\$	\$
Accounting and compliance		106,801	88,206
Consultants		107,032	208,125
Depreciation and amortisation expense		37,984	84,329
Employee benefits expense		428,315	744,737
Insurance		54,857	56,608
Legal fees		63,464	64,459
Office costs		47,857	88,207
Telecommunications		-	22,303
Travel		533	33,734
Share-based payments	14	-	(23,105)
Other		26,630	81,136
		873,473	1,448,739

5. EXPLORATION EXPENSE

		31 Dec 2023	31 Dec 2022
		\$	\$
Exploration expenditure expensed		783,768	176,388
		783,768	176,388

6. EXPLORATION AND EVALUATION

	31 Dec 2023	30 Jun 2023
	\$	\$
Balance at beginning of period	950,000	35,763,106
Additions	-	2,948,286
Impairment	-	(37,761,392)
Proceeds of sale of exploration asset	(950,000)	-
End of the period	-	950,000

7. TRADE AND OTHER PAYABLES

	31 Dec 2023	30 Jun 2023
	\$	\$
Trade payables	1,227,933	1,428,951
Other payables and accruals	286,011	589,048
	1,513,944	2,017,999

8. PROVISIONS

		31 Dec 2023	30 Jun 2023
	Notes	\$	\$
CURRENT			
Employee entitlements		194,383	224,513
Rehabilitation provision	(i)	20,000	70,400
Research and development incentive provision	(ii)	3,203,913	3,203,913
		3,418,296	3,498,826
NON-CURRENT			
Employee entitlements		1,670	6,156
		1,670	6,156

- (i) Provision has been made for the anticipated costs for future rehabilitation of land disturbed or mined. The Company has revised the rehabilitation provision based on the receipt of quote for the anticipated works.
- (ii) The Company has received notices from the Department of Industry, Science, Energy and Resources (**Department**) with respect to the Company's Research & Development (**R&D**) Tax Incentive Rebate application for the 2017/2018 and the 2018/2019 financial years which brought into question the ability of the Company to claim certain activities as being eligible. The Company requested, and received, an independent internal review by the Department on both financial year applications and for which the Department concluded certain activities claimed were ineligible. The Company filed an application in the Administrative Appeals Tribunal to appeal the Department's decision with respect to the 2018/2019 activities but subsequently removed this application during the prior financial year. The Company has provided for the repayment of these R&D incentives aligned to the amended notices of assessment received from the ATO subsequent to year end (during the period of voluntary administration) and which now forms part of the amounts transferred to the Creditors Trust post the effectuation of the DOCA.

9. ISSUED CAPITAL

	31 Dec 2023		30 Jun 2023	
	No. of Securities	\$	No. of Securities	\$
SHARE CAPITAL				
Ordinary shares fully paid	1,038,689,490	66,204,479	1,038,679,058	66,204,487
OTHER EQUITY SECURITIES				
Options	-	540,795	-	540,795
TOAL ISSUED CAPITAL	1,038,689,490	66,745,274	1,038,679,058	66,745,282
MOVEMENTS IN SHARE CAPITAL				
BALANCE AS AT 1 JULY	1,038,679,058	66,204,487	808,382,808	59,950,430
Issued for cash at 3.8 cents per share	-	-	114,886,355	4,365,686
Issued for cash at 1.8 cents per share	-	-	115,408,645	2,077,356
Issued on exercise of unlisted options at 6 cents per share	10,432	-	1,250	75
Share issue transaction costs	-	(8)	-	(189,060)
	1,038,689,490	66,204,479	1,038,679,058	66,204,487

10. CONTINGENCIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

11. DIVIDENDS

No dividends were paid during the half year. No recommendation for payment of dividends has been made.

12. FINANCIAL INSTRUMENTS

The Group's financial instruments consist of trade and other receivables and trade and other payables. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amounts of the financial assets and liabilities approximate their fair value.

13. EVENTS SUBSEQUENT TO REPORTING DATE

Voluntary Administration

On 6 December 2023 the directors of APC resolved to appoint Voluntary Administrators Hayden White and Daniel Woodhouse of FTI Consulting (Administrators) to the Company with the view to undertake a restructuring of Australian Potash Limited that would enable it to continue as a going concern, avoid liquidation and allow all shareholders the ability to retain value in their investment and participate in future capital raises.

Creditors voted at a second meeting on 19 January 2024 to accept a Deed of Company Arrangement (DOCA) proposed by Managing Director Matt Shackleton, with all creditors of the Company existent up to the time of appointment, except for outstanding Directors fees and Managing Director employee benefits (in total \$316,859), transferring to a Creditors' Trust and thus removing these liabilities from the Company's balance sheet from that date.

The proposed DOCA included the following key terms:

Key Elements	DOCA Proposal
Purpose	<p>Ensure that creditors of the Company receive a better return than in liquidation.</p> <p>Facilitate a capital raising for the Company of not less than \$2.75m, expected to comprise of convertible loans, a Priority Placement Offer to existing shareholders and a General Placement Offer.</p> <p>Minimise holding costs and reduce further administrators' fees that may be incurred.</p>
Creditors Trust	<p>The DOCA proposal accepted and subsequently effectuated includes the creation of a Creditors' Trust, to facilitate the payment of creditors' claims in accordance with the terms of the DOCA, and to expedite the re-instatement of the Company on the ASX following effectuation of the DOCA. The Creditors' Trust was created on 1 February 2024.</p>
Contributions	<p>The DOCA Contribution to funds available for distribution to creditors out of the Creditors Trust was \$900,000, which was raised in the Company via a converting loan issue of \$1,000,000.</p>
Capital Raising	<p>The Company has issued converting loans to the value of \$1m, with a concomitant commitment obligation to sub-underwrite \$2.75m in a Priority and General Placement the subject of the pending Prospectus. The terms of the loans are as follows:</p> <p>Each \$1 of converting loan confers a binding sub-underwritten commitment of \$2.75;</p> <p>1 Sub-Underwriting Option will be issued for each 2 shares sub-underwritten exercisable at \$0.0015 per option for a period of 3 years. The Company will seek to have the Sub-Underwriting Options listed on ASX;</p>

	<p>Converting loans can be converted into ordinary shares in the Company under the pending Prospectus at \$0.001 per share;</p> <p>In the event the loans are converted into ordinary shares the lender will receive Commitment Options at 0.8 options per share exercisable at \$0.0015 per option for a period of 3 years. The Company will seek to have the Commitment Options listed on ASX. The Company is preparing to lodge with ASIC a Prospectus in relation to an offer of shares to raise a maximum of \$6m and minimum of \$2.75m (Offer), with the broad terms being:</p> <ul style="list-style-type: none"> • a Priority Placement offer to all existing shareholders on the register at the record date (to be determined); • a General Placement offer following the close of the Priority Placement offer; • an issue price of \$0.001 per share; and • one (1) free attaching option for each two (2) shares subscribed for under both the Priority Placement and General Placement offers, exercisable at \$0.0015 per option for a period of 3 years. The Company will seek to have these options listed on ASX. <p>Canaccord Genuity (Australia) Limited and Cumulus Wealth have been appointed Lead Managers to the Offer. The capital raising will be underwritten to \$2.75million.</p>
<p>Classification of creditors</p>	<p>The DOCA classifies creditors as follows:</p> <p>Priority creditors: creditors owed wages and other employee entitlements.</p> <p>Pool A creditors: unsecured creditors owed less than \$60,000.</p> <p>Pool B creditors: unsecured creditors owed more than \$60,000.</p> <p>Excluded creditors: non-executive directors' accrued fees and on-going employee' entitlements including annual and long service leave due to Managing Director Matt Shackleton.</p>

<p>Position of Creditors</p>	<p>The estimates shown below are based on the information presently available, the Company's estimated realisable value of assets, and estimated claims of creditors. Whilst the DOCA contemplates the pooling of unsecured creditors into two groups, all unsecured creditors would be treated as a single group in a liquidation:</p> <table border="1" data-bbox="735 539 1388 996"> <thead> <tr> <th>Categories</th> <th>Liquidation</th> <th>DOCA</th> </tr> </thead> <tbody> <tr> <td>Priority creditors</td> <td>0 to 100 c/\$</td> <td>100 c/\$</td> </tr> <tr> <td>Unsecured creditors – Pool A</td> <td>0 to 13.9 c/\$</td> <td>100 c/\$</td> </tr> <tr> <td>Unsecured creditors – Pool B</td> <td>0 to 13.9 c/\$</td> <td>7.3 to 17.0 c/\$</td> </tr> </tbody> </table>	Categories	Liquidation	DOCA	Priority creditors	0 to 100 c/\$	100 c/\$	Unsecured creditors – Pool A	0 to 13.9 c/\$	100 c/\$	Unsecured creditors – Pool B	0 to 13.9 c/\$	7.3 to 17.0 c/\$
Categories	Liquidation	DOCA											
Priority creditors	0 to 100 c/\$	100 c/\$											
Unsecured creditors – Pool A	0 to 13.9 c/\$	100 c/\$											
Unsecured creditors – Pool B	0 to 13.9 c/\$	7.3 to 17.0 c/\$											
<p>Conditions precedent to completion/effectuation</p>	<p>The completion of the DOCA was conditional on (unless waived):</p> <ul style="list-style-type: none"> • funds greater or equal to the DOCA Contribution (\$900,000) being available to the Company through the proposed converting loans; • the ASX providing no objection to the Company relisting on terms acceptable to the Proponent (acting reasonably); • the Company holding good title to all of its assets; • no material changes or proposed changes to the Company's assets or operations; and • the Proponent nominating new directors to the board. 												
<p>Completion</p>	<p>Upon completion, the following key events occurred contemporaneously:</p> <ul style="list-style-type: none"> • the DOCA contribution was received by the Deed Administrators/Trustees; 												

	<ul style="list-style-type: none"> • the Creditors' Trust was established, and the Deed Administrators became the Trustees of the Creditors' Trust; • the Administrators made changes to the board of directors, as proposed by the Proponent; and • control of the Company was returned to the Directors nominated by the Proponent.
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On 1 February 2024, it was confirmed that the conditions precedent to effectuation of the DOCA had been met.

On 2 February 2024 it was announced that the Company had exited Voluntary Administration and returned to the control of the Directors.

On 28 February 2024 the Company lodged the audited financial statements and remuneration report for the year ended 30 June 2023, contained within the 2023 Annual Report, with the ASX. The suspension of the Company's shares from trading on ASX was triggered by the non-lodgement of the 30 June 2023 audited financial statements and remuneration report.

Relinquishment of Lake Wells SOP Project Mining Leases

On 15 August 2023 the Company announced that it had concluded a strategic process which aimed to secure funding for the development of the Lake Wells Sulphate of Potash Project. The process did not result in a funding proposition for consideration therefore the decision was made to surrender the mining lease tenure at the Project and sell the camp assets.

Rehabilitation and Mine Closure Report

Following the relinquishment of the mining lease tenure, the Company prepared a Mine Closure Report for the Department of Energy, Mines, Industry Regulation and Industry (DEMIRS) and contracted an earth-moving contractor to effect the rehabilitation of the disturbed areas at Lake Wells.

Over the period to early November 2023, rehabilitation of some on-playa and off-playa ground disturbance was carried out. This entailed the ripping of approximately 17 drill pad areas with many of these being on the lake surface. At the conclusion of the rehabilitation program, a Closure Completion Report (CCP) was completed. Several parts of the development infrastructure were retained by the pastoral lease holder for future use and once recognised by the Pastoral Lands Board is expected to sit outside of the Group's rehabilitation obligation for the site.

The CCP was lodged with DEMIRS on 8 January 2024, and a response from DEMIRS was received on 30 January 2024, requesting additional information prior to accepting the works performed by APC and the satisfaction of obligations regarding rehabilitation of disturbed areas. At the time of this report, there remains a risk that additional rehabilitation work will be required, however it is expected to be immaterial.

Prospectus

On 14 March 2024 the Company lodged a Prospectus for the issue of shares in the Company to raise a maximum of \$6.0 million (Offer). The essential terms of the Prospectus are as follows:

- A Priority Offer of 2,500,000,000 ordinary shares at \$0.001 per share to raise a maximum of \$2,500,000 is made to all shareholders at the record date of 14 March 2024;
- A General Offer of 3,500,000,000 ordinary shares at \$0.001 per share to raise a maximum of \$3,500,000 is made to all interested parties;
- One free attaching option exercisable at \$0.0015 per option for a period of three (3) years from the date of issue will be issued for each two (2) shares subscribed for under the Offer;
- The Offer is underwritten to the value of \$2.75 million by Lead Manager Canaccord Genuity Australia Limited. Cumulus Wealth Limited are appointed co-manager by Canaccord.

There have been no other transactions or events of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

14. SHARE BASED PAYMENTS

(a) Director options

The Group has provided benefits to directors of the Company in the form of options constituting share-based payment transactions. No options were granted during the period ended 31 December 2023 or in the comparative period ended 31 December 2022. A total of 1,500,000 options expired during the period.

(b) Incentive Performance Rights Plan

During the current period, nil performance rights were granted and during the comparative period ending 31 December 2022, nil were granted. A total of 4,387,075 performance rights were forfeited during the period (2022: 2,226,257) due to cessation of employment and the surrender of the mining leases comprising the LSOP. A total of 57,431,665 unlisted options expired during the period, nil in the prior comparative period.

Performance rights granted carry no dividend or voting rights. When vested, each performance right is convertible into one ordinary share of the Company with full dividend and voting rights.

(c) Incentive Securities Plan

The Group may provide benefits to employees and contractors of the Company in the form of equity securities under the Company's Incentive Securities Plan as approved at the Annual General Meeting on 30 November 2022, constituting a share-based payment transaction. No equity securities have been issued under this plan to date, either during the reporting period or subsequently.

The directors of Australian Potash Limited declare that:

The financial statements and notes, as set out on pages 19 to 33, are in accordance with the *Corporations Act 2001* (Cth), including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
- complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001 (Cth).

In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the directors

A handwritten signature in blue ink, appearing to read "Matt Shackleton".

Matt Shackleton

Managing Director & Chief Executive Officer
Perth, 15 March 2024



Independent Auditor's Review Report

To the Shareholders of Australian Potash Limited

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Australian Potash Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Australian Potash Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2023.
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Half-year ended on that date.
- Notes 1 to 14 comprising material accounting policies and other explanatory information.
- The Directors' Declaration.

The **Group** comprises Australian Potash Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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Material uncertainty related to going concern

We draw attention to Note 2, "Going Concern" in the Interim Financial Report. The events or conditions disclosed in Note 2, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


KPMG

Glenn Brooks
Partner
Perth
15 March 2024