

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

**Name of entity**

Australian Potash Limited

**ACN**

149 390 394

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | Listed Options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 85,491,024 Options   |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Each Option entitles the holder to subscribe for one Share upon exercise at \$0.20 each on or before 25 October 2019 (ASX: APC). |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>The Company does not currently have any quoted options on issue.</p> <p>Upon exercise of the Options into fully paid ordinary shares, the issued shares will rank equally with existing shares currently on issue in the Company.</p>
<p>5 Issue price or consideration</p>	<p>\$0.01 per Option</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Pro-rata issue of Options to Eligible Shareholders on the basis of one (1) Option for every three (3) Shares held in the capital of the Company as at the Record Date.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>28 November 2016</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>nil</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>nil</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>nil</p>

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6f	Number of +securities issued under an exception in rule 7.2	85,491,024 (Listing Rule 7.2, Exception 1)						
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	n/a						
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	n/a						
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR 7.1: 26,577,693 LR 7.1A: 542,000						
7	+Issue dates  <small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.</small>	25 October 2017						
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">256,473,073</td> <td>Fully paid ordinary shares</td> </tr> <tr> <td style="text-align: center;">85,491,024</td> <td>Options, exercise price \$0.20, expiring 25 October 2019</td> </tr> </tbody> </table>	Number	+Class	256,473,073	Fully paid ordinary shares	85,491,024	Options, exercise price \$0.20, expiring 25 October 2019
Number	+Class							
256,473,073	Fully paid ordinary shares							
85,491,024	Options, exercise price \$0.20, expiring 25 October 2019							

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	4,000,000	Options, exercise price \$0.125, expiring 30 November 2018
	4,000,000	Options, exercise price \$0.175, expiring 30 November 2018
	3,430,000	Options, exercise price \$0.10, expiring 21 April 2021
	3,430,000	Options, exercise price \$0.15, expiring 21 April 2021
	5,000,000	Options, exercise price \$0.125, expiring 2 May 2019
	1,861,702	Options, exercise price \$0.175, expiring 28 November 2019
	2,034,883	Options, exercise price \$0.225, expiring 28 November 2019
	2,559,526	Options, exercise price \$0.175, expiring 14 December 2019
	2,756,412	Options, exercise price \$0.225, expiring 14 December 2019

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

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**Part 2 - Pro rata issue**

11 Is security holder approval required?

No

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12 Is the issue renounceable or non-renounceable?

Non-renounceable

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13 Ratio in which the +securities will be offered

One (1) Option for every three (3) Shares held

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14 +Class of +securities to which the offer relates

Ordinary shares

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15 +Record date to determine entitlements

5:00pm WST 4 October 2017

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16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

No

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+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	Shareholders that do not have a registered address within Australian and New Zealand.
19	Closing date for receipt of acceptances or renunciations	18 October 2017
20	Names of any underwriters	The offer is not underwritten
21	Amount of any underwriting fee or commission	n/a
22	Names of any brokers to the issue	n/a
23	Fee or commission payable to the broker to the issue	n/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	n/a
25	If the issue is contingent on security holders' approval, the date of the meeting	n/a
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	9 October 2017.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	29 September 2017
28	Date rights trading will begin (if applicable)	26 October 2017
29	Date rights trading will end (if applicable)	n/a

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30	How do security holders sell their entitlements <i>in full</i> through a broker?	The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.
33	+Issue date	25 October 2017

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of +securities  
(tick one)

(a)  +Securities described in Part 1

(b)  All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

#### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

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+ See chapter 19 for defined terms.

- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:   
(Company secretary)

Date: 28 September 2017

Print name: Leigh-Ayn Absolom

## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	156,903,476
<b>Add</b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>3,053,861 fully paid ordinary shares issued on 23/9/2016, rule 7.2 exception 4</p> <p>9,995,938 fully paid ordinary shares issued on 28/9/2016, rule 7.2 exception 4</p> <p>11,988,668 fully paid ordinary shares issued on 5/10/2016, rule 7.2 exception 4</p> <p>14,850,000 fully paid ordinary shares issued on 13/10/2016, rule 7.2 exception 4</p> <p>24,662,270 fully paid ordinary shares issued on 13/10/2016, rule 7.2 exception 12</p> <p>5,420,000 fully paid ordinary shares issued on 19/09/2017, rule 7.2 exception 15</p>
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	226,874,213
<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	34,031,132

+ See chapter 19 for defined terms.



<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	7,453,439 fully paid ordinary shares issued on 22/08/2017
<b>“C”</b>	7,453,439
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	34,031,132
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	(7,453,439)
<p><b>Total</b> [“A” x 0.15] – “C”</p>	<p>26,577,693</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<p><b>“A”</b></p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	226,874,213
<b>Step 2: Calculate 10% of “A”</b>	

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<p><b>“D”</b></p>	<p>0.10 <i>Note: this value cannot be changed</i></p>
<p><b>Multiply “A”</b> by 0.10</p>	<p>22,687,421</p>
<p><b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b></p>	
<p><b>Insert</b> number of *equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>22,145,421 fully paid ordinary shares issued on 22/08/2017</p>
<p><b>“E”</b></p>	<p>22,145,421</p>
<p><b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b></p>	
<p><b>“A” x 0.10</b></p> <p><i>Note: number must be same as shown in Step 2</i></p>	<p>22,687,421</p>
<p><b>Subtract “E”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	<p>(22,145,421)</p>
<p><b>Total</b> [“A” x 0.10] – “E”</p>	<p>542,000 <i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

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