

24 July 2024

West Arunta Tenements Acquisition

Australian Potash Limited (**ASX: APC** or the **Company**) is pleased to announce the expansion of its exploration footprint in the highly prospective carbonatite - niobium rich West Arunta region to over 660km^{2,1}, following APC agreeing binding terms to acquire 100% of the fully paid ordinary shares in the capital of Green Metals Group Pty Ltd (**GMG**). GMG is the applicant for two (2) tenement applications covering a combined area of 179km² in the region.

Highlights

- Binding terms agreed for the acquisition of GMG, holder of two (2) tenement applications contiguous to the Company’s 100% owned West Arunta Nexus Project
- Publicly available geophysics data support the acquisition with a detailed technical announcement to follow

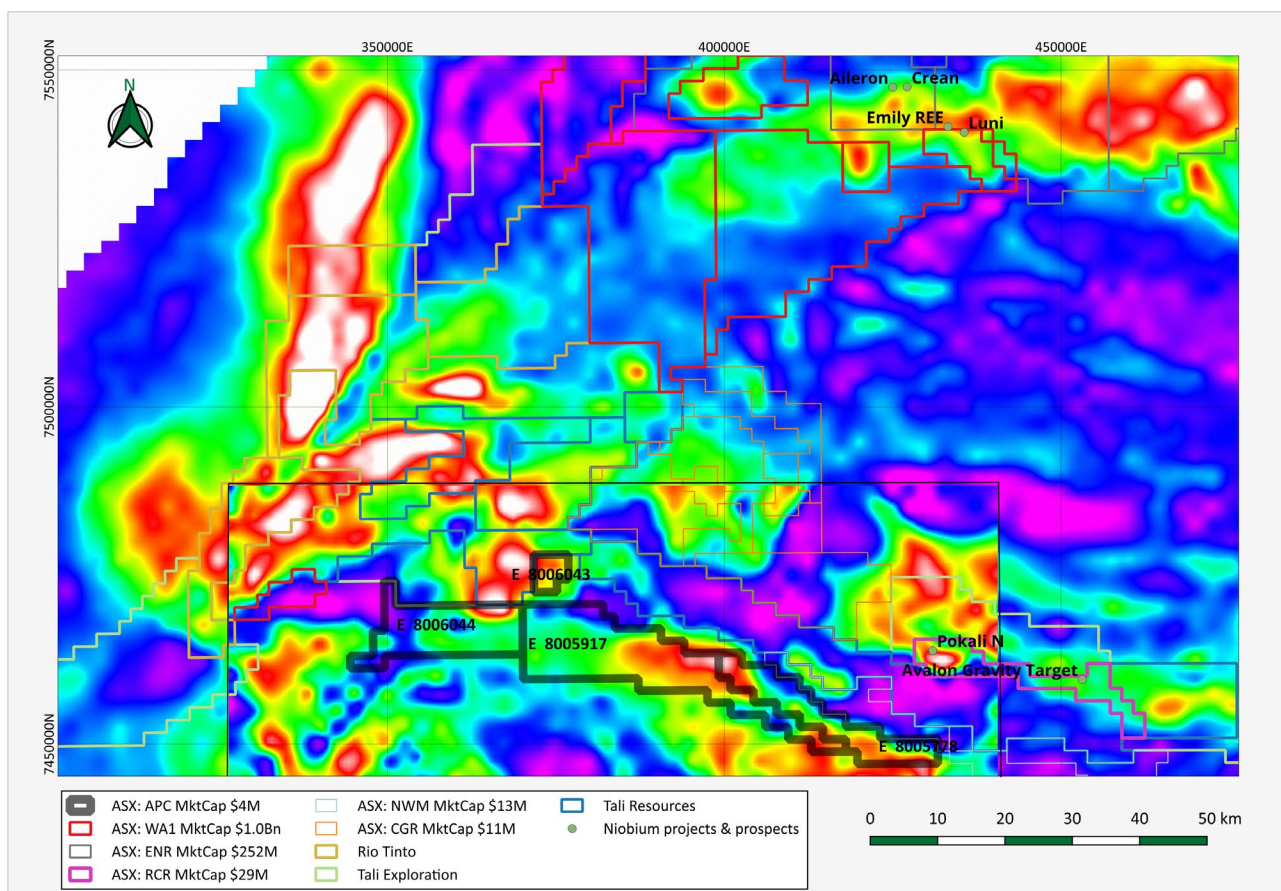


Figure 1: Map showing APC’s West Arunta Nexus Project tenements together with acquisition applications E 80/6043 & E 80/6044 over publicly available ground gravity (Complete Bouguer Anomaly) with a half-vertical derivative applied

¹ On grant of acquired applications ELA80/6043 & ELA80/6044

Location

Existing granted tenements in the Nexus Project sit approximately 10kms to the south-west of Rincon Resources Ltd's (ASX: RCR) tenement that includes the Avalon and Pokali prospects, 80kms south-west of WA1 Resources Ltd (ASX: WA1)' Luni deposit and 80kms south of Encounter Resources Ltd (ASX: ENR)' Crean & Emily carbonatite prospects.

Acquisition

The Company has agreed binding terms to purchase 100% of the shares in GMG, which has made application for two exploration licenses (*refer figure 1*), being:

- i. ELA80/6044 which covers an area of approximately 156km² and sits contiguous to and west of the Company's existing Nexus tenement E80/5917; and
- ii. ELA80/6043 which covers an area of approximately 23km² and sits immediately to the north of E80/5917.

Terms of the Share Sale Agreement

A binding terms sheet has been entered into with the shareholders of **GMG**, a company incorporated in Western Australia. Under the terms:

1. APC will acquire 100% of the issued share capital of GMG and all of its assets;
2. APC will pay the following to the GMG shareholders (or their nominees) in their respective proportion (**Sellers**):
 - a. (Deposit Shares): 50,000,000 APC Shares at a fixed price of \$0.001, valued at \$50,000, to the Sellers by 31 July 2025, as a non-refundable deposit;
 - b. (Completion Cash): on Completion, which is on or before 30 September 2024, pay \$50,000 in cash to the Sellers;
 - c. (Grant Consideration): on grant of both ELA80/6044 and ELA80/6043 (**West Arunta ELAs**) pay \$150,000 via the issue of APC Shares at an issue price of the lesser of \$0.015 or, if the Company elects to issue shares as part of a future capital raising between the 24 July 2024 and the time of grant, the issue price of those shares within 5 business days from the date of grant of the West Arunta ELAs;
 - d. (Land Access Consideration): pay \$250,000 to the Sellers on the execution of an agreement granting GMG access to the land the subject of the West Arunta ELAs for the purpose of prospecting and exploration with the Tjambu Tjambu (Aboriginal Corporation) Registered Native Title Body Corporate;
 - e. (Milestone 1 Consideration): pay \$350,000 in cash to the Sellers on the delineation of a JORC compliant INFERRED Mineral Resource Estimate of at least 500,000 tonnes grading a minimum of 1% niobium or base metal equivalent; and
 - f. (Milestone 2 Consideration): pay \$350,000 in cash to the Sellers on the delineation of a JORC compliant MEASURED Mineral Resource Estimate of at least 1M tonnes grading a minimum of 1% niobium or base metal equivalent.

The Grant Consideration, Land Access Consideration, Milestone 1 Consideration and Milestone 2 Consideration are together referred to as the **Deferred Consideration**.

Upon the achievement of the milestone relating to each Deferred Consideration, APC may elect in writing that a Deferred Consideration when payable shall be paid through the issue of APC Shares. Where such election is made, the number of Shares issued to the Sellers for the Land Access Consideration, Milestone 1 Consideration and Milestone 2 Consideration will be calculated as the cash amount payable divided by the 10-day volume weighted average price of APC's Shares trading on ASX over the 10 days immediately prior to the date of achievement of the relevant milestone. Any shares issued as Deferred Consideration shall be subject to shareholder approval.

Geophysics Review and Prospect Targeting

The Company continues to review and analyse all available geophysical and geological data sets and has expanded its area of interest (AOI) for analysis by its consultants to include the areas of the new tenement applications.

The Company plans to release the findings of that review and analysis at the earliest opportunity.

This release was authorised by the Managing Director & CEO of the Company.

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About APC

APC holds a 100% interest in the West Arunta **Nexus Project (Nexus)**, located approximately 1,000kms east-southeast of Port Hedland in Western Australian. Comprising of two exploration licenses across an area of 660km² Nexus is an early stage exploration opportunity surrounded by globally significant and emerging rare earth and critical mineral element deposits. The West Arunta is WA's most exciting exploration frontier with strong potential to hold sedimentary, IOCG, SEDEX & carbonatite hosted mineral deposits.

APC holds a 100% interest in the **Lake Wells Gold Project (LWGP)**, located approximately 500kms northeast of Kalgoorlie, in Western Australia's Eastern Goldfields. Forming part of the project areas on listing the LWGP was held under an earn-in joint-venture by a third-party between 2018 – 2022. The opportunity to consolidate the data set generated during the JV with existing data has generated a new exploration model with several untested, highly prospective targets.

APC holds a 100% interest in the **Laverton Downs Project (LDP)**, located 5kms north of Laverton, in Western Australia's Eastern Goldfields. The LDP is prospective for nickel and other base metal sulphides and is located in the prominent gold bearing Lancefield sequence trending north of Laverton town site.

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