



31 July 2024

Quarterly Activities Report June 2024

Operations

- Grant of exploration licence E 80/5917 at the Nexus Project in the highly active West Arunta
- Commencement of Air-core drilling program at the Lake Wells Gold Project in the Yamarna

Corporate

- Closure of Prospectus offer and completion of \$2.98 million capital raising
- Reinstatement to trading of APC shares on Australian Securities Exchange (ASX) on 7 May 2024

Post-quarter end

- Acquisition of an additional two exploration licence applications expanding the Nexus Project in the West Arunta
- Finalisation of drafting of West Arunta Land Access Agreement for Exploration and Prospecting with the Tjambu Tjambu (Aboriginal) RNTBC covering existing and new tenure, ahead of final execution
- Completion of the Air-core drilling program at the Lake Wells Gold Project

Australian Potash Limited (**ASX: APC** or the **Company**) is pleased to provide its Quarterly Activities Report for the period ended 30 June 2024.

Managing Director and CEO, Matt Shackleton, commented: “The Company’s securities resumed trading on ASX in May following a successful and highly effective balance sheet reconstruction that included a capital raising of \$2.98 million from new and existing investors. This confident support for the Company’s assets, and its exploration and business development strategies provides a secure footing to affect the program outlined in the April prospectus. We are continuing to refine the corporate brand and structure and will provide shareholders with the options in the coming quarters. Management continues to focus on cost efficiency, with rationalisation of tenement holdings and administrative costs central to that effort.

“At date of lodgement APC has completed a 4,000m Air-core drilling program at the Lake Wells Gold project and materially advanced our discussions with the traditional owners of the country in the West Arunta to allow access to the Nexus Project. We aim to commence our initial ground-based exploration work on reaching an agreement with the Kiwirrkurra People and continue to focus attention on developing the Nexus Project, buoyed by the discovery of mineral deposits of global significance in the region over the past 12 – 24 months.



“The board would like to take the opportunity to acknowledge all of the stakeholders in APC, without whose support the reconstruction process would not have been as effective. We look forward to the next quarter’s activities with the prospect of opening up a new exploration frontier for APC in the West Arunta.”

Operations

The Nexus Project

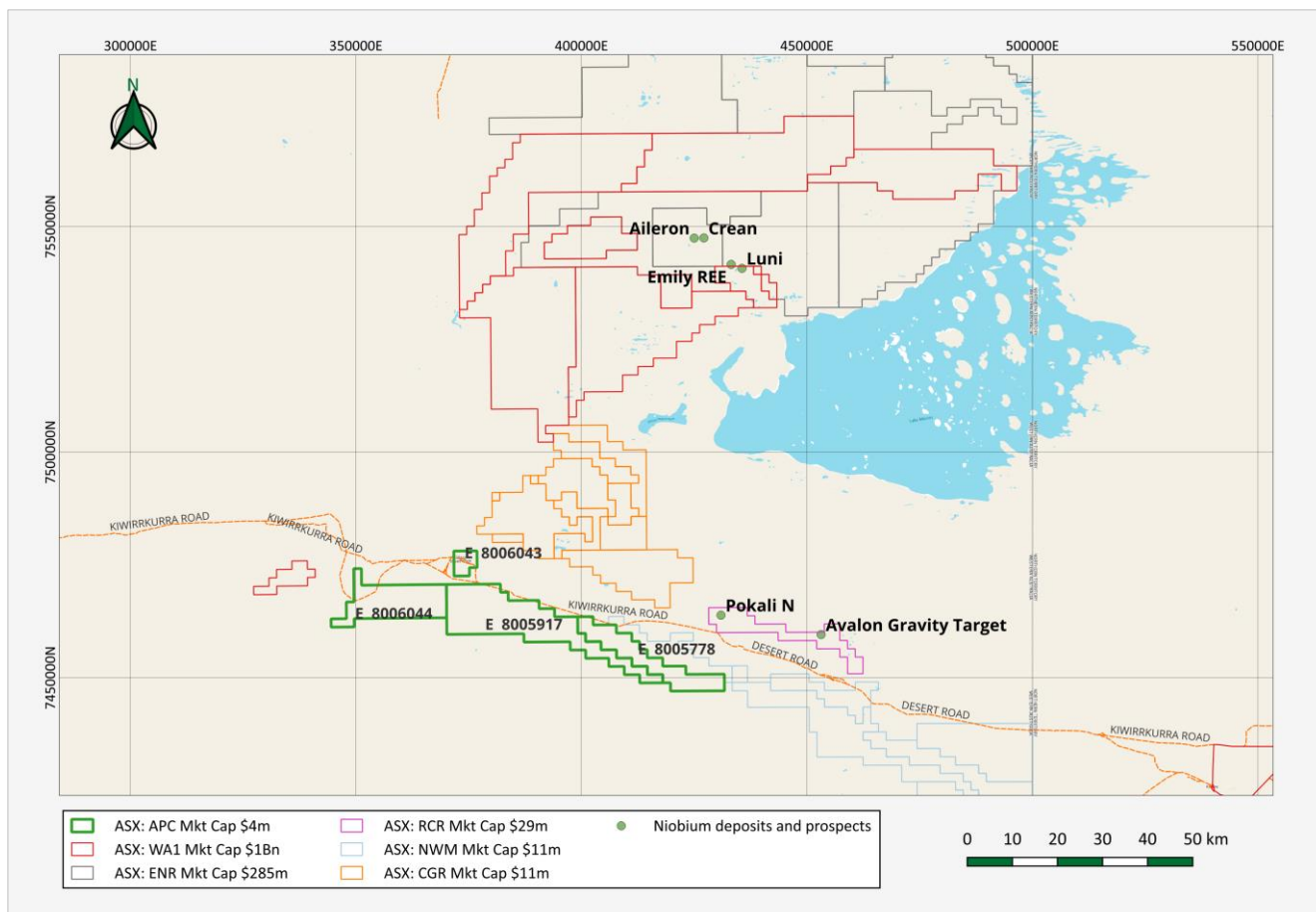


Figure 1: APC’s West Arunta Nexus Project tenements relative to peer explorers and niobium resources and prospects

The Nexus Project, located in the West Arunta region of Western Australia, sits 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.

During the quarter exploration licence E 80/5917 was granted, expanding the project footprint by 284km² to 414km². Subsequent to quarter-end an additional two (2) tenement applications were acquired¹ further expanding the Nexus Project to over 660km².

Land Access Agreement for Exploration and Prospecting

Discussions and drafting of an agreement with the Kiwirrkurra people represented by the Tjamu Tjamu (Aboriginal Corporation) RNTBC continued through the quarter, with the Company anticipating being invited to present its exploration strategy to the traditional owners in the September quarter.

¹ Refer ASX announcement 24 July 2024 ‘West Arunta Acquisition’

If the agreement is mutually agreed between the Company and the traditional owners, it is further anticipated that that agreement will be executed and announced through the current quarter opening the pathway for the Company to commence on-ground activities. This announcement would be ‘price sensitive’.

Any on-ground activities will necessarily involve continued community consultation and engagement, with commencing activities likely to be ground-based geophysical/gravity surveys.

The Lake Wells Gold Project

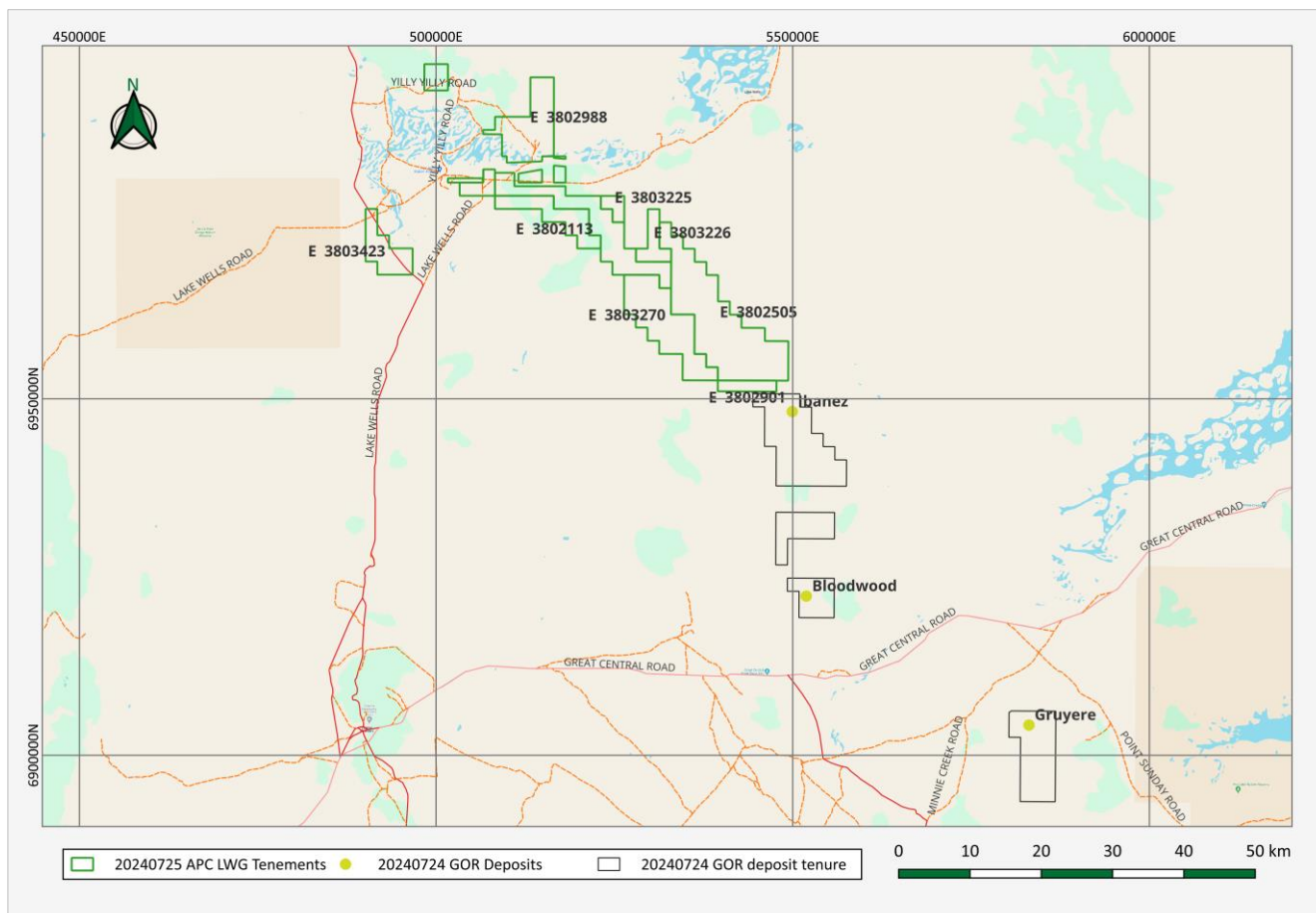


Figure 2: APC's Lake Wells Gold Project tenements relative to peer explorer and producer Gold Road Resources Limited's 6 Moz Gruyere Gold Mine

The Lake Wells Gold Project tenements cover an area of approximately 500km² 160 kilometres to the north-east of the Eastern Goldfields town of Laverton. Regional and highly successful explorer and producer Gold Road Resources Ltd (**ASX: GOR**)' 6 million ounce Gruyere Gold Mine is located approximately 80kms to the south-east of the project tenure.

Air-core drilling program

During the quarter the Company executed a planned 4,000m – 6,000m in-fill land extensional Air-core drilling program to the southern tenement area, testing the northern extension of the Yamarna shear zone².

Two target areas were identified for further drilling through the first review of the comprehensive data base compiled subsequent to the return of the tenements to the Company by a former joint venture partner. (Refer figure 3)

² Refer ASX announcement 27 May 2024 'Mobilisation of Rig to Lake Wells Gold Project'

The West target is the projected northern extension of the Yamarna Shear Zone and the East Target is the projected northern extension of the Ibanez host rock package.

Subsequent to quarter end the Company demobilised the drill and field crew, submitting 1,335 samples for assay from 4,111m of drilling across 77 holes. Details and results of the program will be released as and when they are available.

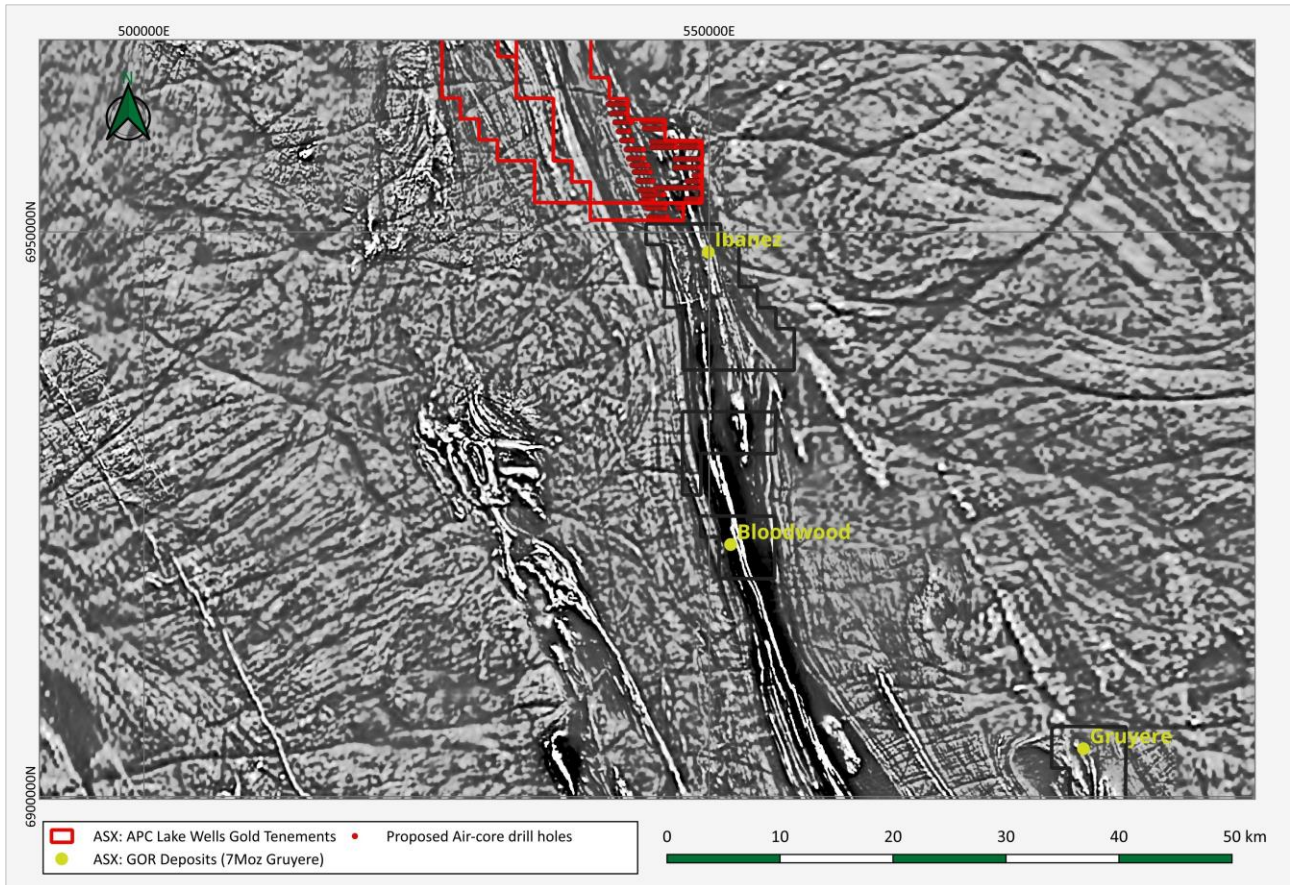


Figure 3: Proposed Air-core dill holes and Lake Wells Gold Project tenements relative to peer explorer and producer Gold Road Resources Limited's 6Moz Gruyere Gold Mine

The Laverton Downs Project

The Laverton Downs Project is located approximately 5km north of Laverton. Regional geology highlights the potential for gold and nickel sulphide mineralisation. Project evaluation undertaken by APC incorporating regional datasets, detailed magnetic data and high precision geochemical assay results derived from historical bottom of hole drill samples confirmed that a Kambalda-style nickel deposit host rock type is present within the LDP.

No work was conducted at the Laverton Downs Project during the quarter.

Laverton Training Centre (LTC)

The Laverton Training Centre is an initiative of APC which provides access to nationally accredited vocational training for long-term unemployed Aboriginal people living in this remote part of Western Australia. The LTC training ethos is modelled on the highly successful Martu-ku Yiwarra Training Centre in Wiluna, a unique four-year pilot remote Aboriginal vocational training program which was funded by local employers, overseen by Martu Elders, and had training delivered by Central Regional TAFE Kalgoorlie as the registered training organisation.

To the date of writing, 189 individual students (March quarter: 164) have completed a total of 600 federally accredited vocational training units (March quarter: 480) at the LTC, with over 80% of these students experiencing a direct employment outcome. Of the students, 149 identify as Aboriginal or Torres Strait Islanders and 50 as women (March quarter: 130 & 47). LTC students have attended training from Leonora, Mount Margaret, Laverton, Wiluna, Kalgoorlie and the Ngaanyatjarra, and Tjuntjunjarra communities.

Corporate

During the quarter, payments to related parties and their associates totalled \$169,000, comprising directors' salaries, fees and superannuation for the period from February 2024 to April 2024 of \$87,000, May 2024 to June 2024 of \$50,000 and \$32,000 paid to former directors in relation to their outstanding directors fees for the period July 2023 to December 2023. (ASX Listing Rule 5.3.5)

In addition, a summary of the expenditure incurred during the quarter on the activities described in this report is as follows: exploration and evaluation (expensed) of \$216,000, comprising tenement rent \$72,000, fuel \$56,000, exploration related wages \$51,000, tenement management \$11,000, travel & accommodation \$4,000 and miscellaneous items \$22,000; staff costs of \$271,000 (including directors' salaries, fees and superannuation of \$169,000 per above); and administration and corporate costs of \$310,000 including advisory fees associated with the capital raising completed in May 2024. Proceeds of \$36,000 were received in relation to property, plant and equipment. (ASX Listing Rule 5.3.1)

Mineral Tenement Holdings

In compliance with ASX Listing Rule 5.3.3, APC provides the following information relating to its mineral tenement holdings as at 30 June 2024.

Area	Tenement	Interest at 30 April 2024	Action	Interest at 30 June 2024
Lake Wells	E38/2113	100%	-	100%
	E38/2505	100%	-	100%
	E38/2901	100%	-	100%
	E38/2988	100%	-	100%
	E38/3018	100%	-	100%
	E38/3021	100%	-	100%
	E38/3028	100%	-	100%
	E38/3224	100%	-	100%
	E38/3225	100%	-	100%
	E38/3226	100%	-	100%
	E38/3270	100%	-	100%
Laverton Downs	E38/3423	100%	-	100%
	E38/2724 ³	100%	-	100%
	E38/3014 ³	100%	-	100%
	E38/3132 ³	100%	-	100%
	E38/3402 ³	100%	-	100%
	E38/3403 ³	100%	-	100%
Nexus	E38/3404 ³	100%	-	100%
	EL80/5917	100%	Tenement granted	100%
	EL80/5778	0%	Completion of acquisition	100%

³ Tenements held by Laverton Downs Pty Ltd, a wholly owned subsidiary of APC. On 28 February 2023 the Company announced that it had entered into a binding Letter of Intent in relation to the conditional sale of the tenements to Maverick Minerals Pty Ltd.

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AUSTRALIAN POTASH LIMITED

ABN

58 149 390 394

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	36	393
1.2 Payments for		
(a) exploration & evaluation (expensed)	(216)	(713)
(b) development		
(c) production		
(d) staff costs	(271)	(1,106)
(e) administration and corporate costs	(310)	(992)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	8
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(759)	(2,411)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (capitalised)	-	(270)
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		105
	(d) investments		
	(e) other non-current assets		950
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	785

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,001	3,001
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(199)	(199)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
	- Payment to Creditors' Trust per DOCA	-	(1,272)
3.10	Net cash from / (used in) financing activities	1,802	1,530

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	158	1,292
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(759)	(2,411)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	785
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,802	1,530

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(3)	2
4.6	Cash and cash equivalents at end of period	1,198	1,198

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,198	158
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,198	158

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	169
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(759)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(759)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,198
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,198
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.58
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes, on an overall basis.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes, the Board regularly reviews market appetite for equity investment and manages its capital and operations accordingly. The Board anticipates it will be able to continue to access funding as required and, to this end, it is considering further fundraising utilising its existing shareholder and broker relationships. It will update the market of any steps it decides to take at the appropriate time.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: *Yes, on the basis of the response contained in 8.8.2 above.*

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 JULY 2024

Date:

THE BOARD OF DIRECTORS

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.