

Australian Potash Ltd

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Australian Potash aims to raise \$3 million from entitlement offer

Australian Potash Ltd (ASX:APC) is undertaking a pro-rata renounceable rights offer to raise up to approximately \$3.156 million after completing a \$2 million share placement.

The raising comprises a renounceable pro-rata entitlement offer of fully paid ordinary shares on the basis of one new share for every seven shares held as at 5:00pm (AWST) on Friday, May 8, 2020.

This offer is for eligible shareholders with a registered address in Australia, New Zealand and certain institutional holders in other jurisdictions in which the company chooses to make offers.

The offer opens on May 13, 2020, and closes at 5:00pm (WST) on May 22, 2020, unless lawfully extended.

Lake Wells Project progresses

Company chairman Jim Walker said the last 12 months had transformed the Lake Wells Sulphate of Potash project (LSOP) from a large-scale exploration opportunity to a near-term development asset with compelling financial metrics and long-term strategic importance.

He said: "The project team's Front-End Engineering Design (or FEED) program is examining in close detail cost efficiencies that will ultimately improve project economics.

"A core focus is identifying, managing and minimising risks around execution and commissioning.

"I have every confidence that the highly experienced board and management team will develop an implementation plan that will result in successful project delivery."

Offtake discussions continue

The company's offtake program is designed to focus on the larger and more lucrative global markets for SOP, identifying third parties that are active and respected in those markets to contract with.

Walker said: "To date, the company has announced binding term sheets with an Australian company and a Chinese company for a total of 70,000 tonnes of SOP.

"Discussions are continuing in the South-East Asian (ex-China), European and North American jurisdictions."

Debt funding solution

The Northern Australia Infrastructure Facility (NAIF), has advised it will conduct a due diligence process on funding certain infrastructure at the LSOP.

Price: 0.135

Market Cap: \$74.2 m

1 Year Share Price Graph



Share Information

Code: APC

Listing: ASX

52 week High Low
0.17 0.048

Sector: Agribusiness

Website: www.australianpotash.com.au

Company Synopsis:

Australian Potash Ltd (ASX:APC) is listed on the Australian Securities Exchange.

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This feeds directly into the overall debt funding solution, with NAIF often acting as 'lead-in' funders.

Development approval pending

The company is working closely with the various decision-making authorities led by the Environmental Protection Authority (EPA), to progress final approvals for development.

Walker said: The LSOP is in the third stage of approvals with the EPA, and management is confident approval timelines will be met.

"As you can see, the activities and efforts of the dedicated management and board at APC are yielding fruit, with a strong flow of updates on the development plan on the horizon for the balance of 2020.

"I strongly encourage you to consider the offer being made to you to continue your journey with one of the state's most exciting project opportunities."

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