

Australian Potash Ltd

19:07 19 Jul 2020

Australian Potash executes third agreement in global offtake program

Australian Potash Ltd (ASX:APC) has signed a long-form binding agreement with Mitsui & Co Ltd (TYO:8031) (Asia Pacific) for the annual supply of 30,000 tonnes of premium K-Brite sulphate of potash (SOP) from its Lake Wells SOP Project (LSOP) in Western Australia.

This is the third agreement executed in the offtake program and covers the distribution of K-Brite through Asia, excluding China.

Australian Potash now has agreements in place with Redoxi, Migaoii and Mitsui, totalling two-thirds of total annual expected production of 150,000 tonnes of offtake across Australia, New Zealand, China and Asia.

"Asian ex-China fertiliser markets"

Australian Potash managing director and CEO Matt Shackleton said: "The relationship with Tier-1 global fertiliser distributor Mitsui & Co, reflected in this long-form binding offtake agreement, opens the Asian ex-China fertiliser markets to the K-Brite and Australian Potash brands.

"Mitsui & Co is a titan in the world's major fertiliser, logistics and distribution sectors, and the marketing and distributorship of SOP is integral to their brand presence in Asia.

"It is enormously gratifying that APC's K-Brite brand will be traded through the Mitsui network in these lucrative and growing Asian markets."

Price: 0.14

Market Cap: \$76.95 m

1 Year Share Price Graph



Share Information

Code: APC

Listing: ASX

52 week High Low
0.17 0.048

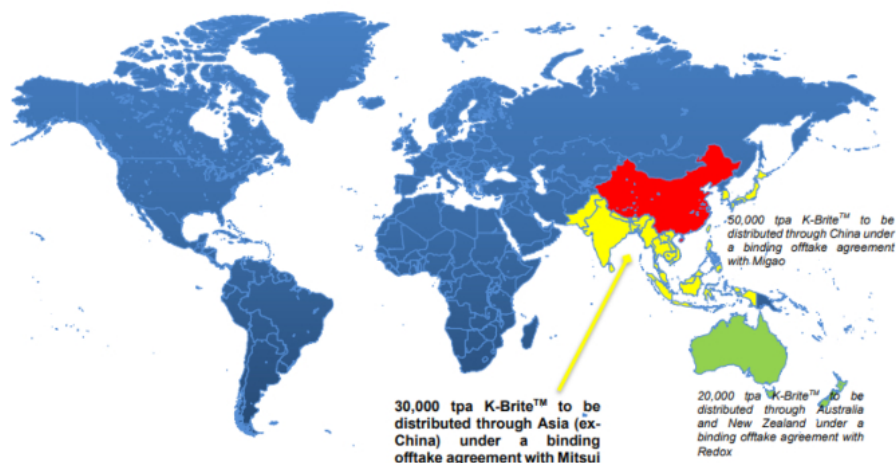
Sector: Agribusiness

Website: www.australianpotash.com.au

Company Synopsis:

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

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This is the third agreement in the company's global offtake program

Key terms

The agreement includes the following key terms:

- Binding agreement to take 30,000 tonnes per annum of K-Brite over an initial 5-year term with a 3-year extension option;
- Pricing on Net Realised Price basis incentivising Mitsui to achieve the highest sales price in the market jurisdictions covered by the agreement;
- K-Brite sales and distribution rights on an exclusive basis to Asian (ex-China) jurisdictions; and
- Conditional on Australian Potash making a final investment decision by 31 December 2021 at the latest.

Looking forwards

Discussions are well advanced with further Tier-1 offtake partners covering Europe and the Americas.

Shackleton said: "We are now working to finalise the last part of the offtake program, which we expect to update shareholders on shortly.

"In addition to that, we continue to progress along the approvals pathway, with firm dates now agreed with the EPA, and

the financing program.

"This quarter will be a very fruitful period for the company's shareholders and stakeholders and the development of the Lake Wells SOP project."

Hartleys Limited is acting as corporate adviser in relation to the offtake program.

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