

**9 November 2017**

Dear Shareholder,

I am pleased to invite you to attend a General Meeting of Kazakhstan Potash Corporation Limited ACN 143 441 285 (**KPC** or **Company**) to be held at 11.00 am (Melbourne time) on Thursday, 14 December 2017. The General Meeting will be held at the offices of Norton Rose Fulbright Australia, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria 3000.

Please find enclosed a Notice of Meeting, Explanatory Statement and Proxy Form for the General Meeting. The Notice of Meeting (including the Explanatory Statement) sets out the item of business for the General Meeting. Please take the time to carefully read those documents in their entirety.

The only item of business contained in the Notice of Meeting which Shareholders will be asked to consider is the proposed ratification of prior issues of Shares made by the Company. Due to those prior issues, the Company has almost exhausted its capacity to make further issues of securities without the approval of its Shareholders. By ratifying those prior issues, Shareholders will be giving your Directors the flexibility to issue additional securities in the Company within the limits set out in ASX Listing Rules 7.1 and 7.1A without the need for further Shareholder approval. Without that flexibility, the Company will not be able, by the issue of additional securities within the limits set out in those ASX Listing Rules, to quickly raise additional working capital, discharge liabilities or take advantage of any opportunities that might emerge.

If you would like to vote on the item of business outlined in the enclosed Notice of Meeting, you may attend the General Meeting in person or appoint a proxy to vote on your behalf at the General Meeting. If appointing a proxy, the enclosed Proxy Form should be completed and returned to the Company (see Proxy Form for details) as soon as possible and, in any event, no later than 11.00 am (Melbourne time) on Tuesday, 12 December 2017. The Board encourages all Shareholders to direct their proxy how to vote on the item of business.

If you have any queries in relation to the General Meeting, please contact the company secretary, Mr Marco Marcou on +61 (0)3 9653 9020.

Yours sincerely,



Madame Freada Cheung  
**Chair and Managing Director**  
Kazakhstan Potash Corporation Limited

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## Kazakhstan Potash Corporation Limited

### NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of the Shareholders of Kazakhstan Potash Corporation Limited ACN 143 441 285 (**Company** or **KPC**) will be held at the offices of Norton Rose Fulbright Australia, Level 15, 485 Bourke Street, Melbourne, Victoria 3000, on Thursday, 14 December 2017 at 11.00 am (Melbourne time).

The accompanying Explanatory Statement has been prepared to provide Shareholders with an explanation of the item of business and the Resolution to be proposed and considered at the Meeting.

The Explanatory Statement should be read in conjunction with this Notice of Meeting.

All documents should be carefully read in their entirety. If you are in any doubt about what to do, you should consult your legal, financial or other professional adviser.

#### **Business**

##### **Item 1: Ratification of prior issues of Shares (Resolution 1)**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution** of the Company:

*“That, for the purposes of ASX Listing Rule 7.4 and all other purposes, Shareholders approve prior issues of 215,638,955 Shares on the terms and conditions and in the manner detailed in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion Statement:** In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 1 by any person who participated in the prior issues of Shares and any of their associates.

However, under the ASX Listing Rules, the Company need not disregard a vote on Resolution 1 if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Please note that the names of the persons to whom the Company issued the above mentioned Shares or the basis on which those persons were determined are set out in the Explanatory Statement.

#### **Other Business**

To consider any other business that may be lawfully brought forward.

## NOTES REGARDING PROXIES AND VOTING

### Voting and determination of voting entitlement

For the purpose of Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Company has determined, for the purpose of voting entitlements at the Meeting, that Shares in KPC are taken to be held by those Shareholders registered at 7.00 pm (Melbourne time) on Tuesday, 12 December 2017. Accordingly, only those persons will be entitled to attend and vote at the Meeting.

Unless a poll is demanded in advance of voting on the Resolution, voting on the Resolution will initially be by way of a show of hands. On a show of hands, each Shareholder present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, will have one vote.

On a poll, every Shareholder present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, will have one vote for each Share held by the Shareholder.

### Appointing a Proxy

A Shareholder entitled to attend and vote at the Meeting can appoint a proxy to attend and vote at the Meeting on their behalf. A proxy need not be a Shareholder.

Where a Shareholder is entitled to cast 2 or more votes, the Shareholder may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions).

A Proxy Form accompanies this Notice of Meeting. If you require a second proxy form, please contact the Company on +61 (0)3 9653 9020. The Proxy Form contains important information and other instructions which you should read carefully.

Any instrument of proxy deposited or received by the Company in which the name of the appointee is not filled in will be deemed to be given in favour of the Chair of the meeting to which it relates.

Proxies given by corporate Shareholders must be executed in accordance with their constitutions or signed by a duly authorised officer or attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution of the Company to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit (subject to any applicable voting exclusion).

For an appointment of a proxy to be effective, an instrument of appointment of a proxy (and any power of attorney or other authority under which it is signed or a certified copy of that power or authority) must be received by the Company, by hand delivery, post or facsimile using the details set out below, not less than 48 hours prior to the Meeting. That is, by 11.00 am (Melbourne time) on Tuesday, 12 December 2017.

**Address:** The Company Secretary  
Kazakhstan Potash Corporation Limited  
Level 27, 101 Collins Street  
Melbourne, Victoria, 3000

**Facsimile:** +61 (0)3 9653 9023

### **Corporate Shareholders**

Corporate Shareholders wishing to appoint a representative to attend the Meeting on their behalf must provide that person with a properly executed letter confirming that they are authorised to act as the company's representative. The authorisation may be effective either for this Meeting only or for all general meetings of KPC.

### **How undirected proxies held by the Chair of the Meeting will be voted**

Subject to the Corporations Act and ASX Listing Rules, the Chair of the Meeting will vote all undirected proxies in favour of the Resolution, unless otherwise required by law. However, KPC encourages all Shareholders who submit proxies including proxies in favour of the Chair to direct their proxy how to vote on the Resolution concerned.

### **GLOSSARY**

A Glossary of terms used in this Notice of Meeting and Explanatory Statement is contained in the Explanatory Statement. Terms defined in the Glossary also apply to the accompanying Proxy Form, unless the context requires otherwise.



Mr Marco Marcou  
**Company Secretary**  
On behalf of the Board of Directors  
Kazakhstan Potash Corporation Limited  
9 November 2017

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## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared and is being provided to Shareholders of Kazakhstan Potash Corporation Limited (**KPC** or **Company**) in connection with the item of business to be considered at the General Meeting of Shareholders to be held at the offices of Norton Rose Fulbright Australia, Level 15, 485 Bourke Street, Melbourne, Victoria 3000, on Thursday, 14 December 2017 at 11.00 am (Melbourne time).

The purpose of this Explanatory Statement is to provide Shareholders with an explanation of the item of business and the Resolution to be proposed and considered at the Meeting. This Explanatory Statement forms part of the accompanying Notice of Meeting and should be read in conjunction with it.

Your Directors recommend that Shareholders carefully read this Explanatory Statement and Notice of Meeting in full before making any decision in relation to the Resolution.

If Shareholders are in any doubt about what to do, they should consult their legal, financial or other professional adviser.

### Item 1: Ratification of prior issues of Shares (Resolution 1)

#### 1. Background

On the dates set out below, KPC issued, without approval of its Shareholders pursuant to ASX Listing Rules 7.1 and 7.1A (described below), the following Shares to the places described below (or their nominees):

Date	Placee	Number of Shares	Issue Price per Share
24.5.2017	Mr Xu Zhifeng	1,800,000	\$0.047
24.5.2017	Maxi Honor Co Limited	36,000,000	\$0.047
29.6.2017	Mr Chan Sik Lap	1,117,994 1,965,253	\$0.0907 \$0.0514
29.6.2017	Mr Lau Chun Yue	111,809 196,537	\$0.0907 \$0.0514
29.6.2017	Mr Nazariy Terlyga	173,407	\$0.0907
30.10.2017	Global Win Limited	38,300,000	\$0.04
30.10.2017	Star Dynamic Limited	38,300,000	\$0.04
30.10.2017	Maxi Honor Co Limited	8,000,000	\$0.04
30.10.2017	Wise Concept Enterprises Inc	8,400,000	\$0.04
30.10.2017	Asiagain Holdings Limited	38,850,000	\$0.04
30.10.2017	Glory Success Enterprise Inc.	13,000,000	\$0.04
30.10.2017	West Capital Investments Limited	17,800,000	\$0.04
30.10.2017	Ms Wu Yi	3,000,000	\$0.04
30.10.2017	Mr Chan Sik Lap	4,907,092 3,378,966	\$0.04 \$0.029
30.10.2017	Mr Lau Chun Yue	337,897	\$0.029

In relation to the above issues, 129,422,955 Shares were issued within the 15% annual limit set out in ASX Listing Rule 7.1 (described below) and 86,216,000 Shares were issued within the 10% annual limit set out in ASX Listing Rule 7.1A (described below).

By issuing those Shares to the above places (or their nominees), KPC's capacity to issue further Equity Securities without Shareholder approval within the 15% annual limit set out in ASX Listing Rule 7.1 (described below) and within the 10% annual limit set out in ASX Listing Rule 7.1A (described below) was accordingly reduced.

As at the date of the Notice of Meeting, KPC only has capacity to issue or agree to issue without the approval of its Shareholders 1480 Equity Securities under ASX Listing Rule 7.1 (described below) and 66,957 Shares under ASX Listing Rule 7.1A (described below).

## **2. ASX Listing Rules 7.1, 7.1A and 7.4**

Subject to a number of exceptions, in general terms, ASX Listing Rule 7.1 limits the number of Equity Securities (for example, shares, options and convertible notes) that a listed company such as KPC may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued ordinary shares.

Subject to a number of exceptions, in general terms, ASX Listing Rule 7.1A permits, in addition to issues under ASX Listing Rule 7.1, listed company which is an Eligible Entity such as KPC to issue or agree to issue Equity Securities to a maximum limit of 10% of its issued ordinary shares during the 12 month period following the Eligible Entity's annual general meeting. Issues under ASX Listing Rule 7.1A cannot be made unless that 10% additional placement capacity enabling the issue of Equity Securities under that ASX Listing Rule is approved at an annual general meeting of the listed company concerned by special resolution.

At the 2017 annual general meeting of the Company held on 29 May 2017, Shareholders by special resolution approved that 10% additional placement capacity under ASX Listing Rule 7.1A. At the time of that approval, KPC was an Eligible Entity. Only Equity Securities which are in an existing class of quoted securities are eligible to be issued under ASX Listing Rule 7.1A. This means that, in relation to KPC, only Shares can be issued by it under ASX Listing Rule 7.1A. That limitation in ASX Listing Rule 7.1A to quoted securities does not apply to securities issued within the 15% annual limit under ASX Listing Rule 7.1.

By Shareholders approving that 10% additional placement capacity, in general terms, and subject to a number of exceptions, KPC may by utilising ASX Listing Rules 7.1 and 7.1A issue or agree to issue Shares without further Shareholder approval in a 12 months period to a maximum of number equal to 25% of its issued ordinary shares.

While the ASX Listing Rules limit the number of securities a listed entity such as KPC may issue or agree to issue in any 12 months period without shareholder approval, securities issued with shareholder approval do not form part of the 15% annual limit set out in ASX Listing Rule 7.1 or the 10% annual limit set out in ASX Listing Rule 7.1A.

Also excluded from those annual limits described in ASX Listing Rules 7.1 and 7.1A are Equity Securities issued under those ASX Listing Rules where their issue has been ratified under ASX Listing Rule 7.4 (described below) or 12 months has passed since their issue.

ASX Listing Rule 7.4 provides that where a listed company such as KPC in general meeting subsequently approves a prior issue of securities and that prior issue did not breach ASX Listing Rule 7.1, those securities will be treated as having been made with shareholder approval for the purpose of ASX Listing Rule 7.1. In addition, the notes to ASX Listing Rule 7.4 state that issues made with approval under ASX Listing Rule 7.1A can be ratified under ASX Listing Rule 7.4.

This means, by treating the 129,422,955 Shares issued within the 15% annual limit set out in ASX Listing Rule 7.1 as having been ratified under ASX Listing Rule 7.4, those Shares will not be deducted in calculating the 15% annual limit under ASX Listing Rule 7.1.

Similarly, by treating the 86,216,000 Shares issued within the 10% annual limit set out in ASX Listing Rule 7.1A as having been ratified under ASX Listing Rule 7.4, those Shares will not be deducted in calculating the 10% additional placement capacity under ASX Listing Rule 7.1A.

In other words, by Shareholders subsequently approving those prior issues of 215,638,955 Shares to the placees mentioned above (or their nominees), KPC will retain the flexibility to issue new Shares and other securities in the future up to the 15% annual limit set out in ASX Listing Rule 7.1 (without the need to obtain prior Shareholder approval) and to issue new Shares up to the 10% annual limit set out in ASX Listing Rule 7.1A (without the need to obtain prior Shareholder approval).

### **3. Resolution 1**

Resolution 1 requires Shareholders to approve the prior issues of Shares referred to in the above table to the placees mentioned in the above table (or their nominees).

Resolution 1 is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of that Resolution.

Shareholders' attention is drawn to the voting exclusion statement in relation to Resolution 1 in the Notice of Meeting.

### **4. Information required for Shareholder approval under ASX Listing Rules**

In accordance with ASX Listing Rule 7.5, the following information is provided for Shareholders:

- (1) The issues of 215,638,955 Shares to the placees mentioned in the above table (or their nominees) did not breach ASX Listing Rule 7.1 or ASX Listing Rule 7.1A.
- (2) The 215,638,955 Shares issued to the placees mentioned in the above table (or their nominees) were issued at the issue price per Share set out opposite their respective names in the above table and rank equally with all other Shares on issue in the Company.
- (3) In relation to the 215,638,955 Shares issued to the placees mentioned in the above table (or their nominees):
  - (a) 7,281,863 Shares were issued by the Company on 29 June 2017 and 30 October, 2017 in lieu of cash remuneration otherwise payable by the Company or its subsidiaries to certain of its senior employees. While no amount was raised on the issue of those Shares, the obligation of the Company or its subsidiaries to pay that cash remuneration was discharged;
  - (b) 1,800,000 Shares were issued by the Company on 24 May 2017 in lieu of payment for certain corporate advisory and professional services provided to the Company or its subsidiaries. While no amount was raised on the issue of those Shares, the obligation of the Company or its subsidiaries to pay for those services was discharged;

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- (c) 133,907,092 Shares were issued by the Company on 24 May 2017 and 30 October 2017 and the application moneys otherwise payable on the issue of those Shares was applied or set-off against loan monies owing and payable by the Company. The issue of those Shares reduced the indebtedness of the Company by their aggregate issue price being \$5,608,284;
- (d) 69,650,000 Shares were issued by the Company on 30 October 2017 and the application moneys totalling \$2,786,000 payable on the issue of those Shares will be used for the Satimola transaction announced to ASX on 26 October, 2017 and general working capital purposes of KPC; and
- (e) 3,000,000 Shares were issued by the Company on 30 October, 2017 in lieu of payment for certain professional services provided to the Company or its subsidiaries in relation to the Chongqing joint venture. While no amount was raised on the issue of those Shares, the obligation of the Company or its subsidiaries to pay for those professional services was discharged.

#### **5. What will happen if Resolution 1 is not passed?**

If Resolution 1 is not approved, your Directors will have significantly reduced flexibility to issue Equity Securities within the annual limits set out in ASX Listing Rule 7.1 and 7.1A without the approval of its Shareholders.

#### **6. Board's recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 1. No member of the Board participated in any of the issues, the subject of Resolution 1.

#### **GLOSSARY**

In the Notice of Meeting, this Explanatory Statement and accompanying Proxy Form, the following terms have the following meanings, unless the context requires otherwise:

**ASX** means ASX Limited ACN 008 624 691, or the market operated by it (as the context requires).

**ASX Listing Rules** means the listing rules of ASX (as amended or waived from time to time).

**Board** means the board of Directors of the Company.

**Company** or **KPC** means Kazakhstan Potash Corporation Limited ACN 143 441 285 (formerly Fortis Mining Limited).

**Constitution** means the constitution of the Company.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Eligible Entity** means an entity that, at the date of the relevant special resolution:

- (1) is not included in the S&P/ASX 300 Index; and
- (2) has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) equal to or less than \$300,000,000.



**Equity Securities** has the meaning given in the ASX Listing Rules and includes a share, an option over an issued or unissued security, a right to a share or option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement which accompanies, and is incorporated as part of, the Notice of Meeting and includes any document annexed to it or incorporated by reference.

**Meeting** means the General Meeting of the Shareholders of the Company to be held on Thursday, 14 December 2017 at 11.00 am (Melbourne time) convened by way of the Notice of Meeting.

**Notice of Meeting** means the Notice of General Meeting of the Shareholders of the Company dated 9 November 2017.

**Proxy Form** means the proxy form accompanying the Notice of Meeting and this Explanatory Statement.

**Resolution** means the resolution referred to in the Notice of Meeting.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a person or entity entered in the Company's register of members from time to time as the holder of Shares.

Words importing the singular include the plural and vice versa.

A reference to gender is a reference to all genders.

A reference to a person includes a reference to a body corporate and any other entity.

All references to time are to Melbourne time.

A reference to a nominee includes a transferee.

A reference to a document includes a reference to that document as amended or varied from time to time and includes its annexures and schedules.

A reference to "\$" or "dollar" is to Australian currency, unless the context otherwise requires.

The meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions.

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Kazakhstan Potash Corporation Limited

PROXY FORM FOR GENERAL MEETING

I/We

of

am/are a member(s) of Kazakhstan Potash Corporation Limited ACN 143 441 285 and I/we appoint as my/our proxy:

of

or, if no person is named above or is absent, the Chair of the General Meeting of the Company, as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held at the offices of Norton Rose Fulbright Australia, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria on Thursday, 14 December 2017 at 11.00 am (Melbourne time) and at any adjournment of that Meeting.

Important Notes: If you appoint a proxy, KPC encourages you to direct your proxy how to vote on each Resolution. The Chair of the General Meeting intends to vote all undirected proxies in favour of each Resolution, unless otherwise required by law.

Note: If appointing a second proxy, please state the number of Shares or the percentage of voting rights applicable to this Proxy Form.

[ ] Number of shares OR [ ] %

I/we direct my/our proxy to vote in respect of the Resolution to be considered as indicated with an "X" below, and to vote or abstain in respect of any procedural resolution as my/our proxy thinks fit.

Table with 4 columns: Resolution 1, Ratification of prior issues of Shares, For, Against, Abstain\*.

If no direction is given above, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of the Resolution to be considered by the General Meeting and any adjournment of the Meeting (subject to any restrictions imposed by law or ASX Listing Rules).

\*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Individual or Shareholder 1

[ ]

Sole Director and Sole Company Secretary

Shareholder 2

[ ]

Director

Shareholder 3

[ ]

Director/Company Secretary

Date: .....

This form should be signed by the Shareholder. If a joint holding, any of the joint Shareholders may sign. If signed by the Shareholder's attorney, the power of attorney must have been previously lodged with the Company or a certified copy attached to this Proxy Form. If executed by a company, the Proxy Form must be executed in accordance with the company's constitution and the Corporations Act 2001.

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## PROXY INSTRUCTIONS

### Appointment of proxy

A member entitled to attend and vote at the Meeting can appoint a proxy to attend and vote at the Meeting on their behalf. A proxy need not be a Shareholder.

Where a member is entitled to cast 2 or more votes, the member may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions).

For an appointment of a proxy to be effective, an instrument of appointment of a proxy (and any power of attorney or other authority under which it is signed or a certified copy of that power or authority) must be received by the Company, by hand delivery, postage or facsimile using the details set out below, not less than 48 hours prior to the Meeting. That is, by 11.00 am (Melbourne time) on Tuesday, 12 December 2017.

**Address:** The Company Secretary  
Kazakhstan Potash Corporation Limited  
Level 27, 101 Collins Street  
Melbourne, Victoria, 3000

**Facsimile:** +61 (0) 3 9653 9023

If you require a second Proxy Form, please contact the Company on +61 (0) 3 9653 9020.

### Signature(s)

You must sign this form in the spaces provided as follows:

- **Individual Holding:** The Shareholder must sign in the box.
- **Joint Holding:** If Shares are held in joint names, any of the joint Shareholders may sign in the box.
- **Attorney:** If you are signing this form as an Attorney, the Power of Attorney must have already been lodged with the Company or, alternatively, a certified copy of it must accompany this Proxy Form.
- **Companies:** Only duly authorised officer(s) can sign this form on behalf of a company. Please sign in the boxes provided which state the office held by the signatory, i.e. Director and Director, or Company Secretary and Director, or sole Director and sole Company Secretary