

18 May 2017

Market Update

Chongqing Joint Venture Chongqing Bright Road Industrial Co Ltd., Operational

The Board of Kazakhstan Potash Corporation Limited (KPC) is pleased to announce that the Joint Venture with the Chongqing Material of Agricultural Production (Group) Co., Ltd (CMAG) to develop a fertiliser logistics and distribution hub to supply all the major fertiliser producers in China has just completed its first full quarter of operations. The Joint Venture named Chongqing Bright Road Industrial Co Ltd., (CBRI) initially begun its operation immediately prior to the new year.

CBRI is focusing on fertiliser trading and logistics and is forecast to progress through the development timeframe of between 3 to 5 years with a view to become one of China's leading fertiliser logistic and trading company operating out of South Western China.

Since commencing operations CBRI has been trading profitably. Year to date, as at 31 March 2017, the operating profit was \$120,634 for the period.

KPC is assisting CBRI in sourcing financing and over time will provide fertilisers from its projects in Kazakhstan. CMAG has provided the land and infrastructure for the hub development and operation as well as access to their existing terminal and warehousing fertiliser facility located on the Yangtze River. This terminal includes an established rail link to China's national rail network as well as to the Chongqing-Xinjiang-Europe Railway system.

Chongqing is a major city in Southwest China and one of the five national central cities in China. Administratively, it is one of China's four direct-controlled municipalities (the other three are Beijing, Shanghai and Tianjin). Chongqing is a major manufacturing centre and transportation hub and is one of China's "13 emerging megacities". Chongqing is also the starting point of the Chongqing-Xinjiang-Europe Railway which runs from Chongqing to Europe via Kazakhstan. Chongqing is also an important logistic hub on the Yangtze River, through which fertilisers could be transported to south-western China as well as the eastern part of China and eventually into the Far East.

About KPC

KPC is a mineral exploration company which owns the rights to two potash deposits in Kazakhstan, namely the Zhilyanskoye Project and the Chelkar Project and is also finalising the acquisition of the Satimola Project. It intends to develop all the three projects in Kazakhstan to full scale production.

KPC is a signatory of the Framework Agreement entered into under the auspices of the Kazakhstan and Chinese Governments as part of the 'One Belt, One Road' initiative in the region. Under the terms of the Framework Agreement KPC plans to build a potash production base in Kazakhstan drawing on its three projects, so as to meet China and Kazakhstan agriculture markets' demand for potash.

Kazakhstan Potash Corporation Limited | ACN: 143 441 285

Address | Level 27, 101 Collins Street, Melbourne, Victoria, 3000

Phone | +61 (3) 9653 9020

Facsimile | +61 (3) 9653 9023

In advancing the Framework Agreement, KPC has a Joint Venture with the Chongqing Material of Agricultural Production (Group) Co., Ltd (CMAG) which is developing a fertiliser logistics and distribution hub to supply all the major fertiliser producers in China. CMAG is a fully integrated agricultural enterprise throughout the agricultural value chain in China and is a subsidiary company of Chongqing municipal government. In addition, KPC has partnered with KTZ Express the Kazakhstan national railway operator for shipment through Kazakhstan and to Chongqing in China.

FURTHER INFORMATION

Dr Wei Jiafu
Chief Executive Officer
P: +61 3 9653 9020
M: +61 (0) 418 306 078

For personal use only