

11 July 2019



## Market Update

### Conversion of CAR Fund Replacement Convertible Note

Kazakhstan Potash Corporation Limited (ASX: KPC) would like to announce that today an agreement was reached with the China-Asia Resources Fund in relation to the conversion to KPC shares, the CAR Fund Replacement Convertible Notes valued at \$30 million as approved by shareholders at the Annual General Meeting on 29 May 2017 and issued by KPC to CAR Fund on or about 5 June, 2017.

KPC and CAR Fund have agreed to convert all of the Replacement Convertible Notes into fully paid ordinary shares (Shares) in the capital of KPC at a conversion price of \$0.02 per share. Accordingly, the number of Shares to which CAR Fund is entitled upon conversion of the Notes is 50 Shares for each Note converted (1 Note = \$1.00). Apart from the Shares, no other securities of KPC will be issued on conversion of the Notes.

The conversion of the Replacement Convertible Notes is subject to shareholder approval at a General Meeting which will be called by KPC in due course.

### New CAR Fund Convertible Note for \$10 million

KPC would like to also announce that today that agreement was reached with the CAR Fund to enter into a new Convertible Note agreement totalling \$10 million (1 Note = \$1.00), subject to shareholder approval.

The funding will be used to finalise the Satimola Limited acquisition and working capital.

Under the terms of the new agreement, the payment by the CAR Fund is as follows:

- \$1,000,000 will be paid as a deposit;
- \$4,000,000 will be paid within three (3) working days from the date of shareholder approval; and
- \$5,000,000 will be paid within ninety (90) days from the date of shareholder approval.

The new CAR Fund Convertible Note will be for a three (3) year period.

If shareholder approval is not obtained, then the Company and the CAR Fund will agree a repayment schedule for the deposit.

In accord with the terms of the Replacement Convertible Notes, the CAR Fund can convert the new Convertible Notes into fully paid ordinary shares in the capital of KPC at a conversion price of \$0.02 per share. In addition, KPC will issue 40 Options for each Note, at \$0.025/Option, that will be valid for the three (3) year term.

The Board of KPC will seek shareholder approval at a General Meeting which will be called in due course.

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Kazakhstan Potash Corporation Limited | ACN: 143 441 285

Address | Suite 803, Level 8, 15 Help Street, Chatswood, 2067, New South Wales AUSTRALIA

Phone | +61 (2) 9884 8284

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