

31 July 2019

ASX Announcement March 2019 Quarterly Activities Report

Corporate

Summary

- **Appointment of New Managing Director and Chairperson**
- **Director Appointments and Cessations**
- **Exit from the Democratic Republic of Congo Projects**

Appointment of New Managing Director and Chairperson

On 14 January 2019, KPC announced that Mr. Liu Senlin has been appointed as Managing Director of the Company and Chairperson on 15 March 2019.

Mr. Liu Senlin has a strong successful business background dating back to the 1980's when he founded the Applied Chemistry Group in China. Through his strong corporate management capability, he has developed his company over the last 30 years into a successful comprehensive enterprise involved in such areas as chemical raw materials manufacturing, mineral product development and market development and operation.

Mr. Liu Senlin holds a Master's degree in Business Administration.

Director Appointments and Cessations

During this quarter the Company appointed 3 new directors, Ms Jaylin Xiaorong Mao (Executive Director) on 14 January 2019, Mr Junheng Li (Executive Director) on 15 March 2019 and Ms Jingjing Wang (Non-Director).

Ms Mao is also the Managing Director of AJM Group Holdings Pty Ltd and Non-executive Director of Bojun Agriculture Holdings Ltd (ASX code BAH). Previously, Ms Mao was the Director of Asian Business of Westpac Premium Banking. She has led the Westpac Premium Asian strategy to help the Asian migrants to start a new life in Australia. Over the past 12 years Ms Mao has built extensive banking & finance experience in Australia across retail, private, corporate & investment banking

Ms Mao holds a Bachelor of Arts from the Sichuan Normal University in China, Master of Commerce from the University of Sydney and Diploma of Applied Finance from Deakins University.

Mr Li has built a strong career in logistics over the past 30 years in China. Mr Li is currently the Chairperson of Heilongjiang Zhongxin Warehousing and Transportation Logistics Co., Ltd and Managing Director of both the China Association of Port-of-Entry and Logistics Association of China. Prior to these roles, Mr Li held the position of the General Manager of Guangdong Xinxing Company.

Ms Wang who is currently a Director of JD Advisory Pty Ltd is a qualified Chartered Accountant, CPA and FTI (Fellow of The Tax Institute) with over 14 years of expertise in superannuation, company, trust, taxation, accounting issues and client management with RG146 compliance certification. Ms Wang has extensive experience in delivering tax solutions with a commercial focus to large and small business and high net worth group across a broad spectrum of industries including agriculture, medicine, retail, wholesale and real estate.

Ms Wang has provided Credit Reporting Standards (CRS) advice since 2016 with a unique knowledge and understanding of CRS implementation in China, Australia, Singapore and Hong Kong.

Under section 3.9(d) of the Constitution of the Company that states "failure to attend Board Meetings (either personally or by an Alternate) for a continuous period of 3 months without leave of absence from the Board." Mr Lyu Xiaokang (on 14 January 2019) and Mr Edward Wen (15 March 2019) ceased to be a Directors.

Exit from the Democratic Republic of Congo Projects

On 22 February 2019 the Company advised that it is in the process of exiting from all its initiatives in the Democratic Republic of Congo (DRC), so it can focus its efforts on its three potash projects in Kazakhstan, namely the Zhilyanskoye, Chelkar and Satimola projects.

The Memorandum of Understanding (MoU), signed with Mining Mineral Resources SARL to acquire 51% of the Malemba Lithium Project, in the Malemba-Nkulu region of north-eastern Katanga Province, DRC (see ASX announcement 4 April 2018) and, the MOU signed with La Société Katanga Copperbelt Mining SA to acquire 51% (in Permits de Recherche PR757, PR760 and PR761) of the Kikata North and Mifumbi Copper-Cobalt Projects (see ASX announcement 8 June 2018), will not proceed any further.

In addition, the acquisition of the 60% equity stake in Société MCC Resource SARL (see ASX announcement 26 March 2018) which holds 100% of a Mining License 14068 (PE14068) is also to be exited. The terms of the exit from the Société MCC Resource SARL acquisition are being finalised and will be announced to the market in due course.

Exploration and Development

Chelkar Project

KPC, through Batys Kali, holds a Sub-soil Resources Use Contract ("SSRUC") for the exploration and development of the Chelkar potash and magnesium deposit. Whereas the SSRUC is valid for 51 years since its initial granting was on 11 December 2008.

The Chelkar Project is located approximately 100 km south of the city of Uralsk in north western Kazakhstan. Previous work on the project by geological teams from the former Soviet Union, and recent drilling by the Company's local subsidiary Batys Kali LLP has identified a number of occurrences of sylvinites and carnallite mineralization in the area.

SSRUC related compliance and associated activities continue on the project during the March Quarter.

Zhilyanskoye Project

KPC, through Batys Kali, holds a Sub-soil Resources Use Contract ("SSRUC") for the exploration and development of the Zhilyanskoye potash deposit. Whereas the SSRUC is valid for 48 years since its initial granting was on 11 December 2008. KPC continues to engage with the MID and the Aktobe region government in relation to the city boundary and Zhilyanskoye tenement. After the completion of this process, KPC will review and update the development plan and update the budget accordingly

The Zhilyanskoye Project is located approximately 5-10 km south west of the city of Aktobe in the north western region of Kazakhstan. Power (gas and electricity), water, transportation (rail and road) as well as labour are all available within 10 km of the project giving the Company a significant infrastructure advantage.

The deposit has JORC 2012 compliant Mineral Resources, estimated by SRK Consulting (Kazakhstan) Limited as of 6 August 2013 for the sylvinites and polyhalite mineralization:

- A total of 119.8 million metric tonnes (Mt) of Mineral Resources containing sylvinites mineralization at the cut-off of 10% K₂O:
 - Indicated Mineral Resources of 66.7 Mt grading 19.24% K₂O,
 - Inferred Mineral Resources of 55.2 Mt grading 17.86% K₂O; and
- A total of 987.7 Mt of Mineral Resources containing polyhalite mineralization at the cut-off grade of 5% K₂O:
 - Indicated Mineral Resources of 769.4 Mt grading 8.1% K₂O,
 - Inferred Mineral Resources of 214.3 Mt grading 7.32% K₂O.

(Source Kazakhstan Potash Corporation Limited Prospectus 28 January 2014).

SSRUC related compliance and associated activities continue on the project during the March Quarter.

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Satimola Project

On 24 October 2018, the Board of KPC announced that it that it has made a General Offer for Satimola Limited (“Satimola”). Satimola, through its wholly-owned entity, Satbor LLP (“Satbor”), holds the Satimola potash deposit in the Republic of Kazakhstan.

On 14 November 2018, KPC announced that the minimum threshold it set in relation the General Offer for as announced on 24 October 2018, for Satimola Shareholders, Converting Note Holders and Creditors was achieved.

KPC continues the completion of the processes associated with the General Offer and will advise the market in regard to its progress accordingly.

The Satimola deposit is located in the West Kazakhstan Province, 220 km north of the Ural River port of Atyrau near the Caspian Sea and 70 km north of the town of Inderbor. It is currently understood to be one of the largest in Kazakhstan, containing JORC-compliant Indicated and Inferred potash Resources of 6 billion tonnes grading 15.5% K₂O (Table 1).

Table 1. Satimola potash Resources at 10% K₂O cut-off

Mineral Resources (JORC)	Tonnes (million)	Grade (% K ₂ O)
Indicated	3,100	16.2
Inferred	2,900	17.4
Total	6,000	15.5

Note: KPC ASX release 1.12.2014, Satimola Independent Geological Report produced by Tetra Tech, December 2014; The Resources quoted have an effective date of 28th February 2011 and key assumptions are detailed in the Tetra Tech IGR, December 2014.

List of Tenements

Project	Location	Tenement/Contract Number	Interest at Beginning of Quarter (%)	Interest at End of Quarter (%)
Zhilyanskoye	Aktobe, Aktobe Province, Kazakhstan	2891	95	95
Chelkarskoye (Chelkar)	Uralsk, West Kazakhstan Province, Kazakhstan	2889	95	95

Competent Persons’ and Responsibilities’ Statement

The information in this report in as much as that relates to the exploration activities of the Zhilyanskoye and Chelkar deposits has been completed and reviewed by Mr Jacky Chan, Vice-President Mining of the Company. Mr Chan is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and a member of the Australian Institute of Geoscientists (MAIG). Mr Chan has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (The JORC Code). Mr Chan consents to the inclusion in this report of the information in the form and context in which it appears.

Share Capital

There are currently 1,619,210,993 Kazakhstan Potash Corporation shares on issue. The following options in Kazakhstan Potash Corporation are currently on issue:

Expiry Date	Number of Options	Exercise Price
2 June 2019	39,000,000	\$0.20
19 April 2020	92,424,400	\$0.055
5 June 2020	60,000,000	\$0.10

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Relevant ASX Announcements for the March 2019 Quarter

Date	ASX Announcement
14/01/2019	Appointment of New Managing Director
14/01/2019	Director Appointment/Resignation
14/01/2019	Appointment of New Managing Director (amended)
14/01/2019	Director Appointment/Resignation (amended)
14/01/2019	Initial Director's Interest Notice
14/01/2019	Final Director's Interest Notice
31/01/2019	Quarterly Activities Report
31/01/2019	Quarterly Cashflow Report
20/02/2019	Change of Chairperson
21/02/2019	KPC to Exit DRC Projects
15/03/2019	Board Update
15/03/2019	Final Director's Interest Notice
15/03/2019	Initial Director's Interest Notice
18/03/2019	Proposed Rights Issue
19/03/2019	Proposed Rights Issue (amended)
25/03/2019	Appendix 3B
25/03/2019	Director Appointment/Resignation
25/03/2019	Initial Director's Interest Notice
29/03/2019	Cleansing Notice

FURTHER INFORMATION

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