

12 June 2020

ASX Announcement
September 2019 Quarterly Activities Report

Corporate

Director appointments and resignations

- On 5 July 2019, Madam Cheung was appointed as Executive Chairperson of the Company replacing Mr Liu Senlin.
- On 5 July 2019, Mr Yu Sun was appointed as a Director of the Company. Mr Sun has worked in financial services for major international financial institutions for 25 years and is an expert in the area of international financial business and international economic diplomacy. Mr Sun has extensive experience in investment banking. He used to serve as Director of Australia United Investment Corporation, Managing Director of UBS Group Wealth Management, Executive Director of the World Bank Urban Development Foundation and Vice President of Asian Development Investment Bank. Mr Sun holds a master's degree in finance and a doctorate in economics from the University of NSW.
- On 5 August 2019, Mr Dong Xie was appointed as a Director of the Company. Mr Xie is currently the CEO of Sinobioway Asset Management Company, and a founding partner of Sinobioway Capital. He assisted in funding more than USD200 million for Sinobioway Capital to invest in the world's unique fourth-generation antibody drug. He has over 30 years experience in the banking and finance industry. Since 2009, he has served as the vice president of the Asia Pacific Stock Exchange. He has held various senior positions at major Chinese banks. Mr Xie holds a bachelor degree in automation engineering from South China University in Guandong, an MBA from the University of Western Sydney and DBA from the University of South Australia.

Exploration and Development

Satimola Project

The Satimola Project is located approximately, 220 km north of the Ural River Port of Atyrau, and 70 km north of the town of Inderbor. The Sub soil Resources Use Contract (SSRUC) is held by Saltbor LLP (Satbor) a wholly owned subsidiary of KPC. Protracted negotiations with the former owners of Saltbor were finally concluded in 2018 (refer ASX announcement 16/11/ 2018 "KPC Takes control of Satimola Limited Board")

The SSRUC was granted on the 19th April 2004 for a term for 27 years. On the 5th February 2015 the Ministry of Investment and Infrastructure Development (MID) issued the company mining rights to the licence following successful completion of the exploration phase.

Due to weakening of the worldwide fertiliser market, the company applied to vary the project development plan to investigate more economical mining and processing method including solution

mining instead of shaft sinking. This engineering work is ongoing and the company hopes to present a revised feasibility study and Environmental Impact Statement to MID later in the year.

The company has a small camp facility on site which is currently under care and maintenance and it continues to meet its obligations under the SSRUC, including undertaking baseline environmental monitoring.

Zhilyanskoye Project

The Zhilyanskoye Project is located approximately 5-10 km south west of the regional centre of Aktobe in the western region of Kazakhstan. The project is ideally located with infrastructure including power (gas and electricity), water, road, rail services and labour are all accessible from Aktobe. The SSRUC is held in the name of Batys Kali SSP (Batys) a wholly owned subsidiary of KPC. The SSRUC for the project was granted on the 11 December 2008 for a term of 48 years. Negotiations with MID and the Aktobe regional government in relation to the boundaries of the licence are ongoing.

The company is currently in negotiations with the MID to execute the relevant agreements to transition the project from the exploration phase to mining.

During this time the company continues to fulfil its compliance obligations under the licence.

Chelkarskoye (Chelkar) Project

The Chelkar Project is located in north western Kazakhstan approximately 100 km south of the City of Uralsk and approximately 100 km north of the company's Satimola Project. The SSRUC is held by Batys and was issued on 11 December 2008 for a term of 51 years. The licence remains in the exploration phase with the company in negotiations with MID seeking the necessary agreements to extend the exploration phase. During this time the company continues to fulfil its compliance obligations under the licence.

Resources

Extensive resources of Potash including Sylvinite and Polyhalite ore types have been defined at both Satimola and Zhilyanskoye. The initial discovery and early exploration were completed government departments during the former Soviet Union. Since the grant of the SSRUC's the companies have completed additional drilling and test work in order to upgrade the resources to JORC 2012 reporting standards which were calculated by international resources consultancies Tetra Tech WEI Inc and SRK Consulting (Kazakhstan).

The resources for the two deposits are tabulated below

	Sylvinite		Polyhalite		Undefined	
	Tonnes	K₂O	Tonnes	K₂O	Tonnes	K₂O

	(Mt)	(%)	(Mt)	(%)	(Mt)	(%)
Cut off grade		10		5		10
Satimola (1)						
Indicated					3,100	16.2
Inferred					2,900	14.7
Zhilyanskoye (2)						
Indicated	66.0	19.24	769.4	8.1		
Inferred	54.7	17.86	214.3	7.32		
Totals	119.8	18.61	983.7	7.99	6,000	15.5

1 Refer ASX announcement 1/12/2014 "Satimola Geological Report" prepared by Tetra Tech. Key assumptions relating to the calculation are outlined in the announcement. No material additional work has been completed on the deposit that would change the calculations.

2 Refer Prospectus released to the ASX dated 28th January 2014. Key assumptions relating to the calculations detailed in the Independent Geologists Report included in the prospectus. No material additional work has been completed on the deposit that would change the calculations.

List of Tenements

Project	SSRUC Number	Ownership	Interest at beginning of Quarter	Interest at end of Quarter
Satimola	1391	Satbor LLP	74%	74%
Zhilyanskoye	2891	Bayts Kali LLP	95%	95%
Chelkarskoye	2889	Bayts Kali LLP	95%	95%

The remaining 5% interest in the Zhilyanskoye and Chelkarskoye projects licences is held by a Kazakhstan Government managed regional economic development fund.

Competent Person Statement

The information in this report in as much as it relates to the exploration activities on the projects has been compiled and reviewed by Mr James Guy. Mr Guy was employed by Fortis Mining Limited (now KPC) between 2011 and 2012 and was engaged as a consultant to the company between March 2012 and July 2015 and worked on the Zhilyanskoye and Chelkarskoye Deposits. Mr Guy is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Guy has sufficient experience in the style of mineralisation and deposit type 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 Guy gives consent to the inclusion of the information in the form and context in which it appears

Release authorised by:

Andrew Chan

Company Secretary