

Kore Potash Limited

ACN 108 066 422

SCHEME BOOKLET

For a scheme of arrangement between Kore Potash Limited and the holders of Shares in relation to the proposed re-domicile of the Kore Group in the United Kingdom and an explanatory statement and a Notice of General Meeting for a proposed share issue

VOTE IN FAVOUR

The Directors unanimously recommend that you VOTE IN FAVOUR of the Scheme.

The Independent Expert has also concluded that the Scheme is in the best interests of Shareholders.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

You should read it in its entirety before deciding whether or not to vote in favour of the Scheme.

If you are in any doubt about how to deal with this Scheme Booklet, you should contact your broker, financial adviser or legal adviser immediately.

Important notices

Purpose of this Scheme Booklet

The Company has announced the Proposed Transaction, which involves the proposed domicile of the Company in the United Kingdom. The Proposed Transaction is to be implemented through a members' scheme of arrangement between the Company and its Shareholders.

The purpose of this Scheme Booklet is to explain the terms of the Scheme, the manner in which the Scheme will be considered and implemented (if the Conditions Precedent are satisfied), and to provide the information as is prescribed or otherwise material for Shareholders when deciding whether or not to vote in favour of the Scheme. This Scheme Booklet includes the explanatory statement for the Scheme required by section 412(1) of the Corporations Act.

You should read this Scheme Booklet in its entirety before making a decision whether or not to vote in favour of the Scheme.

It also contains, in Section 10 and Annexure G, a Notice of General Meeting and accompanying explanatory statement for a proposed share issue by Kore Potash UK.

No investment advice

This Scheme Booklet does not take into account the investment objectives, financial situation, tax position or particular needs of any Shareholder or any other person. Accordingly, this Scheme Booklet should not be relied upon as the sole basis for any decision in relation to Shares, Kore Potash UK CDIs or any other securities. Independent advice should be sought before any such decision is made.

Role of ASIC and ASX

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2) of the Corporations Act and registered by ASIC in accordance with section 412(6) of the Corporations Act. The Company will request ASIC to provide a statement in accordance with section 411(17) of the Corporations Act stating that ASIC has no objection to the Scheme. If ASIC provides that statement it will be produced to the Court at the Second Court Hearing.

A copy of this Scheme Booklet has been lodged with ASX. Neither ASIC, ASX nor any of their Officers takes responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under section 411(1) of the Corporations Act

The fact that the Court has ordered that the Scheme Meeting be convened under section 411(1) of the Corporations Act and has approved this Scheme Booklet does not mean that the Court:

- has formed any view as to the merits of the Scheme or as to how Shareholders should vote at the Scheme Meeting (on this matter Shareholders must reach their own decision); or
- has prepared, or is responsible for, this Scheme Booklet.

Responsibility for information

BDO Corporate Finance (WA) Pty Ltd has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report.

Deloitte Tax Services Pty Ltd has prepared the "Taxation implications" in Section 7. Refer to the disclaimer and general use restriction in Section 7.2 for the basis on which this Section was prepared.

Disclaimer as to forward looking statements

This Scheme Booklet may include various statements about the future. Statements other than statements of historical fact may be forward looking statements. Shareholders should note that such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of the Company and Kore Potash UK. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward looking statement.

The statements contained within this Scheme Booklet reflect the views held at the date of this Scheme Booklet.

None of the Company or Kore Potash UK, the Officers of those companies or any person named in this Scheme Booklet with their consent or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any results, values, performance or achievements express or implied in any forward looking statement, except to the extent required by law. Shareholders should not place undue reliance on any such statements.

Estimates, targets and forecasts

Unless expressly stated otherwise, all references in this Scheme Booklet to estimates, targets and forecasts (and derivations of the same) are references to estimates, targets and forecasts by the Company or management (as applicable). Management estimates, targets and forecasts are based on views held only at the date of this Scheme Booklet.

Each of the Directors of the Company believes that the estimates, targets and forecasts in this Scheme Booklet that are attributable to it have been made on reasonable grounds and that the assumptions on which those estimates, targets and forecasts are based are reasonable.

Having said this, Shareholders are cautioned that the estimates, targets and forecasts are subject to a variety of factors that are likely to cause actual results to vary from them, and such variations may be material.

Ineligible Foreign Shareholders

No action has been taken to register or qualify Kore Potash UK CDIs or otherwise permit a public offering of such securities in any jurisdiction outside Australia.

Based on the information available to the Company as at the date of this Scheme Booklet, Shareholders whose addresses are shown in the Register on the Record Date for the Scheme as being in the following jurisdictions will be entitled to have Kore Potash UK CDIs issued to them pursuant to the Scheme subject to the qualifications, if any, set out below in respect of that jurisdiction:

- Australia;
- Chile, where there are less than 50 Shareholders;
- China, where the Shareholder is a (i) "qualified domestic institutional investor" or

(ii) sovereign wealth fund or quasi-government investment fund;

- the Democratic Republic of the Congo;
- the Republic of Congo;
- Mauritius;
- New Zealand;
- Oman;
- Seychelles;
- Singapore;
- South Africa;
- Switzerland;
- United States;
- United Kingdom; and
- any other jurisdiction in respect of which Kore Potash UK reasonably believes that it is not prohibited and not unduly onerous or impractical to implement the Scheme and to issue Kore Potash UK CDIs to a Shareholder with a registered address in such jurisdiction.

Ineligible Foreign Shareholders should refer to Sections 2.9 and 2.10 for further information.

Nominees and custodians

Nominees, custodians and other Shareholders who hold Shares on behalf of a beneficial owner should contact the Company to confirm whether they can forward this Scheme Booklet (or accompanying documents) to the beneficial owners.

Privacy

Personal information may be collected by the Company in the process of implementing the Scheme.

This information may include the name, contact details, security holding details of Shareholders, and the names of individuals appointed to act as proxy, attorney or corporate representative by a Shareholder at the Scheme Meeting. The primary purpose for collecting this personal information is to assist the Company to conduct the Scheme Meeting and implement the Scheme.

Any personal information collected may be disclosed to Kore Potash UK's and the Company's respective share registries, advisers, print and mail service providers and related bodies to the extent necessary to effect the Scheme.

Shareholders are entitled under section 173 of the Corporations Act to inspect and obtain copies of personal information collected. Shareholders should contact the Registry in the first instance if they wish to access their personal information.

Maps and diagrams

Any diagrams, charts, maps, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless expressly stated otherwise, all data contained in such diagrams, charts, maps, graphs or tables is based on information available at the date of this Scheme Booklet.

References to time

Unless expressly stated otherwise, all references in this Scheme Booklet to time relate to the time in Perth, Western Australia, Australia.

References to currency

Unless expressly stated otherwise, all references in this Scheme Booklet to:

- "\$", "A\$" or "AUD" are references to Australian currency;

- “£” are references to the currency of the United Kingdom; and
- “US\$” or “USD” are references to the currency of the United States.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding.

Accordingly, their actual calculation may differ from the calculations set out in this Scheme Booklet.

Defined terms

A number of defined terms are used in this Scheme Booklet, the meanings of which are set out in the glossary in Section 11 or elsewhere in this Scheme Booklet. Some of the documents reproduced in the Annexures to this Scheme Booklet each have their own defined terms which are sometimes different from those in the rest of this Scheme Booklet.

Date of Scheme Booklet

This Scheme Booklet is dated
21 September 2017.

Table of Contents

Overview of the Proposed Transaction	1
Summary of the reasons to vote in favour of, or against, the Scheme	1
Important dates	3
Letter from the Chairman of the Company	4
Action required by Shareholders	5
1 Directors' recommendation and matters relevant to your vote on the Scheme	7
2 Summary of the Scheme	14
3 Frequently asked questions	22
4 Profile of the Company	27
5 Profile of Kore Potash UK and the Kore Potash UK Merged Group	41
6 Risk factors	54
7 Taxation implications	62
8 Implementation of the Scheme	71
9 Additional information	77
10 Explanatory statement for the General Meeting	84
11 Glossary, definitions and interpretation	87
Annexure A – Independent Expert's Report	94
Annexure B – Comparison of Australian and United Kingdom legal regimes	134
Annexure C – Summary of CDIs	153
Annexure D – Scheme of Arrangement	157
Annexure E – Deed Poll	177
Annexure F – Notice of Scheme Meeting	189
Annexure G – Notice of General Meeting	193
Corporate Directory	197

Overview of the Proposed Transaction

- A transaction to re-domicile the Kore Group in the United Kingdom
- Kore Potash plc (**Kore Potash UK**) (a new company incorporated in accordance with the laws of England and Wales) will become the new parent company of the Kore Group
- Kore Potash UK to list on ASX and consider a proposed listing on AIM
- Proposed re-domicile will be implemented by a scheme of arrangement pursuant to which your Shares in Kore Potash Limited will be exchanged for shares in Kore Potash UK (held in the form of CHESS Depositary Interests (**CDIs**))

Summary of the reasons to vote in favour of, or against, the Scheme

This section is a summary only. Further details of the reasons why you should vote in favour of, or against, the Scheme are set out in Section 1 of this Scheme Booklet.

1 Reasons to vote in favour of the Scheme

- The Kore Group will re-domicile in the United Kingdom, the first step in a strategic move to position the Kore Group in the European, Middle Eastern and African region (**EMEA**) to better reflect the location of its assets and the growing international focus of its shareholder base
- The potential to improve the Kore Group's capital raising ability through a proposed AIM listing and/or geographic proximity to larger and more diverse equity markets
- The potential for the Kore Potash UK Merged Group's investments in the Republic of Congo to have the benefit of strengthened legal protection offered by the bilateral investment treaty between the United Kingdom and the Republic of Congo, where the Company's assets are located (**UK-Congo BIT**)
- Shareholders, Optionholders and Performance Right Holders will retain their existing exposure to the Company's assets through receiving 'replacement' securities in Kore Potash UK
- The Independent Expert has concluded that the Scheme is in the best interests of Shareholders
- All of the Directors have unanimously recommended that you vote in favour of the Scheme

2 Possible reasons not to vote in favour of the Scheme

- You may not agree with the recommendations made by the Independent Expert and the Directors
- Costs of implementing the re-domiciliation, albeit mostly incurred
- Changing to a new jurisdiction and the differences in shareholders' rights and obligations as a shareholder (or an optionholder or performance right holder who may become a shareholder) of a United Kingdom domiciled company
- There may be individual taxation consequences for Shareholders if the Scheme is implemented
- Although the merger ratio is fixed at one Kore Potash UK CDI for each Scheme Share, the exact value of the Scheme Consideration is not certain and will depend on the price at which Kore Potash UK CDIs trade on ASX after the Implementation Date
- Certain Shareholders may be forced to dispose of their Shares in exchange for cash in lieu of Kore Potash UK CDIs

Important dates

Date of this Scheme Booklet	21 September 2017
Latest date and time for receipt of proxy forms or powers of attorney for the Scheme Meeting and General Meeting	Scheme Meeting 11.00am (Perth time) on 25 October 2017 General Meeting 11.30am (Perth time) on 25 October 2017
Time and date for determining eligibility to vote at the Scheme Meeting and General Meeting	Scheme Meeting 7.00pm (Sydney time) on 25 October 2017 General Meeting 7.00pm (Sydney time) on 25 October 2017
Scheme Meeting and General Meeting to be held at Level 6, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia 6000	Scheme Meeting 11.00am (Perth time) on 27 October 2017 General Meeting 11.30am (Perth time) on 27 October 2017
If the Scheme is agreed to by Shareholders	
Second Court Date for approval of the Scheme	6 November 2017
Effective Date	
Court order lodged with ASIC and announcement to ASX	
Last day of trading in Shares – Shares suspended from trading on ASX from close of trading on ASX	6 November 2017
Record Date for Scheme Consideration	7.00pm (Sydney time) on 13 November 2017
Implementation Date	
Issue of Scheme Consideration to Scheme Participants	20 November 2017

All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court and any other Governmental Agency. Any changes to the above timetable (which may include an earlier or later date for the Second Court Hearing) will be announced through ASX and notified on the Company's website at www.korepotash.com.

All references to time in this Scheme Booklet are references to Perth time unless otherwise stated. Any obligation to do an act by a specified time in an Australian time zone must be done at the corresponding time in any other jurisdiction.

Letter from the Chairman of the Company

21 September 2017

Dear Shareholder,

As a shareholder of Kore Potash Limited, you will be aware that the Company has recently announced an intention to re-domicile the Kore Group in the United Kingdom by putting in place a new parent company incorporated under the laws of England and Wales. The Kore Group will retain its ASX listing through that new parent company. The Company is also advanced in its preparation for a listing on AIM (although as it has not yet made an application, there is no guarantee that this will proceed).

We believe that the re-domiciliation of the Kore Group in the United Kingdom has several benefits including better access to additional capital markets, potentially enhanced legal protection through the bilateral investment treaty between the United Kingdom and the Republic of Congo, and the potential for an additional public market listing of securities to attract a broader investor base. These benefits are summarised in more detail on pages 7 to 10 of this Scheme Booklet. The Independent Expert appointed by the Board has agreed with our assessment and has formed the view that the Proposed Transaction is in the best interests of Shareholders. The full report is attached as Annexure A to this Scheme Booklet.

While we believe that the benefits of the re-domiciliation of the Kore Group are significant and will produce long term benefits for Shareholders, we also recognise that there are some potential disadvantages (including the implementation cost of the Proposed Transaction, which has largely been incurred, that the re-domicile results in a change to a new jurisdiction that Shareholders may not be familiar with and that certain Ineligible Foreign Shareholders may be forced to dispose of their Shares for cash as part of the Scheme) which are described in detail on pages 10 to 11 of this Scheme Booklet.

This Scheme Booklet sets out our rationale for the Proposed Transaction, how it will be implemented and other important issues such as the potential taxation consequences and the nature of the change in the legal entity in which you have an investment.

Please read this Scheme Booklet carefully as it contains important information in relation to the Scheme, including the reasons for your directors' recommendation and the Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd.

Your vote is important regardless of how many Shares you own. If you are unable to attend the Scheme Meeting in person, I encourage you to vote by completing your personalised proxy forms which are enclosed with this Scheme Booklet, and returning them in accordance with the directions on those forms so that they are received by no later than 11.00am (Perth time) on 25 October 2017. If you are in any doubt as to what actions you should take, please consult your professional advisor without delay.

Yours sincerely

David Hathorn

Chairman
Kore Potash Limited

Action required by Shareholders

1 Your vote is important

Every Shareholder is urged to vote, regardless of the size of your shareholding.

For the Scheme to proceed, it is necessary that sufficient Shareholders vote in favour of the Scheme. If you are registered as a Shareholder at 7.00pm (Sydney time) on 25 October 2017, you will be entitled to vote on the Scheme Resolution.

2 Carefully read this Scheme Booklet

This Scheme Booklet is an important document and you should read it carefully and in its entirety (including the reasons to vote in favour of the Scheme and the reasons not to vote in favour of the Scheme as set out in Section 1) before making any decision on how to vote on the Scheme Resolution.

There are answers to questions you may have about the Scheme in the “Frequently asked questions” in Section 3.

3 Notice of Scheme Meeting

The Scheme will be voted on by Shareholders at the Scheme Meeting to be held at Level 6, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia on 27 October 2017, commencing at 11.00am (Perth time).

The Notice of Scheme Meeting is contained in Annexure F to this Scheme Booklet.

4 How to vote at the Scheme Meeting

You may vote on the Scheme by attending the Scheme Meeting in person, or by proxy, attorney or, in the case of a corporation which is a Shareholder, by corporate representative.

Further information on the method of voting is contained in the Notice of Scheme Meeting contained in Annexure F.

The Scheme will not proceed unless the Scheme is approved by Shareholders.

A reply paid envelope is enclosed for Shareholders who wish to post back their Proxy Form (Scheme Meeting).

Voting in person

To vote in person at the Scheme Meeting, you must attend the Scheme Meeting. A Shareholder who wishes to attend and vote in person will be admitted to the Scheme Meeting and given a voting card at the point of entry to the meeting on disclosing their name and address.

Voting if you are not attending the Scheme Meeting

To appoint a proxy to vote on your behalf in respect of the Scheme, you must vote online or complete the enclosed personalised Proxy Form (Scheme Meeting) in accordance with the instructions and return it in the reply paid envelope enclosed or by facsimile.

If your proxy is signed by an attorney, please also enclose the authority under which the proxy is signed (or a certified copy of the authority).

Proxy Forms and powers of attorney for the Scheme Meeting must be received by the Registry (whether in person, by mail or facsimile) by no later than 11.00am (Perth time) on 25 October 2017 (or if the Scheme Meeting is adjourned, at least 48 hours before the resumption of the Scheme Meeting). Proxy Forms and powers of attorney for the Scheme Meeting received after this time will not be effective.

Information setting out how you may vote by appointment of a proxy or attorney is contained in the Notice of Scheme Meeting.

5 Voting entitlement at the Scheme Meeting

Each Shareholder who is registered on the Register at 7.00pm (Sydney time) on 25 October 2017 is entitled to attend and vote at the Scheme Meeting, in person or by proxy or attorney or, in the case of a corporation which is a Shareholder, by its representative appointed in accordance with the Corporations Act. Accordingly, registrable transmission applications or transfers registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

Voting is not compulsory.

In the case of Shares held by joint holders, only one of the joint shareholders is entitled to vote. If more than one shareholder votes in respect of jointly held Shares, only the vote of the Shareholder whose name appears first in the Register will be counted.

6 Voting at the General Meeting

Refer to Annexure G of this Scheme Booklet.

1 Directors' recommendation and matters relevant to your vote on the Scheme

1.1 The Directors unanimously recommend you vote in favour of the Scheme

The Board considers the re-domicile and the Scheme to be in the best interests of Shareholders. The Directors unanimously recommend that Shareholders vote in favour of the Scheme at the Scheme Meeting.

Each Director who holds or controls Shares intends to vote in favour of the Scheme.

In making their recommendation and determining how to vote on the Scheme, the Directors have considered the advantages and disadvantages of the Scheme and, in particular, the following:

- the reasons for Shareholders to vote in favour of the Scheme, as set out in Section 1.2;
- the potential disadvantages of the Scheme set out in Section 1.3;
- the risks associated with the Company's existing business, the risks relating to holding Kore Potash UK CDIs and implementation risks that are specific to the Scheme and the Proposed Transaction, as set out in Section 6; and
- the Independent Expert's Report, which is attached as Annexure A.

The advantages, disadvantages and risks of the Scheme may affect Shareholders in different ways depending on their individual circumstances.

In considering whether to vote in favour of, or against, the Scheme the Directors encourage you to:

- read the whole of this Scheme Booklet (including the risks outlined in Section 6 and the Independent Expert's Report in Annexure A);
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- obtain financial advice from your broker or financial adviser on the Scheme, and obtain taxation advice on the effect of the Scheme becoming Effective, which takes into account your particular circumstances;
- consider current trading prices of Shares on the ASX; and
- consider the potential trading price of Shares if the Scheme is not approved by Shareholders and the Scheme is not subsequently implemented.

The interests of the Directors are disclosed in Sections 9.1 to 9.3 of this Scheme Booklet.

1.2 Why you should vote in favour of the Scheme

-
- | | |
|---|--|
| 1 | The Kore Group will re-domicile in the United Kingdom, the first step in a strategic move to position the Kore Group in the EMEA region to better reflect the location of its assets and the growing international focus of its shareholder base |
| 2 | The potential to improve the Kore Group's capital raising ability through a proposed AIM listing and/or geographic proximity to larger and more diverse equity markets |
-

3	The potential for the Kore Potash UK Merged Group's investments in the Republic of Congo to have the benefit of strengthened legal protection offered by the bilateral investment treaty between the United Kingdom and the Republic of Congo, where the Company's assets are located
4	Shareholders, Optionholders and Performance Right Holders will retain their existing exposure to the Company's assets through receiving 'replacement' securities in Kore Potash UK
5	The Independent Expert has concluded that the Scheme is in the best interests of Shareholders
6	All of the Directors have unanimously recommended that you vote in favour of the Scheme

(a) **The Kore Group will re-domicile in the United Kingdom, the first step in a strategic move to position the Kore Group in the EMEA region to better reflect the location of its assets and the growing international focus of its shareholder base**

The focus of the Kore Group has become increasingly international, with a large portion of its Shareholders, by shareholding, residing outside Australia. The recent strategic investment by two large non-Australian investors in the Company demonstrates the Kore Group's increasing international investor focus.

The change of domicile will also allow the Kore Group to better position itself in the EMEA region where there is a strong understanding of large scale projects and, specifically, large scale African projects. In addition, this is where the possible construction debt financing for the development of the Kola Project is likely to be driven from and the Kore Group's consortium of engineers and construction companies are based.

The re-domicile is expected to provide an opportunity for the Kore Group to develop an enhanced profile and investor interest internationally, especially in the UK and the larger EMEA region financial centres. The Board believes that there is greater appetite for larger scale investments in EMEA than in Australia and by re-domiciling in the UK, the Company may have improved access to capital markets and greater flexibility for future capital raisings.

(b) **The potential to improve the Kore Group's capital raising ability through a proposed AIM listing and/or geographic proximity to larger and more diverse equity markets**

The future growth and development of the Kore Group, particularly the potential future development and construction of the Kola Project, will require access to deeper and more diverse pools of equity capital which may be more readily available in the UK and key financial centres in EMEA.

A re-domicile in the UK and a potential AIM listing would increase the attractiveness of the Kore Group to an equity market with a historically stronger interest in African mining projects and has previously provided substantial equity financing for junior mining companies with development projects in Africa. It would also make the Kore Group more attractive to large UK-based institutional investors and pooled funds that tend to be focused on UK based and/or UK-listed companies.

Given Kore Potash UK has not yet made an application to list on AIM, there can be no guarantee that this will occur (refer to Section 6.4(i) for further details regarding this risk). However, the Board believes a move to the United Kingdom itself would have sufficient benefits to warrant doing so.

(c) **The potential for the Kore Potash UK Merged Group's investments in the Republic of Congo to have the benefit of strengthened legal protection offered by the bilateral investment treaty between the United Kingdom and the Republic of Congo, where the Company's assets are located**

The UK-Congo BIT protects foreign investments of nationals and companies of each of the UK and Republic of Congo in the other country from conduct in breach of the treaty by that country, such as appropriation without compensation, discrimination or treatment that is not fair and equitable. It also allows nationals and companies to bring claims directly against either the UK or the Republic of Congo as appropriate for breach of the treaty to the International Centre for the Settlement of Investment Disputes (ICSID) instead of local courts. The ICSID is one of five institutions that make up the World Bank.

The Board believes that following the Scheme becoming effective, Kore Potash UK's investments in the Republic of Congo may have the benefit of protection of the UK-Congo BIT against conduct in breach of the treaty by the Republic of Congo. The Company currently does not have the protection of such a treaty as there is no similar treaty in place between Australia and the Republic of Congo.

Although the signed Mining Convention, which will rank as special law in the Republic of Congo (following ratification by Parliament in the Republic of Congo), allows for disputes arising from or in relation to the convention to be settled through ICSID arbitration (or in accordance with the arbitration rules of the International Chamber of Commerce if ICSID declines jurisdiction or refuses to hear the dispute for any reason), the Board believes that it will be beneficial to the Kore Group to have the protection afforded by the substantive rights under the UK-Congo BIT.

There is uncertainty as to whether the UK-Congo BIT will apply to indirect investments of Kore Potash UK. Accordingly, it is currently intended that within 12 to 18 months following the Scheme becoming effective, the Company will transfer its shares in Sintoukola Potash to Kore Potash UK as the Board believes that this will reduce any uncertainty as to the availability of the treaty. The Board believes that, following such transfer, the direct holding of the shares in Sintoukola Potash by Kore Potash UK will be considered an investment for the purposes of the treaty. The Board also believes that, whilst Sintoukola Potash's assets and investments in the Republic of Congo may also be considered to be an investment of Kore Potash UK for the purposes of the treaty, once the shares in Sintoukola Potash have transferred from the Company to Kore Potash UK, Sintoukola Potash should itself benefit from the treaty and be able to bring claims in its own right in relation to its investments and assets in the Republic of Congo.

(d) **Shareholders, Optionholders and Performance Right Holders will retain their existing exposure to the Company's assets through receiving 'replacement' securities in Kore Potash UK**

If the Scheme is implemented, Shareholders (other than Ineligible Foreign Shareholders), Optionholders and Performance Right Holders will become holders of CDIs, options and performance rights (respectively) in Kore Potash UK. Kore Potash UK will seek to have its CDIs listed on the ASX and Shareholders will have continued exposure to the Company's assets and be able to participate in the advantages described above.

(e) **The Independent Expert has concluded that the Scheme is in the best interests of Shareholders**

BDO Corporate Finance (WA) Pty Ltd was engaged by the Board as the Independent Expert to assess whether the Scheme is in the best interests of Shareholders.

Overall, the Independent Expert has concluded that the Scheme is in the best interests of Shareholders.

In reaching this view, the Independent Expert has concluded that the advantages of approving the Scheme outweigh the disadvantages and therefore the Scheme is in the best interests of Shareholders.

In particular, the Independent Expert considered:

- the advantages and disadvantages of the Scheme;
- other factors which it considered to be relevant to Shareholders in their assessment of the Scheme (including the impact on investment portfolios and ASIC risk preferences, foreign exchange implications and liquidity of Kore Potash UK CDIs); and
- the position of Shareholders should the Scheme not proceed.

The Independent Expert's Report is contained in Annexure A to this Scheme Booklet, and Shareholders are encouraged to read the report in full.

(f) **All of the Directors have unanimously recommended that you vote in favour of the Scheme**

The Directors have considered the Proposed Transaction with Kore Potash UK and have unanimously recommended that Shareholders vote in favour of the Scheme. All of the Directors have formed their conclusion and made their recommendation based on the matters outlined in this Section. The Directors have additionally had regard to the risks associated with the Scheme which are further outlined in Section 6.

Each Director who holds or controls Shares intends to vote those Shares in favour of the Scheme.

1.3 Potential disadvantages or risks associated with the Scheme

The Scheme has a number of potential disadvantages and risks that Shareholders should consider in deciding whether or not to vote in favour of the Scheme.

While the Board is of the opinion that these disadvantages and risks are outweighed by the Scheme's advantages, and that the Scheme is in the best interests of Shareholders, Shareholders should consider their individual circumstances in determining how to vote in relation to the Scheme.

(a) **You may not agree with the recommendations by the Independent Expert and the Directors**

Notwithstanding the unanimous recommendation by the Directors, and the conclusion of the Independent Expert that the Scheme is in the best interests of the Company shareholders, you may believe that the Scheme is not in your best interests.

In this regard, you should be aware that the Independent Expert concluded that the advantages of approving the Scheme outweigh the disadvantages and therefore the Scheme is in the best interests of Shareholders.

(b) **Costs of implementing the re-domiciliation, albeit mostly incurred**

The Company estimates the cost of implementing the re-domiciliation as being between A\$571,250 and A\$665,000. These are one-off costs that have mostly already been incurred by the Company.

Further, listing on AIM, which Kore Potash UK proposes to pursue, will require compliance with the AIM Rules that will result in additional costs to Kore Potash UK.

(c) **Changing to a new jurisdiction and the differences in shareholders' rights and obligations as a shareholder (or an optionholder or performance right holder who may become a shareholder) of a United Kingdom domiciled company**

On implementation of the Scheme, Shareholders (other than Ineligible Foreign Shareholders) will become holders of Kore Potash UK CDIs. Kore Potash UK, as a company incorporated in England and Wales, will not be subject to the provisions of the Corporations

Act to which the Company is currently subject to. The rights of Kore Potash UK shareholders will be primarily governed by the laws of the United Kingdom and the Kore Potash UK Articles. Kore Potash UK will also be bound by the ASX Listing Rules if ASX grants permission for Kore Potash UK CDIs to be quoted on ASX. As a result of this, current Shareholders may consider that they do not wish to become a shareholder of a United Kingdom domiciled company and would prefer to remain as a shareholder of an Australian company.

Currently, Australian-resident Shareholders wishing to take action to enforce the provisions of the Company's Constitution or securities laws applicable to the Company may take action in Australian courts, applying Australian law. After the implementation of the Scheme, such actions in respect of Kore Potash UK will be determined in accordance with the laws of England and Wales. An Australian shareholder will be entitled to seek enforcement of applicable laws in the same manner as a United Kingdom shareholder.

Some Shareholders may not be familiar with the relevant legislation and laws to which Kore Potash UK will be subject to and should refer to Section 1.4(c) and Annexure B of this Scheme Booklet for further information.

(d) **There may be individual taxation consequences for Shareholders if the Scheme is implemented**

Implementation of the Scheme may trigger tax consequences for Shareholders but this will depend on your individual circumstances. Broadly, it is expected that each Australian-resident Shareholder should be able to defer recognition of any capital gain made on disposal or cancellation of their Shares until such time as the relevant replacement interest is disposed.

Kore Potash is seeking a class ruling from the ATO that covers the application of Capital Gains Tax (CGT) roll-over relief provisions to certain Eligible Scheme Participants.

Each Shareholder should consider obtaining professional advice in relation to the tax implications of the Scheme for their individual circumstances.

Section 7 sets out further details about the tax implications of the Scheme.

(e) **Although the merger ratio is fixed at one Kore Potash UK CDI for each Scheme Share, the exact value of the Scheme Consideration is not certain and will depend on the price at which Kore Potash UK CDIs trade on ASX after the Implementation Date**

Under the terms of the Proposed Transaction, Shareholders on the Register as at the Record Date will receive one Kore Potash UK CDI for each Share they hold. The exact value of this Scheme Consideration that would be realised by individual Shareholders will depend on the price at which Kore Potash UK CDIs trade on ASX after the Implementation Date.

In addition, Kore Potash UK will procure that the Sale Facility Agent sells all Kore Potash UK CDIs issued to the Sale Facility Agent in accordance with the Scheme. Although the quantum of these sales is expected to be limited, it is possible that such sales may exert downward pressure on the price of Kore Potash UK CDIs during the applicable period. See Section 2.10 for further information.

(f) **Certain Shareholders may be forced to dispose of their Shares in exchange for cash in lieu of Kore Potash UK CDIs**

Shareholders that are considered to be Ineligible Foreign Shareholders will not be able to receive Kore Potash UK CDIs and will instead receive cash realised on their behalf by the Sale Facility Agent in respect of those Kore Potash UK CDIs. For details regarding Ineligible Foreign Shareholders and the sale facility to be operated by or on behalf of the Sale Facility Agent, refer to Sections 2.9 and 2.10.

1.4 Other relevant considerations

(a) Implications for the Company if the Proposed Transaction is not implemented

In the event that Shareholders do not approve the Scheme or all outstanding conditions are not satisfied or waived, the Scheme will not proceed. In that case, Shareholders will retain their interests in the Company which will continue to operate as a separate entity and its Shares will remain listed on the ASX. If the Scheme does not become Effective, the more material consequences are:

- the benefits expected to arise from the Proposed Transaction, as summarised in Section 1.2, will not be obtained;
- the re-domicile will not take effect; and
- the cost incurred in the connection with presenting the Proposed Transaction to Shareholders will have been incurred.

(b) The Proposed Transaction may be implemented even if you do not vote, or vote against, the Scheme

You should be aware that even if you do not vote, or you vote against the Scheme, the Scheme may still be implemented if it is approved by the requisite majority of Shareholders and by the Court and the remaining Conditions Precedent are satisfied or waived.

If this occurs and you are a Shareholder, your Shares will be transferred to Kore Potash UK and you will receive Kore Potash UK CDIs (unless you are an Ineligible Foreign Shareholder, in which case you should refer to Sections 2.9 and 2.10) even though you did not vote on, or voted against, the Scheme.

(c) Differences between Australian and UK securities law

As Kore Potash UK is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by United Kingdom company law (including the UK Companies Act), the laws applicable in England and Wales generally and, if Kore Potash UK becomes listed on AIM, a team from the London Stock Exchange known as "AIM Regulation" and the Financial Conduct Authority. Unless and until Kore Potash UK becomes listed on AIM, it will not be regulated by any specific corporate regulator.

Some of the differences between the Australian and UK companies and securities law could be viewed as advantageous to Shareholders, while others could be viewed as disadvantageous.

For example, the Company, as an Australian listed company, is subject to the takeover provisions of the Corporations Act that are designed to protect minority shareholders on a change of control and to restrict the Board's ability to take defensive steps that could impact competition for control of the Company. The Australian takeovers provisions restrict the acquisition of over 20% of the voting power in a company unless the acquisition occurs under a takeover or scheme of arrangement, and falls within a relevant exemption or is approved by unassociated shareholders. Whilst the laws of England and Wales provide a not dissimilar takeover regime, the relevant threshold is 30%.

A comparison of the rights attaching to shares in Australian and United Kingdom companies and the significance of these differences for Shareholders is set out in Annexure B.

In addition, as a result of the implementation of the Proposed Transaction:

- the Kore Group will no longer report under the Australian International Financial Reporting Standards;
- Kore Potash UK will hold its shareholder meetings in England, with these meetings to be webcast for Australian and other overseas investors; and

- Kore Potash UK will have its CDIs traded on the ASX rather than ordinary shares. Annexure C sets out a summary of the rights attaching to CDIs.

2 Summary of the Scheme

2.1 Background

On 31 August 2017, the Company announced a proposal to re-domicile the Kore Group in the United Kingdom by way of a scheme of arrangement between the Company and its Shareholders, involving Kore Potash UK as the proposed acquirer and new holding company for the Kore Group. Accordingly, if the Scheme proceeds:

- all Shares will be transferred to Kore Potash UK;
- all Shareholders as at the Record Date (whether or not they voted for or against the Scheme), other than Ineligible Foreign Shareholders, will receive the Scheme Consideration, being Kore Potash UK CDIs; and
- the Company will be de-listed from ASX and will become a wholly-owned subsidiary of Kore Potash UK.

In connection with the Scheme, Kore Potash UK will list on ASX. Accordingly, Kore Potash UK CDI holders will be able to trade their CDIs on ASX.

This Scheme Booklet contains important information that the Board believes Shareholders should consider in deciding whether or not to vote in favour of the Scheme.

2.2 What you will receive

If the Scheme is approved and implemented, Shareholders (other than Ineligible Foreign Shareholders) will receive one Kore Potash UK Share (to be initially held in the form of a Kore Potash UK CDI) for every Share they hold as at the Record Date.

Written confirmation of your holding of Kore Potash UK CDIs is expected to be despatched to you within five Business Days after the Implementation Date.

Ineligible Foreign Shareholders should refer to Section 2.10 for further details about the consideration they will receive.

2.3 CHESS Depositary Interests

CDIs are instruments used to enable securities of foreign companies, such as Kore Potash UK, to be traded on the ASX and settled in CHESS.

Kore Potash UK CDI holders will obtain all the economic benefits of actual ownership of Kore Potash UK Shares. Kore Potash UK CDIs will confer the beneficial interest in Kore Potash UK Shares on the holders whilst the legal title to Kore Potash UK shares will be held by CHESS Depositary Nominees Pty Ltd, a wholly owned subsidiary of ASX Limited.

CDIs can be converted into Kore Potash UK Shares and vice versa on a one for one basis at any time following the Implementation Date.

Annexure C to this Scheme Booklet provides a further description of the rights and entitlements attaching to CDIs generally, including in relation to voting.

2.4 Conditions of the Scheme

The Scheme is subject to a number of Conditions Precedent, including:

- **(Shareholder approval)** the Scheme Resolution being approved, which requires:
 - a majority in number of Shareholders who vote on the Scheme Resolution; and
 - at least 75% of the votes cast on the Scheme Resolution;

- **(Court approval and order lodgement)** the Court approving the Scheme and an office copy of the Court orders approving the Scheme being lodged with ASIC;
- **(No prohibitive orders)** no judicial or government agency taking and not withdrawing any action or imposing any restraint to prevent implementation of the Scheme;
- **(Regulatory approvals)** all approvals, consents and waivers required to implement the Scheme (other than Court and Shareholder approval) are obtained or deemed to have been obtained;
- **(ASX listing)** the ASX approving:
 - Kore Potash UK for admission to the official list of the ASX; and
 - the Kore Potash UK CDIs for official quotation by the ASX;
- **(Ability to issue CDIs)** Kore Potash UK having done everything necessary to enable it to issue the Kore Potash UK CDIs;
- **(Independent Expert)** the Independent Expert concluding the Scheme is in the best interests of Shareholders and not changing its conclusion or withdrawing its report;
- **(Convertible Securities)** binding agreements are executed to give effect to the cancellation and replacement of the Convertible Securities; and
- **(Investment agreements)** the novation, to Kore Potash UK, of the investment agreements that the Company currently has with each of SGRF and SQM, the two largest Shareholders in the Company, on terms acceptable to the Company and Kore Potash UK and not more materially advantageous to those existing Shareholders than their current respective investment agreements.

The above list is a summary of the Conditions Precedent, the complete terms of which are set out in Schedule 1 of the Scheme Implementation Agreement.

The Scheme will not proceed unless all the conditions are satisfied or waived in accordance with the Scheme Implementation Agreement. The ASX listing condition is not capable of being waived meaning that the Scheme will only proceed where ASX has approved Kore Potash UK's admission to the official list of ASX. Further information regarding these conditions and other conditions to the Scheme are set out in Section 8.2.

As at the date of this Scheme Booklet, the Company and Kore Potash UK are not aware of any circumstances which would cause the conditions of the Scheme referred to above and set out in more detail in Section 8.2 not to be satisfied.

2.5 If the Scheme does not proceed

If the Scheme does not proceed, Shareholders will continue to hold Shares in the Company and the Shares will remain listed on the ASX.

The Company will also be liable to pay certain transaction costs in relation to the Scheme, regardless of whether or not the Scheme is implemented. If the Scheme does proceed, additional costs will be incurred.

2.6 Listing of Kore Potash UK on ASX and AIM

(a) ASX

An application will be made for admission of Kore Potash UK to the official list of the ASX and for quotation of the Kore Potash UK CDIs within 7 days of the date of this Scheme Booklet. Approval of the listing is a condition to implementation of the Scheme.

It is expected that, provided ASX grants approval for the listing and quotation, that Kore Potash UK CDIs will commence trading on a deferred settlement basis on the Business Day after the Effective Date for the Scheme.

(b) **AIM**

As previously announced and to maximise the benefits of the re-domicile, Kore Potash UK intends to seek admission to have its shares traded on AIM. Whilst there is no guarantee that admission will occur (refer to Section 6.4(i) for further details regarding this), the Company is advanced in its preparation and expects a listing (should one proceed) to occur within 4 months of the date of this Scheme Booklet. If this listing does occur, Shareholders will have the option of trading Kore Potash UK CDIs on ASX in Australia or, after converting Kore Potash UK CDIs into Kore Potash UK Shares, trading Kore Potash UK Shares on AIM in the UK.

Section 10 and Annexure G of this Scheme Booklet contain a Notice of General Meeting and explanatory statement which seeks approval for a potential issue of shares by Kore Potash UK in connection with any AIM listing.

Even if an AIM listing does not occur, the Board believes a move to the United Kingdom itself would have sufficient benefits to warrant doing so.

2.7 No brokerage or stamp duty

No brokerage or stamp duty will be payable by Scheme Participants on the transfer of their Scheme Shares to Kore Potash UK under the Scheme or the issue by Kore Potash UK to them of Kore Potash UK CDIs as the Scheme Consideration.

2.8 Warranties by Shareholders

The Scheme provides that each Scheme Participant is taken to have warranted to the Company, and appointed and authorised the Company as its attorney and agent to warrant to Kore Potash UK, that all their Shares (including any rights and entitlements attaching to those Shares) which are transferred under the Scheme will be fully paid and transferred free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise, and that they have full power and capacity to sell and to transfer their Shares (including any rights and entitlements attaching to those Shares) to Kore Potash UK under the Scheme.

If you have any concerns about your ability to give this warranty, you should speak to your professional adviser.

2.9 Ineligible Foreign Shareholders

An "**Ineligible Foreign Shareholder**" is a Scheme Participant whose address shown in the Register on the Record Date is in a jurisdiction other than Australia, Chile (where there are less than 50 Shareholders), China (where the Shareholder is a (i) "qualified domestic institutional investor" or (ii) sovereign wealth fund or quasi-government investment fund), the Democratic Republic of the Congo, the Republic of Congo, Mauritius, New Zealand, Oman, Seychelles, Singapore, South Africa, Switzerland, the United States, the United Kingdom or any other jurisdiction in respect of which Kore Potash UK reasonably believes that it is not prohibited and not unduly onerous or impractical to implement the Scheme and to issue Kore Potash UK CDIs to a Shareholder with a registered address in such jurisdiction.

Kore Potash UK is not obliged to issue Kore Potash UK CDIs to an Ineligible Foreign Shareholder. The Kore Potash UK CDIs that would otherwise have been issued to an Ineligible Foreign Shareholder will be issued to the Sale Facility Agent (and/or to a nominee of the Sale Facility Agent) on the Implementation Date and dealt with in the manner described in Section 2.10.

This Scheme Booklet and the Scheme do not constitute an offer of securities in any jurisdiction in which it would be unlawful. This Scheme Booklet may not be distributed, and Kore Potash UK Shares and Kore Potash UK CDIs may not be offered outside Australia except to the extent provided below.

(a) **Chile**

The starting date of the offer will be 21 September 2017, and this offer conforms to General Ruling N° 336 of the Chilean Securities and Insurance Superintendence (**SVS**).

The offer deals with securities not registered in the Registry of Securities or in the Registry of Foreign Securities of the SVS, and therefore such securities are not subject to its oversight.

The Company is not obligated to provide public information in Chile regarding the foreign securities since such securities are not registered with the SVS.

The foreign securities shall not be subject to a public offering as long as they are not registered with the corresponding registry of securities in Chile.

(b) **China**

The information in this Scheme Booklet does not constitute a public offer of Kore Potash UK CDIs, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). Kore Potash UK CDIs may not be offered or sold directly or indirectly in the People's Republic of China to legal or natural persons other than directly to "qualified domestic institutional investors", sovereign wealth funds and quasi-government investment funds.

(c) **Democratic Republic of the Congo**

This Scheme Booklet was prepared in compliance with Australian law. The Kore Potash UK CDIs are exclusively offered to existing shareholders of the Company with registered addresses in the Democratic Republic of the Congo under the exemption provided for in Article 81-1 of the OHADA Uniform Act on Commercial Companies and Economic Interest Groups.

(d) **Republic of Congo**

This Scheme Booklet may not be used for the purpose of an offer to, or a solicitation by, anyone in any State of the Economic and Monetary Community of Central Africa (**CEMAC**) jurisdiction. By receiving this Scheme Booklet, the person or entity to whom it has been issued understands, acknowledges and agrees that the offer of securities has not been approved, disapproved or passed on in any way by the Central African Financial Market Supervisory Commission (**COSUMAF**), the Ministry of Finance of the Republic of Congo and by the Central Bank of the Economic and Monetary Community of Central Africa (**BEAC**) or any other authority in the Republic of Congo. The securities are not listed in a CEMAC Stock Exchange. No services relating to the securities, including the market or sale of securities, the receipt of applications and/or the allotment or redemption of securities, have been or will be rendered within the CEMAC territory. Nothing contained in this Scheme Booklet is intended to constitute investment, legal, tax, accounting or other professional advice. No offer, invitation, solicitation or marketing to subscribe for securities or sale of securities in has been or will be rendered in, or to any persons in, the Republic of Congo.

This Scheme Booklet was prepared in compliance with Australian law. The Kore Potash UK CDIs are exclusively addressed to existing shareholders of the Company, including shareholders with registered addresses in the Republic of Congo which are less than 10 qualified investors and the offer is not addressed to more than 100 persons in the CEMAC territory. The addresses resident in the Republic of Congo have been duly informed of its rights and obligations and have entered freely into the transaction.

(e) **Mauritius**

In accordance with The Securities Act 2005 of Mauritius, no offer of the Kore Potash UK CDIs may be made to the public in Mauritius without the prior approval of the Mauritius Financial Services Commission. Accordingly the offer of Kore Potash UK CDIs in the Scheme is being made on a private placement basis only and does not constitute a public offering. As such, this Scheme Booklet has not been approved or registered by the Mauritius Financial Services Commission and is for the exclusive use of the person to whom it is addressed. This Scheme Booklet is confidential and should not be disclosed or distributed in any way without the express written permission of the Company and Kore Potash UK.

(f) **New Zealand**

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). The offer of Kore Potash UK CDIs under the Scheme is being made to existing shareholders of the Company in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

(g) **Oman**

This Scheme Booklet and the Kore Potash UK CDIs may not be marketed, distributed or otherwise made available to the general public in Oman. By receiving this document, the person or entity to whom it has been issued understands, acknowledges and agrees that, in connection with the offering of the Kore Potash UK CDIs, neither this document or any prospectus has been registered with or approved by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other regulatory body in the Sultanate of Oman nor are the directors of the Company or Kore Potash UK authorised to market or sell the Kore Potash UK CDIs within the Sultanate of Oman.

The offering of the Kore Potash UK CDIs will not take place inside Oman. The Kore Potash UK CDIs are being offered on a limited private basis solely to existing shareholders of the Company and do not constitute an offering or sale to the general public in Oman. Therefore, this document is strictly private and confidential and may not be reproduced nor provided to any other person than the intended recipient.

Nothing contained in this Scheme Booklet is intended to constitute investment, legal, tax accounting or other professional advice in, or in respect of, the Sultanate of Oman. Nothing in this document is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation.

(h) **Seychelles**

In accordance with The Securities Act 2007 of Seychelles, no offer of the Kore Potash UK CDIs may be made to the public in Seychelles without the prior approval of the Financial Services Authority of Seychelles. Accordingly the offer of Kore Potash UK CDIs in the Scheme is being made on a private placement basis only and does not constitute a public offering. As such, this Scheme Booklet has not been approved or registered by the Financial Services Authority of Seychelles and is for the exclusive use of the person to whom it is addressed. This Scheme Booklet is confidential and should not be disclosed or distributed in any way without the express written permission of the Company and Kore Potash UK.

(i) **Singapore**

This Scheme Booklet and any other document or material in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of Kore Potash UK CDIs have not been and will not be registered as a prospectus with the Monetary Authority of Singapore and this offering is not regulated by any financial supervisory authority pursuant to

any legislation in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act, Cap. 289 (**SFA**) will not apply.

This Scheme Booklet and any other document or material in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of Kore Potash UK CDIs may not be offered, sold or distributed, or be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part XIII of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to Kore Potash UK CDIs being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

Neither this document nor any copy of it may be taken or transmitted into any country where the distribution or dissemination is prohibited. This document is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person.

The investments contained or referred to in this document may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

Neither the Company nor Kore Potash UK is in the business of dealing in securities or hold itself out or purport to hold itself out to be doing so. As such, the Company and Kore Potash UK are neither licenced nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

(j) **South Africa**

The Scheme does not constitute an offer of securities to the public in terms of the South African Companies Act and accordingly, this document does not, nor is it intended to, constitute a prospectus prepared and registered under the Companies Act.

(k) **Switzerland**

Kore Potash UK CDIs may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (**SIX**) or on any other stock exchange or regulated trading facility in Switzerland. This Scheme Booklet has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Scheme Booklet nor any other offering or marketing material relating to Kore Potash UK CDIs may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Scheme Booklet nor any other offering or marketing material relating to Kore Potash UK CDIs have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Scheme Booklet will not be filed with, and the offer of Kore Potash UK CDIs will not be supervised by, the Swiss Financial Market Supervisory Authority.

This Scheme Booklet is personal to the recipient only and not for general circulation in Switzerland.

(l) **United States**

The Company and Kore Potash UK intend to rely on an exemption from the registration requirements of the US Securities Act of 1933 provided by section 3(a)(10) thereof in connection with the consummation of the Scheme and the issuance of Kore Potash UK

CDIs. Approval of the Scheme by the Court will be relied upon by the Company and Kore Potash UK for purposes of qualifying for the section 3(a)(10) exemption.

United States shareholders should note that the Scheme is made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of the ASX. The Scheme is subject to disclosure requirements of Australia that are different from those of the United States.

Any financial statements included in the Scheme Booklet have been prepared in accordance with Australian Accounting Standards and may not be comparable to the financial statements of United States companies. Australian corporations must comply with Australian Accounting Standards, which contain Australian equivalents to International Financial Reporting Standards.

It may be difficult for you to enforce your rights and any claim you may have arising under United States federal securities laws, since Kore Potash UK is located outside the United States and most of its officers and directors are not residents of the United States. You may not be able to sue Kore Potash UK or its officers or directors in Australia for violations of the United States securities laws. It may be difficult to compel Kore Potash UK and its affiliates to subject themselves to a United States court's judgment.

The Scheme Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of the Scheme Booklet. Any representation to the contrary is a criminal offence.

Kore Potash UK CDIs to be issued pursuant to the Scheme have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any United States state or other jurisdiction. The Scheme is not being made in any United States state or other jurisdiction where it is not legally permitted to do so.

(m) **United Kingdom**

This Scheme Booklet does not constitute a prospectus within the meaning of Section 85 of FSMA, and has not been drawn up in accordance with the Prospectus Rules of the United Kingdom published by the FCA and a copy has not been, and will not be, approved or filed with the FCA. This document contains no offer to the public under the meaning of FSMA, the UK Companies Act or otherwise.

This Scheme Booklet and the Scheme do not constitute an offer of shares in the United Kingdom. Nothing herein is intended to be construed as an offer, invitation, inducement to engage in, investment activity, investment advice or recommendation in relation to Kore Potash UK CDIs.

The information provided in this Scheme Booklet does not constitute or form any part of any offer to sell, allot or issue or any invitation to subscribe for, underwrite or purchase any shares or securities in Kore Potash UK. The information must not form the basis or a part of, or be relied on in any way in connection with, any investment decision, or act as any inducement to enter into any contract or commitment for securities. When making an investment decision, you should seek the advice of a professional financial advisor. No statement or information in this Scheme Booklet constitutes investment advice.

2.10 Sale of Kore Potash UK CDIs by the Sale Facility Agent

As indicated in Section 2.9, Ineligible Foreign Shareholders will not receive Kore Potash UK CDIs under the Scheme. Instead, Kore Potash UK CDIs that would otherwise have been issued to Ineligible Foreign Shareholders will be issued to the Sale Facility Agent on the Implementation Date.

Kore Potash UK will procure that the Sale Facility Agent:

- sells all Kore Potash UK CDIs issued to the Sale Facility Agent; and

- remits to the Ineligible Foreign Shareholders their proportion of the proceeds of the sale of the Kore Potash UK CDIs,

in accordance with the Scheme.

For each Kore Potash UK CDI to which an Ineligible Foreign Shareholder is entitled, the Shareholder will be paid an amount equivalent to the average price per Kore Potash UK CDI obtained by the Sale Facility Agent. Any broker fees paid by the Sale Facility Agent in respect of the sale of Kore Potash UK CDIs issued to the Sale Facility Agent that would otherwise have been issued to Ineligible Foreign Shareholders will be deducted from the sale proceeds payable to Ineligible Foreign Shareholders. Taxes and charges other than broker fees and stamp duty will also be deducted from the proceeds payable to Ineligible Foreign Shareholders.

The Company, Kore Potash UK and the Sale Facility Agent give no assurance as to the price that will be achieved for the sale of Kore Potash UK CDIs described above. The proceeds that Ineligible Foreign Shareholders will be paid may be more or less than the current market value of Kore Potash UK CDIs.

The sale of Kore Potash UK CDIs by the Sale Facility Agent may result in a number of Kore Potash UK CDIs being offered for sale at the same time. Although the number of CDIs being sold is not expected to be material, this may have the effect of depressing the sale price of Kore Potash UK CDIs.

The proceeds of the sale of Kore Potash UK CDIs will be paid to each relevant shareholder by making a deposit in Australian currency into an account with an Australian bank nominated by the shareholder with the Registry as at the Record Date.

If the relevant shareholder does not have a nominated Australian bank account with the Registry as at the Record Date, the shareholder will be sent a cheque drawn on an Australian bank in Australian currency for the proceeds of the sale of Kore Potash UK CDIs. If the relevant shareholder's whereabouts are unknown as at the Record Date, Kore Potash UK will apply the proceeds in accordance with the applicable laws dealing with unclaimed money.

3 Frequently asked questions

Question	Answer	Further information
General questions		
What are Shareholders being asked to consider?	<p>On 31 August 2017, the Company announced a proposal to re-domicile the Kore Group in the United Kingdom by way of a scheme of arrangement between the Company and its Shareholders, involving Kore Potash UK as the proposed acquirer and new holding company for the Kore Group.</p> <p>If the Proposed Transaction is implemented, Shareholders will own approximately 100% of the Kore Potash UK CDIs in the same percentages as their existing holdings in the Company, subject to the provisions of the Scheme dealing with Ineligible Foreign Shareholders. Kore Potash UK will in turn become the holder of all the issued Shares in the Company.</p>	Section 2.1
What consideration will I receive?	You will receive one Kore Potash UK CDI for each Share you own at the Record Date.	Section 2.2
Can I elect to receive Kore Potash UK Shares instead of Kore Potash UK CDIs?	<p>Shareholders cannot elect to receive Kore Potash UK Shares instead of Kore Potash UK CDIs as part of the Scheme.</p> <p>However, once issued, Kore Potash UK CDIs can be converted into Kore Potash Shares on a one for one basis. Annexure C to this Scheme Booklet provides details of the conversion process.</p>	Annexure C
What are CDIs?	CDIs will confer a beneficial interest in the equivalent number of Kore Potash UK Shares and are traded on the ASX. Kore Potash UK CDI holders will receive all the economic benefits of actual ownership of the underlying Kore Potash UK Shares. A more detailed description of CDIs is set out in Annexure C.	Section 2.3 and Annexure C
What if I am a foreign Shareholder?	Shareholders who are Ineligible Foreign Shareholders will not be issued with Kore Potash UK CDIs. Instead, Kore Potash UK CDIs that would otherwise have been issued to them will be sold via a sale facility and they will receive the net sale proceeds. Refer to Section 2.9 for information on who is an Ineligible Foreign Shareholder.	Sections 2.9 and 2.10
Will I have to pay brokerage fees or stamp duty in respect of Scheme Consideration?	No brokerage or stamp duty will be payable by Scheme Participants on the transfer of their Scheme Shares to Kore Potash UK under the Scheme or the issue by Kore Potash UK to them of Kore Potash UK CDIs as the Scheme Consideration.	Section 2.7
Can I sell my Shares on the ASX prior to the Scheme becoming Effective?	<p>You can sell your Shares on the ASX prior to (and on) the Effective Date. However, you will not be able to do so after the Effective Date.</p> <p>If you sell your Shares on the ASX:</p> <ul style="list-style-type: none"> • you may pay brokerage on the sale; • you will not share in any potential ongoing benefits of owning shares or CDIs in Kore Potash UK Merged Group; and • there may be different tax consequences for you compared to those that would arise under the implementation of the Proposed Transaction. 	Annexure D
Will I be able to	If Kore Potash UK is admitted to the official list of ASX, Kore Potash UK CDIs	Section 2.3 and

Question	Answer	Further information
trade Kore Potash UK CDIs on the ASX?	<p>will trade on the ASX if the Proposed Transaction is implemented. It is expected that you will be able to trade Kore Potash UK CDIs on a deferred settlement basis commencing on the Business Day after the Effective Date. It is expected that Kore Potash UK CDIs will trade on a normal T+2 settlement basis on and from the second Business Day after the Implementation Date.</p> <p>On and from the Implementation Date, holders of Kore Potash UK CDIs will be able to convert their CDIs into Kore Potash UK Shares, however, the Kore Potash UK Shares will not be tradeable on the ASX.</p>	Annexure C
Will binding instructions or notifications in respect of Shares also apply to Kore Potash UK CDIs?	<p>Any binding instruction or notification to the Company in respect of your Shares (such as payment instructions, email addresses and communication preferences) at the Record Date will be deemed under the Scheme to be a similarly binding instruction or notification to Kore Potash UK in respect of any Kore Potash UK CDIs that you receive (unless such instructions or notifications would not be applicable). However, your Australian tax file number will not be provided to Kore Potash UK.</p>	Section 8.10
What are the tax implications of the transaction?	<p>The transfer of your Shares pursuant to the Scheme may be a taxable transaction for you. You should seek your own professional advice regarding the individual tax consequences applicable to you.</p> <p>A summary of relevant taxation implications for certain Eligible Scheme Participants is contained in Section 7 of this Scheme Booklet.</p>	Section 7
Will shareholders be entitled to scrip-for-scrip capital gains tax ("CGT") roll-over relief as part of the transaction?	<p>Based on the general summary of taxation consequences included in Section 7, following the implementation of the Scheme, it is expected that Australian-resident Shareholders who hold Shares on capital account should be entitled to CGT roll-over relief. Kore Potash is seeking a class ruling from the ATO that covers the application of CGT roll-over relief provisions to certain Eligible Scheme Participants. Notwithstanding, you are urged to seek professional taxation advice in relation to your own personal circumstances.</p>	Section 7
Transaction details		
Who is Kore Potash UK?	<p>Kore Potash UK is a public limited company incorporated under the laws of England and Wales for the specific purpose of becoming the UK holding company of the Kore Group.</p>	Section 5
What is the Scheme?	<p>The Scheme is a scheme of arrangement between the Company and Shareholders at the Record Date. A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire another company.</p> <p>The Scheme will effect the acquisition of the Company by Kore Potash UK, resulting in the re-domicile of the Kore Group in the United Kingdom so that the new holding company of the Kore Group will be an entity incorporated in England and Wales.</p> <p>If the Scheme is approved and implemented, Shareholders (other than Ineligible Foreign Shareholders) will receive one Kore Potash UK CDI for each Share they hold as at the Record Date.</p>	Section 2 Annexure D
What is the timetable of the	<p>The Scheme Meeting is currently scheduled to be held on 27 October 2017. If Shareholders approve the Scheme and Court approval is obtained, the Proposed Transaction is expected to be implemented in mid November 2017. This is based on the current scheduled timetable of key dates as set out on</p>	See the Important Dates on

Question	Answer	Further information
transaction?	page 3 of this Scheme Booklet, which is subject to possible change.	page 3
When will I receive Kore Potash UK CDIs?	The issue of Kore Potash UK CDIs as Scheme Consideration will occur on the Implementation Date, expected to be 20 November 2017.	Section 2.2
Under what scenarios can the Company or Kore Potash UK terminate the Proposed Transaction?	<p>The Scheme Implementation Agreement provides for situations where either the Company or Kore Potash UK have the right to terminate it and the Proposed Transaction.</p> <p>In summary, these include:</p> <ul style="list-style-type: none"> • (resolution voted down) if the resolution to approve the Scheme submitted to the Scheme Meeting is not approved by the requisite majorities of Shareholders; • (End Date) if the Effective Date for the Scheme has not occurred on or before the End Date; • (material breach) if the other party is in material breach of any clause of the Scheme Implementation Agreement; • (no Court orders) if the Court refuses to grant an order convening the Scheme Meeting or approving the Scheme; • (restraint) if any court, the Takeovers Panel or Governmental Agency has issued any order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, or has refused to do anything necessary to permit the Scheme, and the parties fail to agree on conducting an appeal within five Business Days; • (Conditions Precedent) if one of the Conditions Precedent becomes incapable of being satisfied; • (Independent Expert) if the Independent Expert opines that the Scheme is not in the best interests of Shareholders; or • (Board recommendation) if the Board withdraws its recommendation of the Scheme. <p>The Scheme Implementation Agreement may also be terminated at any time by mutual written consent of the parties.</p>	Section 8.4
Scheme details and voting		
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held at Level 6, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia on 27 October 2017 at 11.00am (Perth time).	Annexure F
Am I entitled to vote?	Each Shareholder who is registered on the Register at 7.00pm (Sydney time) on 25 October 2017 is entitled to attend and vote at the Scheme Meeting.	Annexure F
Is my vote important?	<p>Every vote is important.</p> <p>For the Scheme to proceed, it is necessary that sufficient Shareholders vote in favour of the Scheme.</p>	

Question	Answer	Further information
How do I vote?	Details of how to vote are set out on pages 5 to 6 of this Scheme Booklet and are also included in the Notice of Scheme Meeting in Annexure F of this Scheme Booklet.	Annexure F
What happens if I don't vote or if I vote against the Scheme?	<p>If the Scheme becomes Effective and you are a Shareholder as at the Record Date, then all of your Shares will be transferred to Kore Potash UK and (unless you are an Ineligible Foreign Shareholder) you will receive the Scheme Consideration in accordance with the Scheme (and no further action will be required by you).</p> <p>This will apply to all such Shareholders, including those who may have voted against the Scheme or not at all.</p>	Section 1.4(b) and Annexure D
How do I vote if I am not able to attend the meeting?	<p>You may vote online or complete the enclosed personalised Proxy Form (Scheme Meeting) in accordance with the instructions and return it in the reply paid envelope enclosed or by facsimile.</p> <p>The deadline for voting online or lodging your Proxy Form (Scheme Meeting) is 11.00am (Perth time) on 25 October 2017.</p>	Annexure F
What vote is required to approve the Scheme?	<p>For the Scheme to proceed, the Scheme Resolution must be passed by:</p> <ul style="list-style-type: none"> a majority in number of Shareholders who vote on the Scheme Resolution; and at least 75% of the votes cast on the Scheme Resolution. <p>The Court has the discretion to waive the first of these two requirements if it considers appropriate to do so.</p>	Annexure D
How do your Directors intend to vote?	Each of your directors intends to vote any Shares held or controlled by them in favour of the Scheme.	Section 1.1
What happens if the Scheme is not approved?	If the Scheme is not approved by Shareholders, the Scheme will not be implemented, the Proposed Transaction will not proceed and Shareholders will not receive the Scheme Consideration. Shareholders will continue to hold their Shares and the Shares will remain listed on ASX.	Section 2.5
Are there any other conditions to be satisfied with respect to the Scheme?	The Scheme must be approved by the required shareholder majorities and the Court. The Scheme is also subject to a number of conditions discussed at Sections 2.4 and 8.2 of this Scheme Booklet which include, amongst other things, the ASX approving Kore Potash UK for admission to ASX and for quotation of the Kore Potash UK CDIs and the Company and Kore Potash UK entering into binding agreements with each Optionholder and Performance Right Holder to cancel the Convertible Securities held by each such holder. These conditions must be satisfied or waived for the Scheme to proceed.	Sections 2.4 and 8.2
The Kore Potash UK Merged Group		
What are the benefits of the Proposed Transaction?	<p>See Section 1.2 for the reasons why the Directors recommend that you vote in favour of the Scheme, which include:</p> <ul style="list-style-type: none"> positioning the Kore Group in the EMEA region to better reflect the location of its assets and the growing international focus of its shareholder base; the potential to improve the Kore Group's capital raising ability through a proposed AIM listing and/or geographic proximity to larger and more diverse equity markets; the potential for the Kore Potash UK Merged Group's investments in the 	Section 1.2.

Question	Answer	Further information
	<p>Republic of Congo to have the benefit of strengthened legal protection offered by the UK-Congo BIT; and</p> <ul style="list-style-type: none"> allowing security holders in the Company to retain their existing exposure to the Company's assets. 	
What will be the strategy of Kore Potash UK Merged Group?	See Section 5.8 in relation to Kore Potash UK Merged Group's intentions regarding its strategy and business operations.	Section 5.8
Who will be on Kore Potash UK Merged Group Board?	The Kore Potash UK Merged Group Board will comprise the same individuals who are currently the Directors of the Company. In addition, two as yet unidentified additional independent directors are expected to be appointed as Non-Executive Directors of Kore Potash UK either before or shortly after the implementation of the Proposed Transaction.	Section 5.4
General Meeting		
Why is there a General Meeting?	The General Meeting seeks approval for a proposed issue of shares by Kore Potash UK in conjunction with an AIM listing (should one occur). Further discussion regarding this issue is set out in Section 10. The Notice of General Meeting is set out in Annexure G.	Section 10 and Annexure G

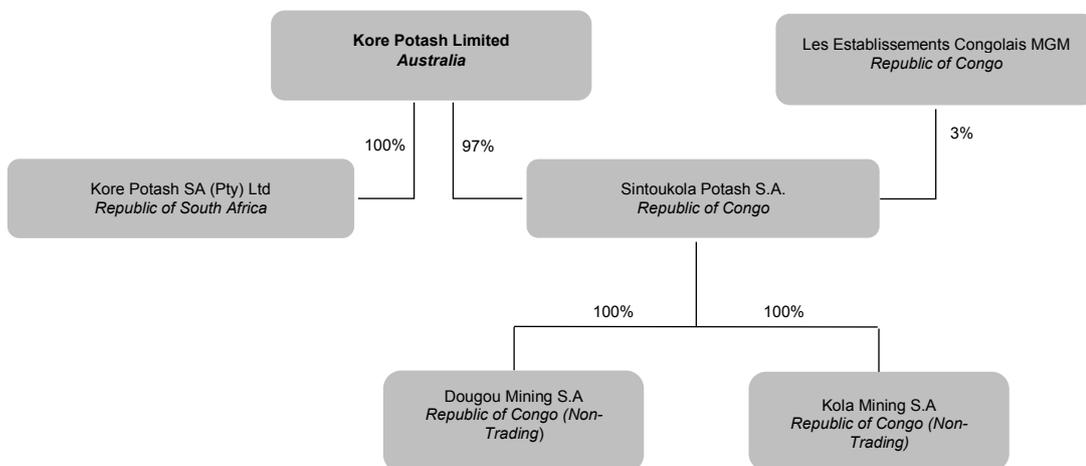
4 Profile of the Company

4.1 Introduction

The Company (formerly named Elemental Minerals Limited) is an ASX-listed Australian public company (ASX:K2P) focused on the exploration and development of the Sintoukola Project in the Republic of Congo. The Sintoukola Project comprises the Kola and Dougou mining leases, which the Company has 97% ownership of through Sintoukola Potash.

The Company was incorporated as SRT Minerals Limited on 19 February 2004 and its Shares have been publicly trading on the ASX since 21 September 2005. As at the close of trading on 30 August 2017, being the day immediately before announcement of the Proposed Transaction, the Company had a market capitalisation of approximately A\$126.75 million.

The Company has two subsidiaries, Kore Potash SA (Pty) Ltd and Sintoukola Potash. The following chart describes the Company's corporate group structure.



4.2 The Sintoukola Project

(a) Overview

The Sintoukola Project is an advanced exploration and development stage potash project in the Republic of Congo. The Sintoukola Project is located within 40km of the Atlantic Ocean, approximately 400km west of the capital city, Brazzaville, and approximately 65km NNW of the port city Pointe Noire, an important oil and gas hub.

The Sintoukola Project assets are held by a Congolese resident company, Sintoukola Potash and its wholly owned subsidiaries, in which the Company has a 97% interest and is the operator. The Sintoukola area comprises three projects at varying stages of development:

- Kola Project – a Sylvinitic deposit with a Measured and Indicated Potash Mineral Resource of 508 million tonnes (Mt) grading 35.4% KCl. A Pre-Feasibility Study (PFS) was completed in 2012 for a conventional underground mine. A mining licence for the Kola deposit was granted in August 2013.
- Dougou Project – a Carnallitic deposit with a Measured and Indicated Potash Mineral Resource of 1.1 billion tonnes grading 20.6% KCl. The mining licence for Dougou (which includes the Dougou Extension Prospect) was granted in May 2017.

- Dougou Extension Prospect – a Sylvinite Prospect lying immediately west of Dougou. Exploration drilling commenced in March 2017 to follow up on previous Sylvinite intersections.

In June 2017, the Government of the Republic of Congo approved and signed the Mining Convention which governs the conditions of construction, operation and mine closure of the mining projects within the Kola and Dougou area.

Key highlights of the Sintoukola Project include:

- large, long life assets with potential for further resource expansion;
- Kola is a shallow, high grade Sylvinite deposit with very low insoluble content;
- potential to be one of the world's lowest cost muriate of potash (**MoP**) producers;
- strategically located with close proximity to the coast and end markets, and access to key infrastructure;
- the saleable product, MoP, is a large and well understood market;
- mining friendly jurisdiction with government support for the project; and
- executed Mining Convention which has been signed by the Government of the Republic of Congo and is expected to be signed into law and is backed by international arbitration.



(b) **Kola Sylvinite Project**

The Kola Sylvinite Project is located within the 205km² Kola mining licence. In September 2012, a PFS was undertaken for a conventional underground mine. On the back of the PFS, the mining licence for Kola was granted in August 2013 and the Environmental and Social Impact Assessment (**ESIA**) was approved in October 2013 through a certificate of compliance issued by the Minister of Environment which validity has been extended until 2018.

In February 2017, the Company engaged a consortium of French engineering and construction companies comprising TechnipFMC, VINCI Construction Grands Projets, Egis International and Louis Dreyfus Armateurs (**French Consortium**) to undertake a Definitive Feasibility Study (**DFS**) of the Kola deposit. The DFS is scheduled to be completed by Q2 2018 which includes significant Front End Engineering Design work. In addition, the ‘Heads of Agreement’ entered into between the Company and the French Consortium provides a commitment that the French Consortium will provide a Fixed Price Binding Engineering, Procurement and Construction (**EPC**) proposal, for Kola, within three months of the completion of the DFS.

The fixed price EPC will allow the Company to advance towards construction funding for the Kola Project. The Company has appointed Rothschild & Co to advise on the debt financing options for the development of the project.

(c) **Dougou Carnallitite Project and Dougou Extension Sylvinitite Prospect**

These assets are within the 451km² Dougou mining licence. The Dougou Project is located 15km southwest of Kola and within 15km of the Atlantic Ocean. The Dougou Extension Prospect is located immediately west of the Dougou deposit. The mining licence for the Dougou area was granted in May 2017 and ESIA is in the final stage of approval before the issuance of the certificate of compliance.

(d) **Statement of Potash Mineral Resource estimates**

The information in this Scheme Booklet relating to the:

- Kola deposit Mineral Resources is extracted from the Company's ASX announcement entitled "Kola Resource Update" dated 6 July 2017; and
- Dougou deposit Mineral Resource is extracted from the Company's ASX announcement entitled "Large Mineral Resource Expansion and Upgrade for Dougou" dated 9 February 2015,

and are available to view on the Company's website at www.korepotash.com and on the ASX website at www.asx.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of Mineral Resources, all the material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original market announcements.

4.3 Corporate strategy and objectives

The Company's objective is to become a significant potash producer in the near to medium term primarily through the exploration and development of its existing asset base.

The Company's strategy is to maximise the value of its current assets. Key elements of the Company's strategy include:

(a) **Development and construction of the Kola Project**

The Company is committed to the development of the Kola Project. As announced to the ASX on 28 February 2017, the Company has already commenced the DFS of the Kola Project, which is expected to be completed by the end of Q2 2018. In the near-term, the Company is committed to optimising the capital cost, operating cost and construction timing of the project and working to accelerate to a binding fixed price EPC proposal for the project by Q3 2018. The Company is also committed to identifying and raising funding for the development of the project.

(b) **Pursuing growth through successful exploration and development**

The Company intends to continue drilling at the Dougou Extension Prospect and further exploration work within the Sintoukola Project area. In the medium term, the Company intends to pursue the development of the Dougou Project and Dougou Extension prospect.

(c) **Pursuing growth through successful acquisitions**

Although the primary focus of the Company is to pursue the development of Kola, Dougou and Dougou Extension, the Company may seek additional growth opportunities in the long-term. These opportunities may be sought through acquisitions, joint ventures or other business opportunities within the potash and potash-related industry.

(d) **Operating safely and in an environmentally and culturally sensitive manner**

The Company is committed to high standards in relation to the safety of its people and the impact it has on the environment and communities in which it operates. As a foreign company with a long term objective of investing in the Republic of Congo, the Company considers sustained high performance in these key areas as critical to its long term success.

4.4 Board of directors

As at the date of this Scheme Booklet, the Board of the Company comprised the following persons:

Mr David Andrew Hathorn <i>Non-Executive Chairman</i>	David Hathorn was, until May 2017, the Chief Executive Officer of Mondi Group, the FTSE 100 paper and packaging company dual listed in Johannesburg and London. Mr Hathorn served as CEO of Mondi for 17 years, during which he was instrumental in Mondi's international expansion and led the group through a demerger from Anglo American in 2007. Until 2007, Mr Hathorn was a member of Anglo American's executive committee from 2003 and an executive director of Anglo American PLC from 2005, serving on the boards of a number of Anglo's major mining operations.
---	--

Mr Hathorn has over 25 years' corporate leadership experience in commodities-led industries. Mr Hathorn is also currently a non-executive of Maitland International Holding plc.

Mr Sean Bennett <i>Chief Executive Officer and Managing Director</i>	Sean Bennett has been CEO of the Company since November 2015. Previously, he was CEO of UBS South Africa. Mr Bennett joined SG Warburg in London in 1995 (now UBS Investment Bank). Mr Bennett moved to South Africa in 2008, with HSBC, where he was Co-Head of HSBC Global Banking for Africa before re-joining UBS in 2011. Mr Bennett has over 20 years' experience in advising a wide range of companies, state owned enterprises and governments, including a number of large mining houses such as BHP, South32 and Sibanye. Mr Bennett has been involved in transactions around the globe as well as numerous countries across Africa.
--	---

Mr Jonathan Trollip <i>Non-Executive Director</i>	Jonathan Trollip is a globally experienced director with over 30 years' of commercial, corporate, governance and legal and transactional expertise. He is currently Non-Executive Chairman of ASX listed Global Value Fund Ltd, Future Generation Investment Company Limited and Antipodes Global Investment Company Limited and holds various private company directorships in the commercial and not-for-profit sectors. Mr Trollip is also a principal and director of Sydney Australia based structured finance group Meridian International Capital Limited with whom he has been for the past 23 years and during which time he has been involved in financing numerous resources transactions in various global locations. Prior to that, Mr Trollip was a Partner with law firm Herbert Smith Freehills.
---	---

Mr Leonard Math Leonard Math is the Chief Financial Officer and Company Secretary of ASX-listed Gulf Manganese Corporation Limited. Mr Math has extensive experience in relation to public company responsibilities including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting and shareholder relations with both retail and institutional investors.

Non-Executive Director

Mr Math was formerly an Associate Director at Nexia Perth Pty Ltd and Corporate Service Manager at GDA Corporate, prior to GDA's merger with Nexia. Mr Math is a Chartered Accountant and a member of the Australian Institute of Company Directors.

Mr Timothy Keating Timothy Keating is Head of Mining Investment Private Equity at the State General Reserve Fund (**SGRF**), a sovereign wealth fund of the Sultanate of Oman. Mr Keating joined SGRF in 2015 from Madini Minerals, where he was head of new business development and responsible for identifying, negotiating and structuring acquisitions and investments in private and listed companies.

Non-Executive Director

Prior to Madini, Mr Keating was CEO of African Nickel Limited (2010-2013), where he grew the business through various transactions and fund raisings. Mr Keating also worked at Investec Bank for the Commodities and Resource Finance Team (2004-2010), and in the Black Mountain Mine owned by Anglo American plc, in South Africa.

Mr Keating was nominated as a Director by SGRF under the SGRF Investment Agreement.

Mr Pablo Altimiras Pablo Altimiras is an Industrial Civil Engineer from the Pontificia Universidad Católica de Chile where he also earned an MBA. In 2007, Mr Altimiras joined Sociedad Quimica Minera de Chile as a Chief of Logistics Projects and in 2009 he was promoted to Regulatory Affairs Director. In 2010 Mr Altimiras assumed the position of Business Development vice manager and after 2 years took the position of Development and Planning manager. In 2016 Mr Altimiras was appointed Vice-President of Development and Planning.

Non-Executive Director

Mr Altimiras is also a board member of Minera EXAR, an Argentinian company developing a lithium project in Jujuy Province, Argentina.

Mr Altimiras was nominated as a Director by SQM under the SQM Investment Agreement.

4.5 Senior Management

As at the date of this Scheme Booklet, the Company's senior management team (excepting Mr Bennett listed above) is as follows:

John Crews John Crews graduated from the University of the Orange Free State in 1994 and, after completing his articles with KPMG in Johannesburg, qualified as a Chartered Accountant in 1997. After spending a number of years working in London he joined UBS in Johannesburg where he fulfilled the role of both Chief Financial Officer and Chief Operating Officer of UBS South Africa. Mr Crews was also responsible for UBS' finance function across MENA, Israel, Turkey and Nigeria and served on a number of boards across the region.

Chief Financial Officer

Mr Crews is a Chartered Accountant. He holds a Bachelor of

Accounting Science (Honours) and Certificate in the Theory of Accounting from the University of the Orange Free State.

Gavin Chamberlain

Chief Operating Officer

Gavin Chamberlain has recently been appointed the Company's Chief Operating Officer but will commence his role in October 2017. Mr Chamberlain has over 30 years' experience in the mining sector in various roles including managing director, civil engineer, project director, project manager and project sponsor. Most recently, Mr Chamberlain was Regional Director of Amec Foster Wheeler's Africa Mining business. Prior to that, Mr Chamberlain was Commercial Director and Project Delivery Officer at Basil Read and its subsidiary, TWP Holdings.

Mr Chamberlain holds a Graduate Diploma of Engineering from the University of Witwatersrand and a Bachelor of Science (B.Sc, Civil Engineering) from the University of Natal.

Werner Swanepoel

Project Director

Werner Swanepoel is a professional mining engineer with 24 years' experience in the mining industry. He has filled various roles in mining operations, mine management, consulting and project development within Central and Southern Africa.

Mr Swanepoel was the Sintoukola Project's original Project Manager from 2011 – 2014 and, prior to this, he was Mining Project Manager at Uramin from 2007 – 2011. During this time, he advanced several uranium projects from exploration to Bankable Feasibility Stage. Prior to joining Uramin, Mr Swanepoel was a senior mining consultant at Hatch Africa. He spent the early part of his career in mining operations in the South African iron ore and coal mining industry.

Mr Swanepoel holds an MBA from the University of Stellenbosch, a Master of Engineering (M.Eng, Mining) from the University of Pretoria, Mine Manager's Certificates of Competency for both Metalliferous and Coal Mining in South Africa and is registered as a Professional Engineer with the Engineering Council of South Africa.

Lawrence Davidson

Joint Company Secretary and Risk Officer

Lawrence Davidson has held senior financial management roles for the past 20 years. Prior to joining the Company, Mr Davidson was the managing director of DF2 Consulting (Pty) Ltd, a South African financial and management consulting company. Prior to that, Lawrence was a management consultant to Barclays Bank plc, as part of their Barclays Africa integration team.

Mr Davidson spent the early part of his career within the investment banking field, holding various financial management positions at Gensec Bank Ltd, a specialist South African investment bank, and was part of a group of employees to successfully set up and manage Gensec Bank's Irish domiciled operation, Gensec Ireland Ltd, in Dublin, Ireland, during 1999-2001.

Mr Davidson graduated from the University of the Witwatersrand in Johannesburg, South Africa, in 1991.

Julien Babey

Business Development and

Julien Babey was previously the managing director of AREVA Group's entities in Mongolia, developing a uranium in situ leaching project. Julien joined Areva in 2003 (previously COGEMA) and worked in several divisions of the group as legal counsel and has led legal teams

Head of Country in the mining division in France and in regional offices in Southern Africa as well as served on several of the boards of the group's mining operations in West, Central and Southern Africa. Julien began his career with SAP France followed by the French Development Bank based in Morocco where he started to be exposed to discussions with public officials for infrastructure projects.

Mr Babey holds a Master of Law (LL.M) in Comparative Business Law from the City University in Hong Kong and a Master of Law (LL.M) in Business & Taxation Law as well as an Accounting & Financial Management Certificate from the University of Aix-en-Provence in France.

4.6 Historical financial information

The following historical financial information for the Company is extracted from the audited consolidated financial statements of the Company and its controlled entities for the years ended 31 December 2016, 31 December 2015 and 31 December 2014.

The financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB and the Corporations Act. The financial information also complies with the recognition and measurement requirements of International Financial Reporting Standards (**IFRSs**) and interpretations issued by the International Accounting Standards Board.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

This historical financial information is presented in US dollars which is the currency of the primary economic environment in which the Company operates.

In the interval between the end of the 12 month period to 31 December 2016 and the date of this Scheme Booklet, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years other than as disclosed in the 31 December 2016 full year financial statements and subsequent filings on ASX.

Shareholders may view complete copies of the audited financial statements of the Company for the years ended 31 December 2016, 31 December 2015 and 31 December 2014 on ASX's website at www.asx.com.au or on the "investors" section of the Company's website at www.korepotash.com.

(a) Consolidated statement of financial position

Set out below is the Company's consolidated statement of financial position for the financial years ended 31 December 2016, 31 December 2015 and 31 December 2014.

	31 Dec 2014	31 Dec 2015	31 Dec 2016
	USD	USD	USD
CURRENT ASSETS			
Cash and cash equivalents	5,894,073	3,058,606	42,609,786
Trade and other receivables	386,709	203,165	208,465

TOTAL CURRENT ASSETS	6,280,782	3,261,771	42,818,251
NON CURRENT ASSETS			
Trade and other receivables	-	-	86,889
Property, plant and equipment	663,768	399,152	374,316
Exploration and evaluation expenditure	97,701,924	93,068,160	95,798,269
TOTAL NON CURRENT ASSETS	98,365,692	93,467,312	96,259,474
TOTAL ASSETS	104,646,474	96,729,083	139,077,725
CURRENT LIABILITIES			
Trade and other payables	438,251	320,976	200,736
TOTAL CURRENT LIABILITIES	438,251	320,976	200,736
TOTAL LIABILITIES	438,251	320,976	200,736
NET ASSETS	104,208,223	96,408,107	138,876,989
EQUITY			
Contributed equity	150,933,803	154,657,058	200,572,926
Reserves	22,002,786	13,128,517	13,941,197
Accumulated losses	(68,728,366)	(71,377,468)	(75,637,134)
Equity attributable to owners of the Company	104,208,223	96,408,107	138,876,989
Non-controlling interests	-	-	-
TOTAL EQUITY	104,208,223	96,408,107	138,876,989

(b) **Consolidated statement of profit or loss and other comprehensive income**

Set out below is the Company's consolidated statement of comprehensive income for the financial years ended 31 December 2016, 31 December 2015 and 31 December 2014.

	31 Dec 2014 USD	31 Dec 2015 USD	31 Dec 2016 USD
Continuing Operations			
Other income	123,128	18,339	20,949
Directors remuneration	(310,563)	(350,314)	(310,501)
Equity compensation benefits	(1,150,508)	(920,489)	(1,777,625)
Salaries, employee benefits and consultancy expense	(891,131)	(448,810)	(1,243,365)
Administration expenses	(1,276,957)	(752,677)	(1,156,793)
Net realised foreign exchange gain/(losses)	(169,086)	(171,854)	213,582
Interest and finance expenses	(265,475)	(23,297)	(5,913)
Loss before income tax expense	(3,940,592)	(2,649,102)	(4,259,666)
Income tax	454,353	-	-
Loss for the year from continuing operations	(3,486,239)	(2,649,102)	(4,259,666)

Other comprehensive loss, net of income tax			
Items that may be classified subsequent to profit or loss			
Exchange differences on translating foreign operations	(11,623,267)	(9,794,758)	(3,360,183)
Other comprehensive income for the year, net of tax	(11,623,267)	(9,794,758)	(3,360,183)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(15,109,506)	(12,443,860)	(7,619,849)
Loss attributable to:			
Owners of the Company	(3,486,239)	(2,649,102)	(4,259,666)
Non-controlling interest	-	-	-
	(3,486,239)	(2,649,102)	(4,259,666)
Total comprehensive loss attributable to:			
Owners of the Company	(15,070,322)	(12,443,860)	(7,619,849)
Non-controlling interest	(39,184)	-	-
	(15,109,506)	(12,443,860)	(7,619,849)
Basic and diluted loss per share (cents per share)	(1.08)	(0.67)	(0.91)

(c) **Consolidated statement of cash flows**

Set out below is the Company's consolidated statement of cash flows for the financial years ended 31 December 2016, 31 December 2015 and 31 December 2014.

	31 Dec 2014 USD	31 Dec 2015 USD	31 Dec 2016 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers	(2,508,041)	(1,603,849)	(2,626,531)
Research and Development refund received	454,353		
Net cash used in operating activities	(2,053,688)	(1,603,849)	(2,626,531)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration activities	(7,102,329)	(4,535,937)	(6,301,673)
Interest received	123,128	18,339	20,949
Net cash used in investing activities	(6,979,201)	(4,517,598)	(6,280,724)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	11,134,972	3,723,255	48,311,106
Cost of capital raising	(481,092)	-	-
Proceeds from issue of Convertible Notes	8,803,980	-	-
Repayment of Convertible Notes	(8,194,391)	-	-
Interest payment	(265,475)	-	-

Net cash provided by financing activities	10,997,994	3,723,255	48,311,106
Net increase/(decrease) in cash and cash equivalents held	1,965,105	(2,398,192)	39,403,851
Cash and cash equivalents at beginning of financial year	4,910,157	5,894,073	3,058,606
Foreign currency differences	(981,189)	(437,275)	147,329
Cash and cash equivalents at end of financial year	5,894,073	3,058,606	42,609,786

4.7 The Company's securities and substantial shareholders

(a) Issued securities

As at 31 July 2017, the Company had the following securities on issue:

- 768,158,142 Shares;
- 58,191,226 Options; and
- 48,077,728 Performance Rights.

(b) Substantial shareholders

As at 31 July 2017, the registered substantial shareholders in the Company were:

Name	Number of fully paid ordinary shares held	% held of issued ordinary capital
Princess Aurora Company Pte Limited	131,370,000	17.102%
Sociedad Quimica Minera de Chile SA	131,370,000	17.102%
Harlequin Investments Limited	102,313,611	13.319%
Dingyi Group Investments Limited	75,941,524	9.886%

(c) Option holders

As at 31 July 2017, the registered holders of Options were:

Name	Number	Expiry date	Exercise price
Princess Aurora Company Pte Limited	20,000,000	15 Nov 2019	\$0.30
Sociedad Quimica Minera de Chile SA	20,000,000	15 Nov 2019	\$0.30
Other shareholders	7,900,000	15 Nov 2019	\$0.30
Directors	2,100,000	15 Nov 2019	\$0.30
Employees and Directors	6,691,226	15 Apr 2018	\$0.33
Former Directors	1,500,000	26 Jun 2018	\$0.33

See Section 9.4 for further information on the cancellation and replacement of the Options.

(d) **Other securities**

As at 31 July 2017, the securities on issue in the Company other than Shares and Options were:

Security	Number
Class C Performance Rights (Employee)	2,263,370
Performance Rights expiring 6 December 2020 (Employee)	4,500,000
Performance Rights expiring 1 March 2021 (Director)	12,000,000
Performance Rights expiring 1 March 2021 (Director)	7,437,500
Performance Rights expiring 30 June 2021 (Director)	3,000,000
Performance Shares vesting on 31 May 2019	2,000,000
Performance Shares under a Short Term Incentive Scheme Plan for 2017	4,482,005
Performance Shares under the Long Term Incentive Plan	11,734,853
Performance Rights vesting on 31 May 2019 (Director)	660,000

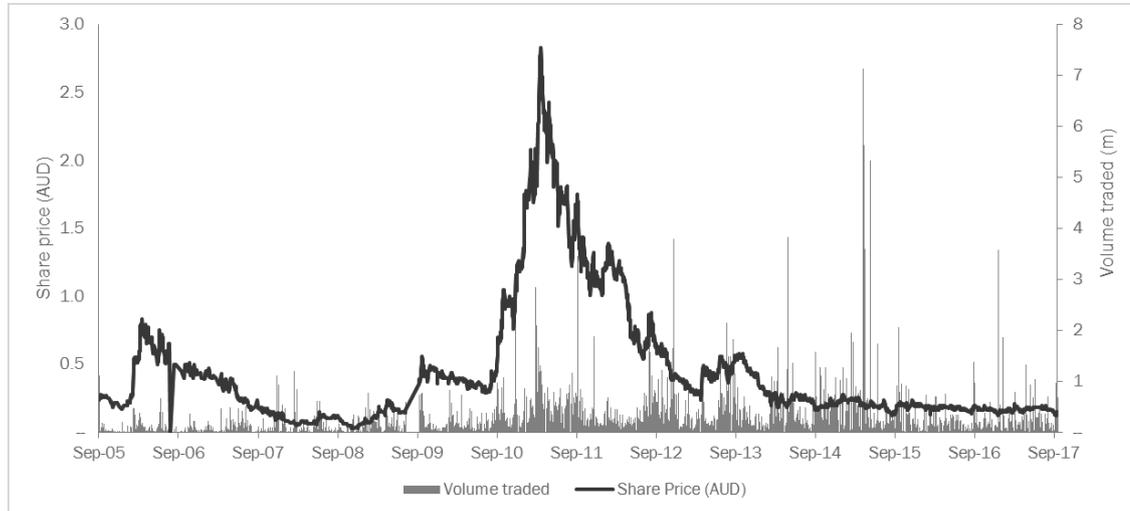
See Section 9.4 for further information on the cancellation and replacement of the Performance Rights.

(e) **Potential future issue in connection with an AIM listing**

Refer to Section 10 and Annexure G of this Scheme Booklet.

4.8 Recent Company Share price performance

The graph below shows the Company Share price performance and volume of Shares traded from 21 September 2005 (date of ASX listing) to 20 September 2017, the last practical date prior to finalising this Scheme Booklet.



Source: Bloomberg. Please note that Bloomberg has not consented to data and information attributed to it in this Scheme Booklet. This data and information has been accurately reproduced and, so far as the Company is aware, and so far as it is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced data and information inaccurate or misleading.

The highest recorded trading price at the close of trade of a Share on ASX in the 12 months before the announcement of the Proposed Transaction on 31 August 2017 (**Announcement Date**) was \$0.21 on 7 March 2017.

The lowest recorded trading price at the close of trade of a Share on ASX in the 12 months before the Announcement Date was \$0.125 on 22 December 2016.

The latest recorded trading price at the close of trade of Shares on ASX before the Announcement Date was \$0.165.

The trading price range at the close of trade of Shares since the Announcement Date to the last trading date before the date of this Scheme Booklet was \$0.125 to \$0.15.

The latest recorded trading price of Shares on ASX before the date of this Scheme Booklet was \$0.15.

4.9 Risk factors

Risk factors relating to the Company and its business are discussed in Section 6.

4.10 Further information

As a company listed on ASX and a disclosing entity under the Corporations Act, the Company is subject to regular reporting and disclosure obligations. Broadly, these require the Company to announce price sensitive information as soon as it becomes aware of the information, subject to exceptions for certain confidential information. The Company's recent announcements are available from www.asx.com.au. Further announcements concerning the Company will continue to be made available on this website after the date of this Scheme Booklet.

The Company is required to prepare and lodge with ASIC and ASX both annual and half year financial statements accompanied by a statement and report from the Company's Directors and an audit or review report. The Company also lodges quarterly activity reports

with ASX. Copies of these and other documents lodged with ASIC and ASX may be obtained from an ASIC office and are accessible from ASX's website at www.asx.com.au and the Company's website at www.korepotash.com. Copies of these documents will also be made available free of charge on a request in writing at any time before 9.00am on the date of the Scheme Meeting to the Company Secretary at Level 3, 88 William Street, Perth, WA 6000.

5 Profile of Kore Potash UK and the Kore Potash UK Merged Group

5.1 Overview of Kore Potash UK and the Kore Potash UK Merged Group

Kore Potash UK was incorporated on 25 August 2017 in England and Wales as a public limited company under the UK Companies Act for the purposes of the Scheme. The rights of Kore Potash UK shareholders are primarily governed by the UK Companies Act and the Kore Potash UK Articles.

The Company incorporated Kore Potash UK for the sole purpose of re-domiciling the Kore Group in the United Kingdom under the Proposed Transaction. As a result, prior to implementation of the Proposed Transaction, Kore Potash UK has not conducted and will not conduct any business other than performing the acts which are detailed in this Scheme Booklet.

If the Scheme is implemented, on the Implementation Date, all of the Kore Potash UK CDIs will be owned by Shareholders of the Company in the same percentages as their existing holdings in the Company, subject to the provisions of the Scheme dealing with Ineligible Foreign Shareholders. Kore Potash UK will in turn become the holder of all of the Shares in the Company.

Accordingly, if the Proposed Transaction is implemented, Kore Potash UK's business will consist entirely of the business of the Company, which will become a wholly owned subsidiary of Kore Potash UK.

5.2 Initial share capital

(a) Redeemable Shares

Kore Potash UK was incorporated with 50,000 redeemable non-voting preference shares of £1 each (**Redeemable Shares**). The Redeemable Shares are held in equal proportions by Sean Bennett and David Hathorn, the Managing Director and Non-Executive Chairman of the Company, respectively.

Each of Mr Bennett and Mr Hathorn have given an irrevocable undertaking to pay Kore Potash UK the sum of £25,000 each on or before the date that is five years from the date of the undertaking or, if sooner, immediately upon a written demand or demands by Kore Potash UK.

The purpose of the issue of the Redeemable Shares was to enable Kore Potash UK to satisfy the minimum share capital requirement for the company to be incorporated as a public company in the United Kingdom. Following completion of the Scheme and subject to compliance with the UK Companies Act, Kore Potash UK will redeem the Redeemable Shares as soon as reasonably practicable after becoming legally able to do so. Upon any such redemption, the Redeemable Shares will be cancelled and Kore Potash UK will pay to the holder thereof the amount paid up on the Redeemable Shares.

(b) Subscriber Share

Kore Potash UK was also incorporated with one ordinary share of US\$0.001, held by Sean Bennett (**Subscriber Share**).

Mr Bennett has given an irrevocable undertaking to gift the Subscriber Share to a nominee of Kore Potash UK as soon as reasonably practical upon completion of the Scheme. Subject to compliance with the UK Companies Act, as soon as practicable following the gifting of the Subscriber Share, Kore Potash UK will cancel the Subscriber Share and diminish the amount of its share capital by the nominal value of the Subscriber Share.

(c) **No other share capital**

Apart from the issue of the Redeemable Shares and the Subscriber Share, no other Kore Potash UK securities have been issued, sold or transferred before the date of this Scheme Booklet. As at the date of this Scheme Booklet, no Kore Potash UK securities have been granted official quotation on any securities exchange.

However, Kore Potash UK has been incorporated to include authority in the Kore Potash UK Articles for the Kore Potash UK Directors to issue Kore Potash UK Shares up to a total nominal value of US\$1,192,181 which is intended to cover the issue of Kore Potash UK Shares: (i) under the Scheme; (ii) on exercise of the Kore Potash UK Options and vesting of the Kore Potash UK Performance Rights; (iii) under the AIM Raising; and (iv) which may be required for additional working capital purposes.

5.3 Registered foreign company

In order to be able to carry on business in Australia and be listed on ASX, Kore Potash UK will be registered as a foreign company under the Corporations Act as soon as practicable after the date of this Scheme Booklet. Kore Potash UK intends to appoint Nexia Perth Pty Ltd as the local agent of Kore Potash UK. The Company will continue to maintain its registered office at Level 3, 88 William Street, Perth Western Australia 6000.

Being registered as a foreign company in Australia requires that Kore Potash UK file its annual accounts with ASIC and comply with various other notification requirements (for example, notifying ASIC of the appointment and resignation of directors or changes to constituent documents). In addition, Kore Potash UK will be required to comply with the continuous disclosure provisions contained in the ASX Listing Rules (assuming Kore Potash UK CDIs become quoted on the ASX) in addition to any other applicable disclosure requirements in the United Kingdom and under the AIM Rules (if Kore Potash UK becomes listed on AIM).

5.4 Board of directors of Kore Potash UK

As at the date of this Scheme Booklet, the Kore Potash UK Board comprised:

- Mr David Hathorn, the current Non-Executive Chairman of the Company; and
- Mr Sean Bennett, the current Managing Director of the Company.

It is proposed that, conditional on the implementation of the Proposed Transaction, the other Directors of the Company will be appointed as Non-Executive Directors of Kore Potash UK. Details regarding these individuals are set out in Section 4.4 above.

In addition, two as yet unidentified additional independent directors are expected to be appointed as Non-Executive Directors of Kore Potash UK either before or shortly after the implementation of the Proposed Transaction.

5.5 Management of the Kore Potash UK Merged Group

The management of the Kore Potash UK Merged Group will be the same as the Kore Group's current management detailed in Section 4.5 above.

5.6 Summary of Kore Potash UK Articles

A summary of the main provisions of the Kore Potash UK Articles is set out below.

(a) **Objects**

The Kore Potash UK Articles do not contain any provision for objects or purposes of Kore Potash UK.

(b) **Kore Potash UK Shares**

Subject to the provisions of the Companies Act and the Kore Potash UK Articles, Kore Potash UK Shareholders shall have the right to receive notice of and to attend and to vote at all general meetings of Kore Potash UK. A Kore Potash UK Shareholder may appoint one or more proxies to exercise all or any of his or her rights to attend and to speak at the meeting. Save as otherwise provided in the Kore Potash UK Articles, on a vote on a show of hands each holder of Kore Potash UK Shares present in person shall have one vote and every proxy present who has been duly appointed by a member shall have one vote (save that if the same proxy is appointed by more than one member, and is instructed by some members to vote one way and some to vote the other way, the proxy will have one vote for and one vote against the resolution). On a vote on a poll every member present in person or by proxy shall have one vote for each share held by him or her. On a vote on a resolution on a show of hands at a meeting every member who is present in person or by proxy shall have one vote irrespective of the number of shares held by such member.

If a Kore Potash UK Shareholder or any person appearing to be interested in any Kore Potash UK Shares has been served with a notice pursuant to section 793 of the Companies Act and is in default in supplying to Kore Potash UK information required within a prescribed period after the service of such notice, the Kore Potash UK Directors may serve on such Kore Potash UK Shareholder, or on any such person, a notice (a “direction notice”) in respect of Kore Potash UK Shares in relation to which the default occurred (“default shares”) directing that in relation to such Kore Potash UK Shares the Kore Potash UK Shareholder shall not be entitled to be present or to vote at any general meeting or class meeting of Kore Potash UK. Where the default Kore Potash UK Shares represent at least 0.25 per cent of the class of shares the direction notice may in addition direct, among other things, that any dividend or other money which would otherwise be payable on such Kore Potash UK Shares shall (in whole or in part) be retained by Kore Potash UK and that no transfer of any of Kore Potash UK Shares held by the Kore Potash UK Shareholders shall be registered. The direction notice will cease to have effect when the Kore Potash UK Shareholder complies with the direction notice or sells the whole beneficial ownership of the relevant Kore Potash UK Shares to an unconnected third party acting in good faith by way of an arm’s length transfer. The prescribed period referred to above means 28 days (if the member has a shareholding of less than 0.25 per cent) or 14 days (if the member has a shareholding of 0.25 per cent or more) from the date of service of the notice under section 793 of the Companies Act.

The Kore Potash UK Articles also include authority for the Kore Potash UK Directors to issue Kore Potash UK Shares up to a total nominal value of US\$1,192,181 which is intended to cover the issue of Kore Potash UK Shares: (i) under the Scheme; (ii) on exercise of the Kore Potash UK Options and vesting of the Kore Potash UK Performance Rights; (iii) under the AIM Raising; and (iv) which may be required for additional working capital purposes.

(c) **Variation or alteration of shares**

If at any time the share capital of Kore Potash UK is divided into different classes of shares, the rights attached to any class of shares may, subject to the Companies Acts, be modified, abrogated or varied either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class (excluding shares held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

To every such separate general meeting the provisions of the Kore Potash UK Articles relating to general meetings apply but so that the necessary quorum at such a meeting other than an adjourned meeting shall be two persons present in person or by proxy holding at least one-third in nominal value of the issued shares of the relevant class (excluding shares held as treasury shares) and at an adjourned meeting one person present in person or by proxy shall be a quorum. Any holder of shares of the relevant class present in person or by proxy may demand a poll upon which every holder of shares of that class present in person or by proxy shall be entitled to one vote for every such share held by him or her.

The rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of such shares or by the terms upon which such shares are for the time being held, be deemed not to be modified, abrogated or varied by the creation or issue of further shares ranking pari passu therewith or the purchase or redemption by Kore Potash UK of any of its own shares in accordance with the Companies Acts and the Kore Potash UK Articles.

(d) **Redeemable shares**

Subject to the provisions of the Companies Acts, any Kore Potash UK Shares may be issued on terms that they may be redeemed or are liable to be redeemed at the option of Kore Potash UK or Kore Potash UK Shareholders on the terms and in the manner provided for by the Kore Potash UK Articles.

(e) **Transfer of shares**

Subject to the following paragraph, the instrument of transfer of a Kore Potash UK Share shall be signed by or on behalf of the transferor (and, in the case of an Kore Potash UK Share which is not fully paid, by or on behalf of the transferee) and the transferor shall be deemed to remain the holder of Kore Potash UK Shares until the name of the transferee is entered in the register. All transfers shall be effected by instrument in writing, in the usual or common form or any other form which Kore Potash UK Directors may approve.

The Kore Potash UK Directors may, in certain limited circumstances, refuse to register any transfer of uncertificated Kore Potash UK Shares. The Kore Potash UK Directors may decline to recognise any instrument of transfer unless it is left at the registered office of Kore Potash UK, accompanied by the relevant certificate and such other evidence as the Kore Potash UK Directors may reasonably require to show the right of the transferor to make the transfer and unless the instrument of transfer is in respect of only one class of Kore Potash UK Share and in the case of a transfer to joint holders, the transfer is not in favour of more than four persons jointly.

Notwithstanding any other provision of the Kore Potash UK Articles to the contrary, any Kore Potash UK Shares may be held in uncertificated form and title to Kore Potash UK Shares may be transferred by means of a relevant system such as CREST.

(f) **Dividend rights**

Kore Potash UK in general meeting may declare dividends, but no dividend shall exceed the amount recommended by Kore Potash UK Directors. No dividends shall be payable otherwise in accordance with the Companies Acts and out of the profits of Kore Potash UK available for that purpose. Subject to any priority, preference or special rights, all dividends shall be declared and paid pro rata to the nominal amounts of the shares in respect of which the dividend is paid.

The Kore Potash UK Directors may pay such interim dividends as they think fit. No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of the Companies Acts.

Unless otherwise provided by the rights attached to any Kore Potash UK Share, no dividends in respect of a Kore Potash UK Share shall bear interest.

The Kore Potash UK Directors may, with the sanction of an ordinary resolution of Kore Potash UK in general meeting, offer the holders of Kore Potash UK Shares the right to elect to receive new Kore Potash UK Shares credited as fully paid instead of cash in respect of the whole or any part of the dividend.

Any dividend unclaimed for a period of 12 years after it became due for payment shall be forfeited and cease to remain owing by Kore Potash UK and thereafter shall belong to Kore Potash UK absolutely.

(g) **General meetings**

Kore Potash UK must, in respect of each financial year, hold a general meeting as its annual general meeting in accordance with the UK Companies Act. Subject to the foregoing and to the provisions of the Companies Acts, the Annual General Meeting shall be held at such time and place as the Kore Potash UK Directors may determine.

Subject to the provisions of the Companies Acts, an annual general meeting shall be called on not less than 21 days' notice and all other General Meetings shall be called on not less than 14 days' notice. The period of notice shall in each case be exclusive of the day on which it is given or deemed to be given and of the day on which the meeting is to be held. The accidental omission to give notice (or any document intended to accompany any notice) to, or non-receipt of notice (or any document intended to accompany any notice) by, any person entitled to it shall not invalidate the proceedings at any general meeting.

When Kore Potash UK is required to give a notice of meeting to holders of CDIs under the ASX Settlement Operating Rules, such notice must contain all the information required by the ASX Settlement Operating Rules and comply in all respects with the ASX Settlement Operating Rules.

(h) **Kore Potash UK Directors**

The number of Kore Potash UK Directors shall be not less than two. Kore Potash UK may by ordinary resolution elect any person to be a director. The Board also has powers to appoint a person as a director but such person will only hold office until the next annual general meeting and will then be eligible for re-election. A director shall not be required to hold shares in Kore Potash UK but shall be entitled to attend and speak at any general meeting of Kore Potash UK or any meeting of the holders of any class of shares in Kore Potash UK.

The office of a director will be vacated if the director resigns, becomes bankrupt or is the subject of other insolvency-related proceedings, in certain circumstances where the director is suffering from mental disorder, if the director is absent from meetings of the board for six successive months without leave and the board resolves that the director's office should be vacated, if requested in writing by all the other Kore Potash UK Directors to resign, if the director is an executive director and ceases to hold that office and the majority of the other Kore Potash UK Directors resolve that such office be vacated, or if the director is removed or becomes prohibited from being a director under any provision of applicable statutes.

No person other than a director retiring at the meeting shall, unless recommended by the board, be eligible for election to the office of director at any general meeting unless not less than seven nor more than 42 days before the date appointed for the meeting there has been notice in writing given to Kore Potash UK by a member duly qualified to attend and vote at the meeting of his or her intention to propose the person for appointment and a written notice signed by the person to be proposed of his or her willingness to be elected. Kore Potash UK has the power by ordinary resolution (of which special notice has been given) to remove any director from office before the expiration of his or her period of office and may by ordinary resolution appoint another person in his or her place.

At meetings of the board, questions are determined by a majority of votes and in the case of an equality of votes the chairman of the board shall have a second or casting vote. The quorum at Kore Potash UK Directors' meetings may be fixed by Kore Potash UK Directors but otherwise shall be two. The board may delegate any of its powers to committees. Decisions of Kore Potash UK Directors may also be taken by written resolution approved by all Kore Potash UK Directors eligible to vote on the matter, provided they would have formed a quorum at a meeting of the board.

Subject to relevant statutory provisions, and provided that he or she has declared to the other Kore Potash UK Directors, a Kore Potash UK Director (i) may be a party to, or otherwise interested in, any contract, transaction, arrangement or proposal with Kore Potash UK or in which Kore Potash UK is interested; or (ii) may be a director or other officer of, or employed by, or a party to any contract, transaction, arrangement or proposal or otherwise interested in, any body corporate promoted by Kore Potash UK or in which Kore Potash UK

is otherwise interested; and (iii) may act in a professional capacity (other than that of an auditor) for Kore Potash UK or any other body corporate promoted by Kore Potash UK or in which Kore Potash UK is otherwise interested.

If a situation arises in which a Kore Potash UK Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of Kore Potash UK (other than a conflict of interest arising in relation to a transaction or arrangement with Kore Potash UK or a situation which cannot reasonably be regarded as likely to give rise to a conflict of interest) Kore Potash UK Directors who are not conflicted may resolve to authorise the conflict and the continuing performance by the Director of his or her duties on such terms as they may determine. The terms on which Kore Potash UK Directors may authorise a director's conflict of interest may be imposed at the time of authorisation or may be imposed or varied subsequently.

The Kore Potash UK Directors' authorisation of the conflict may provide that where the interested director obtains (other than through his position as a director of Kore Potash UK) information that is confidential to a third party, he or she will not be obliged to disclose it to Kore Potash UK.

A director shall not, by reason of his or her holding an office as a director (or of the fiduciary relationship established by holding that office), be liable to account to Kore Potash UK for any remuneration, profit or other benefit resulting from any interest or transaction that has been authorised by the other Kore Potash UK Directors in accordance with the Kore Potash UK Articles or that is otherwise permitted by the Kore Potash UK Articles. No contract, transaction or arrangement shall be liable to be avoided on the grounds of any director having any such authorised or permitted interest.

Save as otherwise provided by the Kore Potash UK Articles, a Kore Potash UK Director shall not vote on, or be counted in the quorum in respect of, any contract or arrangement or any other proposal in which he or she has any direct or indirect interest other than an interest that cannot reasonably be regarded as likely to give rise to a conflict of interest or an interest that arises by virtue of his or her interests in shares or debentures or other securities or rights of or otherwise in or through Kore Potash UK (**Material Interest**).

However, subject to the provisions of the UK Companies Act and the Kore Potash UK Articles, a Kore Potash UK Director shall be entitled to vote (and be counted in the quorum) in respect of any contract or arrangement or any other proposal in which he or she has any interest which is not a Material Interest. A Kore Potash UK Director shall not be counted in the quorum at a meeting in relation to any resolution on which he or she is debarred from voting.

Subject to the relevant statutory provisions Kore Potash UK may, by ordinary resolution, suspend or relax the above provisions either generally or in respect of a particular matter or ratify any transaction, arrangement or proposal not duly authorised by reason of a contravention of such provisions.

(i) **Kore Potash UK Directors' fees and expenses**

The aggregate ordinary remuneration of the Kore Potash UK Directors (other than the Kore Potash UK Directors holding executive office) shall not exceed US\$1,500,000 per annum (or such higher sum as Kore Potash UK may by ordinary resolution approve) and shall be divided between the Kore Potash UK Directors as they may agree or, failing agreement, equally, except that any Kore Potash UK Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he held office.

A Kore Potash UK Director appointed to any executive office shall receive such remuneration (whether by way of salary, commission, participation in profits, provision for retirement or insurance benefit, or partly in one way and partly in another, or otherwise) as the Kore Potash UK Directors may determine.

The Kore Potash UK Directors are entitled to be paid all reasonable travelling, hotel and other expenses properly incurred in attending meetings of the board, committees of the board, general meetings or otherwise in connection with the business of Kore Potash UK.

(j) **Kore Potash UK Directors' indemnity and insurance**

Kore Potash UK may purchase and maintain insurance for or for the benefit of any persons who are or were at any time Kore Potash UK Directors, officers or employees of Kore Potash UK against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to Kore Potash UK.

(k) **Share qualification**

A Kore Potash UK Director is not required to hold any shares in Kore Potash UK.

(l) **Borrowing powers**

Subject to relevant statutory provisions and as provided in the Kore Potash UK Articles, the Kore Potash UK Board may exercise all the powers of Kore Potash UK to borrow money and to mortgage or charge all or any part of the undertaking, property, assets (present and future) including uncalled capital of Kore Potash UK and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of Kore Potash UK or of any third party.

5.7 **Risk factors**

Risk factors relating to Kore Potash UK are discussed in Section 6.

5.8 **Intentions in relation to the Company and Kore Potash UK Merged Group**

This Section sets out the intentions of the Company and Kore Potash UK in relation to the Company and the Kore Potash UK Merged Group if the Scheme becomes Effective.

These statements of intention are formed as at the date of this Scheme Booklet. Final decisions regarding any such matters will be made by Kore Potash UK Merged Group Board in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this Section are statements of current intentions only, which may vary as new information becomes available or circumstances change and the Kore Potash UK Merged Group further develops its strategic focus and outlook.

(a) **Corporate matters in relation to the Company**

In the event that the Scheme becomes Effective, Kore Potash UK will own all of the Shares. The Kore Potash UK Merged Group Board intends to operate the business of the Kore Group in a manner consistent with past practice and in accordance with the strategy set out in Section 4.3 and as previously disclosed by the Company. Except as set out in Section 5.8(c), Kore Potash UK intends to continue to carry on the business plan and operations of the Kore Group without any material change or amendment. Further, it is intended that:

- the Company be removed from the official list of ASX; and
- as the Company will be a wholly-owned subsidiary of the Kore Potash UK Merged Group, the Board be reconstituted so that it comprises persons nominated by the Kore Potash UK Merged Group Board.

(b) **Proposed capital raising in connection with AIM listing**

Kore Potash UK intends to seek a listing of its shares on AIM by the end of 2017. In conjunction with the AIM listing, Kore Potash UK intends to undertake a small capital raise of up to US\$20 million to satisfy the AIM Rules in relation to working capital requirements.

See Section 2.6(b) for further information on the proposed AIM listing.

(c) **Proposed restructure of the Kore Group**

It is intended that within 12 to 18 months following the Scheme becoming Effective, the Company will transfer its shares in Sintoukola Potash and Kore Potash South Africa (Pty) Ltd from the Company to Kore Potash UK. The Company will also seek to novate certain material contracts, such as those relating to the loan facility agreement with Sintoukola Potash, to Kore Potash UK.

Following this, it is intended that the Company will be wound up in an orderly manner to reduce the administrative burden associated with maintaining a non-operating Australian incorporated entity.

See Section 1.2(c) for further information on the proposed restructure.

(d) **Dividend policy**

Neither the Company nor Kore Potash UK have paid a dividend to their respective shareholders.

The Kore Potash UK Merged Group Board will review the amount of any future dividends to be paid to shareholders having regard to the company's profits, its financial position and the board's assessment of the capital required to grow the Kore Potash UK Merged Group's businesses.

(e) **Governance**

Subject to any changes required to comply with the laws of England and Wales, Kore Potash UK intends to assume substantially the same corporate governance, disclosure, trading, diversity, audit, remuneration, independent professional advice, identification and risk management, ethical standards and other relevant policies as have currently been put in place by the Company.

The Kore Potash UK Directors are considering adopting the UK Corporate Governance Code should Kore Potash UK list on AIM. The UK Corporate Governance Code applies only to companies on the premium segment of the official list of the London Stock Exchange and not to companies whose shares are admitted to trading on AIM. There is no prescribed corporate governance regime in the United Kingdom for AIM listed companies. The Kore Potash UK Directors recognise the importance of sound corporate governance and believe that the Kore Group has a well-established culture of strong corporate governance and internal controls. The Kore Potash UK Board currently has in place an audit committee and a remuneration committee.

Kore Potash UK intends to hold annual general meetings for the Kore Potash UK Merged Group in the United Kingdom.

(f) **Major contracts**

The majority of the contracts entered into by the Kore Group will be unaffected by the Scheme and will remain in full force and effect with the current counterparties. However, certain arrangements will need to be put in place to ensure that the Kore Potash Merged Group operates in the same manner as the current Kore Group (for example, the current insurance arrangements will need to be extended to include Kore Potash UK).

There are also certain contracts to which the Company is currently a party that, because of the obligations imposed by those contracts on the Company, will, conditional upon the Scheme becoming Effective, be assigned, novated or the rights imposed on the Company performed by Kore Potash UK. Those that are considered material are summarised below.

Novation of investment agreements

On 1 September 2016, the Company announced the execution of investment agreements with two new strategic investors, SGRF and SQM (**Investment Agreements**).

The transactions contemplated by these Investment Agreements were approved by Shareholders at a general meeting held on 20 October 2016. The terms of these Investment Agreements were summarised in the announcement to ASX dated 1 September 2016 and the notice of meeting dated 21 September 2016. Full copies of the Investment Agreements were attached to ASX announcements made on 7 September 2016 and 16 November 2016.

While the share issues contemplated by these Investment Agreements were completed on 15 November 2016 (with SGRF and SQM now the Company's largest shareholders), the other rights granted to SGRF and SQM set out in the notice of meeting dated 21 September 2016 remain on foot (including a right to nominate a director, certain information rights, rights to participate in further funding to maintain their pro rata percentage holding in the Company, a first right of refusal to offtake on arm's length terms and certain consent and consultation rights regarding management incentives and key employment contracts).

As these rights are more appropriately or required to be performed by the parent company of the Kore Potash UK Merged Group, they will be novated from the Company to Kore Potash UK on terms acceptable to the Company and not more materially advantageous to SGRF or SQM than the current terms of the Investment Agreements. This process is underway and the Company will make a further ASX announcement confirming when this has occurred. Accordingly, it is a condition precedent to the Scheme that this occurs before the Second Court Date.

Novation of French Consortium

On 28 February 2017, the Company announced the execution of a number of contracts with the French Consortium the purpose of which is to undertake a definitive feasibility study (**DFS**) of the Kola deposit. In addition, the 'Heads of Agreement' entered into between the Company and the French Consortium provides a commitment that the French Consortium will provide a fixed price binding engineering, procurement and construction proposal, for Kola, within three months of the completion of the DFS. Conditional upon the Scheme becoming Effective, these contracts will be novated to Kore Potash UK.

Amendment to the MGM agreement

On 14 July 2014, the Company announced the execution of an agreement with Les Etablissements Congolais MGM S.A.R.L. (**MGM**) pursuant to which the Company would acquire the remaining minority stake in Sintoukola Potash. The first tranche of this transaction was completed, with the remaining tranche (which is payable in Shares in the Company) to be completed at a time to be agreed by the parties but no later than five business days before a 10% shareholding in Sintoukola Potash is issued to a nominee of the Government of the Republic of Congo in accordance with the Republic of Congo mining code.

Given the uncertainty as to when this will occur (the 10% shareholding will not be transferred until after the Mining Convention has been adopted as a special law through legislative ratification by the Government of the Republic of Congo) the Company and MGM have agreed that, in the event that completion of the remaining tranche is due to occur after the Scheme has become Effective, that the consideration is payable in shares issued by Kore Potash UK.

(g) **No other intentions**

Other than as set out in this Scheme Booklet, Kore Potash UK has no other intentions regarding:

- the continuation of the Company's business;
- any major change to the Company's business, including any redeployment of the Company's fixed assets; or
- the future employment of the Company's present employees.

5.9 Pro forma historical financial information

(a) Historical financial profile of Kore Potash UK Merged Group

The Kore Potash UK Merged Group pro forma historical financial information provided in this Scheme Booklet comprises a pro forma consolidated statement of financial position as at 30 June 2017 which is based upon:

- the Company's audit reviewed consolidated statement of financial position as at 30 June 2017 (**Historical Financial Information**); and
- relevant pro forma adjustments required to present the Kore Potash UK Merged Group (**Pro Forma Financial Information**).

(b) Basis of preparation

The Pro Forma Financial Information is provided for illustrative purposes and is prepared on the assumption that the Proposed Transaction had occurred on 30 June 2017. The Kore Potash UK Merged Group financial statements are based on the Company's financial statements as at 30 June 2017 which were reviewed by Deloitte Touche Tohmatsu. The Independent Auditor's Review Report released with those financial statements concluded that those accounts gave a true and fair view of the consolidated group's financial position as at 30 June 2017 and complied with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. The report also draws attention to Note 2 of the financial statements which states that the Directors of the Company have prepared cash flow forecasts that indicate the Company has sufficient cash flow to meet working capital working requirements through to 30 September 2018 including corporate costs, exploration expenditure and Definitive Feasibility Study costs relating to the Kola Project, based on the following assumptions:

- completion of a capital raising through the proposed listing on AIM; and
- managing and deferring costs where applicable to coincide with the capital raising activity outlined above to ensure all obligations can be met.

The Directors of the Company remain confident that the various capital raising initiatives that they are pursuing will be successful and the Company will be able to continue as a going concern and meet its obligations as and when they fall due. As such, the financial statements were prepared on a going concern basis. However, the Independent Auditor's Review Report notes that there is material uncertainty that may cast significant doubt on the consolidated group's ability to continue as a going concern but this matter does not alter the Independent Auditor's conclusion.

As Kore Potash UK was only recently incorporated, it has not yet been required to prepare any financial statements. The Pro Forma Financial Information has been prepared to reflect the fact that, as at the date of this Scheme Booklet, Kore Potash UK has not traded and therefore has no liabilities of its own.

The Pro Forma Financial Information:

- has been prepared in accordance with the recognition and measurement principles of AASBs, together with pro forma adjustments to reflect the Proposed Transaction;
- has been presented in an abbreviated form and does not include all disclosures required by the Australian Accounting Standards applicable to half-year financial reports prepared in accordance with the Corporations Act; and
- has been reviewed in accordance with the Australian Auditing Standards.

All amounts are presented in US dollars, unless otherwise noted.

Following listing on ASX, Kore Potash UK will prepare its financial statements in accordance with the International Financial Reporting Standards as adopted by the EU and Kore Potash UK's auditor will apply the International Standards on Auditing to those financial statements.

(c) **Pro forma adjustments**

The following pro forma adjustments to the Historical Financial Information have been made in order to present the Pro Forma Financial Information:

- the acquisition of the Company by Kore Potash UK through the issuance of one Kore Potash UK CDI for each Share as described in this Scheme Booklet, being approximately 768,158,142 Kore Potash UK CDIs in total, as well as the issue of replacement securities in consideration for the cancellation of the Convertible Securities outstanding as described in Section 9.4; and
- expenses associated with the Proposed Transaction (including legal, advisory, accounting, tax, listing and administrative fees as well as printing and advertising). These expenses are estimated to be US\$493,709 and have been recognised through profit and loss and reduces the overall cash balance of Kore Potash UK Merged Group.

(d) **Pro Forma Financial Information**

This Section contains the Pro Forma Financial Information for Kore Potash UK Merged Group, reflecting the combined businesses of the Company and Kore Potash UK. The Pro Forma Financial Information is presented to provide Shareholders with an indication of Kore Potash UK Merged Group statement of financial position if the Proposed Transaction occurred as at 30 June 2017.

Pro forma Kore Potash UK Merged Group statement of financial position

Set out below is the audit reviewed consolidated statement of financial position of the Kore Potash UK Merged Group as at 30 June 2017 adjusted for certain pro-forma adjustments.

	30 June 2017 USD	Pro- forma adjustments USD	Pro-forma statement of financial position USD
CURRENT ASSETS			
Cash and cash equivalents	33,946,629	(493,709)	33,452,920
Trade and other receivables	230,668		230,668
TOTAL CURRENT ASSETS	<u>34,177,297</u>	<u>(493,709)</u>	<u>33,683,588</u>
NON CURRENT ASSETS			
Trade and other receivables	121,631		121,631
Property, plant and equipment	387,827		387,827
Exploration and evaluation expenditure	117,038,885		117,038,885
TOTAL NON CURRENT ASSETS	<u>117,548,343</u>		<u>117,548,343</u>
TOTAL ASSETS	<u>151,725,640</u>	<u>(493,709)</u>	<u>151,231,931</u>
CURRENT LIABILITIES			
Trade and other payables	533,416		533,416
TOTAL CURRENT LIABILITIES	<u>533,416</u>		<u>533,416</u>
TOTAL LIABILITIES	<u>533,416</u>		<u>533,416</u>
NET ASSETS	<u>151,192,224</u>	<u>(493,709)</u>	<u>150,698,515</u>
EQUITY			
Contributed equity	204,510,196		204,510,196
Reserves	23,010,292		23,010,292

Accumulated losses	(76,328,264)	(493,709)	(76,821,973)
Equity attributable to owners of the Company	151,192,224	(493,709)	150,698,515
Non-controlling interests	-	-	-
TOTAL EQUITY	151,192,224	(493,709)	150,698,515

5.10 Capital structure and ownership

(a) Capital structure

Kore Potash UK has the following securities on issue which were issued on its incorporation:

- 50,000 redeemable non-voting preference shares of £1 each; and
- one ordinary share of US\$0.001.

See Section 5.2 for the treatment of these securities following the implementation of the Scheme.

Based on the Company's current issued share capital, if the Scheme is implemented, Kore Potash UK will issue approximately 768,158,142 Kore Potash UK Shares to CDN who will in turn issue the equivalent number of Kore Potash UK CDIs to Shareholders.

As a result, the number of Kore Potash UK CDIs on issue will increase from nil (being the number currently on issue) to approximately 768,158,142 on an undiluted basis, as illustrated below.

	Kore Potash UK CDIs to be issued	Cumulative total Kore Potash UK CDIs on issue
As at the date of this Scheme Booklet	0	0
To be issued as Scheme Consideration*	768,158,142	768,158,142

* Based on the Company's current issue share capital of 768,158,142 Shares. See Section 10 and Annexure G in respect of a potential further issue in conjunction with an AIM listing.

The Company currently has 58,191,226 Options and 48,077,728 Performance Rights on issue. The Company and Kore Potash UK propose to enter into Convertible Securities Exchange Deeds with Optionholders and Performance Right Holders to cancel the Options and Performance Rights on issue in consideration for the issue of replacement securities. See Section 9.4 for further information regarding the cancellation of the Convertible Securities.

(b) Shareholding structure

If the Scheme is implemented, Shareholders will collectively hold approximately 100% of the Kore Potash UK CDIs in in the same percentages as their existing holdings in the Company, subject to the provisions of the Scheme dealing with Ineligible Foreign Shareholders.

It is expected there will be four substantial shareholders of Kore Potash UK, being the same shareholders that are currently substantial shareholders of the Company:

Name	Number of CDIs held	% held of issued CDIs
Princess Aurora Company Pte Limited	131,370,000	17.102%
Sociedad Quimica Minera de Chile SA	131,370,000	17.102%
Harlequin Investments Limited	102,313,611	13.319%

5.11 Forecast financial information for Kore Potash UK Merged Group

The Company and Kore Potash UK have given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information for Kore Potash UK Merged Group. The Directors and Kore Potash UK Directors have concluded that, as at the date of this Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

The financial performance of Kore Potash UK Merged Group in any period will be influenced by various factors that are outside the control of the directors and that cannot, at this time, be predicted with a high level of confidence. In particular, the financial performance of Kore Potash UK Merged Group will be materially affected by:

- fluctuations in the potash price;
- fluctuations in exchange rates; and
- labour stability.

The Company and Kore Potash UK do not have an established practice of issuing financial forecasts given the potential impact of the considerations shown above, and the status of development of current and future projects.

6 Risk factors

6.1 Introduction

If the Scheme is implemented, Shareholders (other than Ineligible Foreign Shareholders) will receive Kore Potash UK CDIs as the Scheme Consideration. As a consequence, Shareholders may be exposed to risk factors that could adversely affect the re-domiciled Kore Group's business, operations, financial performance, cash flows and prospects which will consequently affect the price of Kore Potash UK CDIs.

Shareholders should note that the risks they will be exposed to in respect of the assets, operations and general business of the Kore Potash UK Merged Group are materially the same risks that they are currently exposed to in relation to the Kore Group's existing business. This is because the Proposed Transaction merely re-domiciles the Kore Group in the United Kingdom. These risks are briefly outlined in Section 6.2.

There are, however, additional new risks that Shareholders who receive Kore Potash UK CDIs may be exposed to which specifically relate to the change in jurisdiction to the United Kingdom. These risks are outlined in detail in Section 6.3 below. Shareholders should also note that there are certain implementation specific risks in relation to the Proposed Transaction. These are discussed in Section 6.4.

Although the Kore Potash UK Merged Group will have in place a number of strategies to minimise the exposure to, and mitigate the effects of, some of the risks outlined in this Section 6, there can be no assurance that such arrangements will protect the re-domiciled Kore Group fully from such risks.

The outline of risks in this section is a summary only and should not be considered exhaustive. You should carefully consider the following risks as well as the other information contained in this Scheme Booklet before voting on the Scheme.

6.2 Risks relating to the Company's existing business

(a) No history of mineral production at the Sintoukola Project

The Company's main undertaking, the Sintoukola Project, is an advanced-stage exploration and development project that has no operating history upon which to base estimates of future operating costs, future capital spending requirements or future site remediation costs or asset retirement obligations.

(b) No revenues from operations and negative operating cash flows

The Company currently has no source of operating cash flow, has not recorded any material revenues from its operations to date, nor does it expect to generate any revenues from its operations for several years. It also expects to continue to have negative operating cash flow for the foreseeable future.

The development of the Kola Project will require the commitment of substantial resources to conduct time-consuming development programs. There can be no assurance that the Company will generate any revenues or achieve profitability.

(c) Dependence on the Sintoukola Project

The Company is primarily focused on the exploration and development of the Sintoukola Project. Unless the Company acquires additional project interests, any material adverse development affecting the progress of the Sintoukola Project could have a material adverse effect on the Company's business, financial performance, results of operations and prospects.

(d) **Estimates of Mineral Resources are uncertain**

Declared Mineral Resources are estimates and there can be no assurance that they will be recovered or that they can be brought into profitable production. Resource estimates may require revisions based on actual production experience. Furthermore, a decline in the potash price or by-products could render Mineral Resources containing relatively lower grades of mineralisation uneconomic and may result in a restatement of Mineral Resources.

Fluctuation in potash prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimates.

(e) **Title to the mineral properties cannot be assured**

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral rights may be disputed and additional amounts may have to be paid to surface rights owners in connection with any development of mining activity. The properties may also be subject to prior unregistered agreements of transfer or land claims, and title may be affected by undetected defects.

Although the Company has diligently investigated and believes it has taken reasonable measures to ensure that title to its properties are in good standing, including obtaining a legal title opinion with respect to validity of the relevant Sintoukola Project licences and agreements, there is no guarantee that title to its properties will not be challenged or impaired by third parties, or that such rights and title interests will not be revoked or significantly altered to the detriment of the Company.

(f) **Approvals, licences and permits in connection with current and future exploration and development activities may not be obtained**

Governmental approvals, licences and permits are currently, and may in the future, be required in connection with the projects. To the extent such approvals, licences and permits are not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration, development or operation of the projects. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

(g) **Governmental and regulatory requirements could adversely impact the development of the Company's projects**

The mineral exploration and development activities, and future operations of the Company are subject to various laws and regulations governing mineral concession acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Although the Company believes that its exploration activities are currently being carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied or amended in a manner that could have a material and adverse effect on the business, financial condition and results of operations of the Company.

(h) **The Company may become subject to litigation which may have a material adverse effect on its performance**

The Company is currently subject to legal action in the Republic of Congo regarding a dispute arising from the retrenchment of employees in 2014. The outcome of this litigation cannot be predicted with certainty. In addition, the Company may become involved in disputes with other parties in the future which may result in litigation, the outcome of which cannot be predicted with certainty. If the Company were unable to resolve such disputes

favourably, the resulting litigation could adversely affect the Corporation's financial performance, cash flow and results of operations.

(i) **Mining complexities may adversely impact the capability of the Company to operate**

Mining complexities arising from environmental geotechnical and hydro-geological conditions and undetected geological phenomena may adversely impact the efficiency of the operation to the extent that the operation becomes financially unviable.

(j) **Construction schedule delays may adversely impact the financial position of the Company**

Delays in construction for a variety of reasons including availability of equipment, engineering complexity, permitting delays, financing delays, adverse weather conditions or other unforeseen circumstances may result in commissioning and start up delays that would negatively impact the Company's financial performance.

(k) **There is potential for water ingress into the mine stoping operation**

The presence of an aquifer above the potash mineralisation poses a substantial risk for an uncontrolled ingress of water into the workings of the mine that may result in the closure of the operation.

(l) **Climate conditions may cause delays and cost over-runs and inhibit future production**

Major weather events, such as unusual heavy rainfall, especially during the Republic of Congo's wet season from November until mid-March, may result in delays in the development and construction of the plant, cost over-runs and may inhibit future production, any of which could have a material adverse effect on the Company's business, operations and financial results.

(m) **The Company does not maintain insurance against all possible risks**

Although the Company maintains insurance against certain risks in amounts which management considers to be reasonable, its insurance may not cover all potential liabilities associated with its operations. The nature of liabilities for mining companies are such that liabilities may exceed policy limits, certain liabilities and hazards might not be insurable, or the Company might decide not to insure against certain liabilities because of high premiums or other reasons. Should such liabilities occur, the Company could incur significant costs that could have a material adverse effect upon its results of operations or otherwise affect its insurability and reputation in the market.

(n) **The Company will require additional capital in the future and no assurance can be given that such capital will be available at all or on terms acceptable to the Company**

The Company will have further capital requirements and exploration expenditures as it proceeds to develop and/or expand exploration activities at the projects or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it. The development of the project and continued exploration of the Company's properties may therefore depend on the Company's ability to obtain additional required financing. In particular, the potential development of the Sintoukola Project requires substantial capital commitments, which the Company cannot currently quantify (other than by way of estimation) and does not currently have in place. The Company can provide no assurance that it will be able to obtain financing on favourable terms or at all. If financing is not available, it could result in a delay or indefinite postponement of development or production on the projects, or in a loss of project ownership or earning opportunities by the Company.

The Company currently has no source of funding for the financing of the capital needs of its business and future activities, other than by the issuance of additional securities of the Company. If the Company is unable to generate revenues or obtain additional financing, any investment in the Company may be lost. Where the Company issues securities in the future, such issuance will result in the then existing shareholders of the Company sustaining dilution to their relative proportion of the equity in the Company. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs.

(o) **Demand for potash tends to be cyclical in nature**

Potash demand, as with demand for other commodities, tends to be cyclical in nature. During periods of increased demand, potash producers often engage in expansion and development projects to capitalize on favourable potash prices, leading to an increased supply for potash products. Such supply growth increases until supply exceeds demand, putting downward pressure on potash prices until the cycle repeats itself. Supply demand imbalances may have a material adverse effect on the Company's business, financial performance and results of operations.

(p) **Volatility in the price of potash may adversely affect the future revenues of the Company**

The Company's future revenues, if any, are expected to be derived from the sale of potash. Potash prices can fluctuate widely and are affected by a number of factors beyond the Company's control. The Company's future economic viability, and hence the value of its Shares, will be highly sensitive to changes in potash prices. A number of macroeconomic factors may affect the price of potash, including interest rates, inflation expectations, global health, changes in the supply of potash, the strength of the US\$ in which potash prices are generally quoted and competition from substitute fertilizers, if such substitutes are found. These and other factors will have an impact on the viability of the Sintoukola Project, including the Company's ability to secure additional financing that will be necessary for the development of the project and possible continued exploration activities.

(q) **The Company is subject to foreign operational risks**

The operations of the Company are conducted in the Republic of Congo, and as such, are exposed to various levels of political, economic and other natural and man-made risks and uncertainties over which the Company has no or limited control. These risks and uncertainties include, but are not limited to: economic, social or political instability, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalisation, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation, changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction and outbreaks of disease and other potential endemic health issues in the Company's work force, including malaria, HIV/AIDS and other contagious diseases.

Changes, if any, in mining, environmental or investment policies or shifts in political attitude in the Republic of Congo may have a material adverse effect on the Company's business, financial condition and results of operations.

(r) **Enforcement of contractual rights in the Republic of Congo may be brought into question**

The legal system in the Republic of Congo is based on the French civil law system (the Civil Code of the former French Equatorial Africa). The Republic of Congo is also a member state of the Organization for the Harmonization of Business Law in Africa, which has enacted an Act Relating to Company Law and Economic Interest Groupings, providing for a standard system for the creation and administration of companies and related entities, and a Uniform

Act on Arbitration, allowing recourse to a standard arbitration mechanism for the settlement of contractual disputes arising from civil or commercial contracts concluded in the Republic of Congo as an alternative to recourse to the Republic of Congo courts for legal proceedings relating to contracts.

Under Republic of Congo contract law, parties may enter into private contracts in the language of their choice, however enforcement of certain contracts (such as commercial leases and asset purchase agreements) before the Republic of Congo courts requires translation into French. Contracts relating to administrative matters, between public entities or between a public entity and a private entity (such as, for example, leasing of areas belonging to a public entity to a private company), must be entered into in French, but need not be notarized before being enforced in a Republic of Congo court. Most contracts require registration with the Republic of Congo stamp duties and registration fees office and payment of the applicable registration fees and stamp duties as a condition of enforceability. If any of these processes are not strictly followed, the courts may determine that a contract entered into is not enforceable. If any of the Company's contracts are deemed unenforceable, this could have a material adverse effect on the operations and financial results of the Company.

The Government of the Republic of Congo has recently approved and signed the mining convention for the Kola and Dougou (including Dougou Extension) mining projects, which remain to be ratified into law. The mining convention governs the conditions of construction, operation and mine closure, including the fiscal terms and dispute resolution. In addition, Kore Potash UK will potentially benefit from the strengthened legal protection from the UK-Congo BIT.

(s) **The fiscal regime in relation to repatriation of funds may change adversely impacting future cash flow**

The Company cannot guarantee that the current fiscal regime that allows for repatriation of funds will remain in effect for the life of the Sintoukola Project, which may adversely impact on the ability of investors to recover their investment.

6.3 Risk factors relating to holding Kore Potash UK CDIs

Shareholders (other than Ineligible Foreign Shareholders) who receive the Scheme Consideration may be exposed to the following additional new risks relating to holding Kore Potash UK CDIs.

(a) **The laws of England and Wales**

As a company incorporated in England and Wales, Kore Potash UK will not be subject to many provisions of the Corporations Act to which the Company is currently subject to. It will, however, remain subject to some provisions of the Corporations Act as a result of its registration as a foreign company in Australia and it will be subject to the ASX Listing Rules due to the quotation of the Kore Potash UK CDIs on ASX.

See Section 1.4(c) and Annexure B for a more detailed summary of some of the key differences between Australian and the United Kingdom legal regimes in this regard.

(b) **Changes to tax environment**

If the Proposed Transaction proceeds, there may be tax consequences for Shareholders which may include tax payable on any gain on the disposal of Scheme Shares. However, Shareholders should seek their own professional advice regarding the individual tax consequences applicable to them.

See Section 7 for further information.

6.4 Scheme and Proposed Transaction implementation specific risks

The following risks have been identified as being key risks specific to an investment in the Kore Potash UK Merged Group. These risks have the potential to have a significant adverse impact on the Kore Potash UK Merged Group and may affect the Kore Potash UK Merged Group's financial position, prospects and price of its listed securities.

(a) **The exact value of the Scheme Consideration is not certain**

Under the terms of the Proposed Transaction, Scheme Participants (other than Ineligible Foreign Shareholders) will receive one Kore Potash UK CDI for each Share they hold at the Record Date. The exact value of this Scheme Consideration that would be realised by individual Shareholders will be dependent on the price at which Kore Potash UK CDIs trade on ASX after the Implementation Date.

(b) **There can be no assurance that any claims brought by Kore Potash UK under the UK-Congo BIT will be successful or, even if they are successful, that any award in favour of Kore Potash UK can be enforced**

Following the Scheme becoming effective, but prior to the transfer of the shares in Sintoukola Potash to Kore Potash UK, there can be no assurance that Kore Potash UK will have the benefit of the UK-Congo BIT. In addition, no assurance can be given that the Board will be able to successfully implement the transfer of shares in Sintoukola Potash to Kore Potash UK and accordingly no assurance can be given that the benefit of the UK-Congo BIT will be available to Kore Potash UK. Whilst the Board believes that Kore Potash UK should have the benefit of the UK-Congo BIT following the Scheme becoming effective and the transfer of the shares in Sintoukola Potash to Kore Potash UK having taken place, again, no assurance can be given that any claim under the treaty by Kore Potash UK (or any other member of the Kore Potash UK Merged Group) will be accepted as being within the scope of the UK-Congo BIT or the jurisdiction of any tribunal constituted under the treaty or admissible. Arbitration under bilateral investment treaties generally takes a number of years and there can be no assurance about how a tribunal appointed under the treaty will approach matters. There is no doctrine of precedent, so earlier cases are not binding on later tribunals. Different tribunals may decide exactly the same point differently (and have done in the past). In addition, there is no appeal mechanism against a decision of an International Centre for the Settlement of Investment Disputes tribunal (only a restricted annulment process). Accordingly, no assurance can be given that if the Republic of Congo were to breach any of its obligations under the UK-Congo BIT, any claim brought by Kore Potash UK (or other member of the Kore Potash UK Merged Group) under the UK-Congo BIT will be successful.

Even if Kore Potash UK (or relevant member of the Kore Potash UK Merged Group) were successful in bringing a claim under the treaty, there can be no assurance that Kore Potash UK (or relevant member of the Kore Potash UK Merged Group) will be successful in enforcing any award against the Republic of Congo or that any enforcement of an award could be achieved in a timely manner. Accordingly, if the Republic of Congo were to breach any of its obligations under the UK-Congo BIT, or if Kore Potash UK (or other member of the Kore Potash UK Merged Group) were to be unsuccessful in bringing a claim under the UK-Congo BIT or unsuccessful in enforcing any award in its favour, this could have a material adverse effect on the Kore Potash UK Merged Group's business, operating results and financial position.

(c) **There can be no assurance that the Kore Potash UK Merged Group's investments in Sintoukola Potash will be structured as direct investments and so no assurance can be given that the UK-Congo BIT will be available for any indirect investments in Sintoukola Potash**

No assurance can be given that all of the Kore Potash UK Merged Group's investments in Sintoukola Potash will be structured as direct investments. Accordingly, no assurance can be given that the UK-Congo BIT will be available for the Kore Potash UK Merged Group's investments which are structured as indirect investments. Should the treaty not be available as a result of Kore Potash UK making an indirect investment, rather than a direct investment,

then this could have a material adverse effect on the Kore Potash UK Merged Group's business, operating results and financial position.

(d) Transaction and other costs

Transaction and other costs incurred (or which are expected to be incurred) by the Company in relation to the successful implementation of the Proposed Transaction are currently estimated at approximately \$620,000 (US\$493,709), comprising adviser, legal, accounting, registry and expert fees, employee costs, and various other costs. Most of these costs have already been incurred.

(e) Contract risk

The Scheme may be deemed under contracts to which the Company or Kore Potash UK or their subsidiaries are a party, to result in a change of share ownership event in respect of the Company or Kore Potash UK that allows the counterparty to review or terminate the contract as a result of the change, or the issue of shares or CDIs by Kore Potash UK, upon implementation of the Scheme. If the counterparty to any such contract were to validly seek to renegotiate or terminate the contract on that basis, this may have a material adverse effect on the financial performance of Kore Potash UK Merged Group, depending on the relevant contracts. Based on the Company's due diligence and enquiries of current key contractual counterparties, the Company does not expect any of its material contracts will be terminated as a result of the Proposed Transaction.

(f) Regulatory approvals

A Condition Precedent to the Scheme is the receipt of a number of regulatory approvals. The required approvals are still pending as at the date of this Scheme Booklet. If these approvals are not received by the Second Court Date, there is a risk that the Scheme may not proceed.

(g) Accounting risk

In accounting for the Proposed Transaction, Kore Potash UK Merged Group will need to perform a fair value assessment of all of the Company's assets, liabilities and contingent liabilities, which will include the identification and valuation of mineral rights and intangible assets.

To the extent intangible assets are recognised in respect of accounting for the acquisition of the Company by Kore Potash UK, they will be subject to annual impairment testing. In the event that the recoverable amount of intangible assets is impaired, this will result in a charge against future earnings.

The Kore Potash UK Merged Group will be subject to the usual business risk that there may be changes in accounting policies which have an adverse impact on Kore Potash UK Merged Group.

(h) Tax losses risk

Subject to the more detailed comments made at Section 7.5, there are certain tests that must be satisfied for carry forward Australian tax losses to be utilised to shelter Australian assessable income in future years. There is a risk that the Scheme may cause the Company to fail one or more of these tests although the Company will continue to monitor these tests going forward and use reasonable endeavours to utilise its Australian tax losses, if required.

(i) The proposed AIM listing may not proceed

While Kore Potash UK's current intention is to apply for a listing of Kore Potash UK Shares on AIM, there is no guarantee that such a listing will proceed or be successful. A listing on AIM requires Kore Potash UK to satisfy a range of legal and commercial requirements, including the preparation of an AIM admission document and associated expert reports and disclosure, preparation of a working capital statement which demonstrates that Kore Potash UK has sufficient working capital available to meet its present requirements and its nominated adviser determining that the company is appropriate for listing on AIM.

While Kore Potash UK is advanced in its preparation, these requirements can only be satisfied at the time of seeking admission to AIM and having regard to the prevailing market conditions at that time. For example, if Kore Potash UK requires additional working capital to list and it cannot due to market conditions or regulatory restrictions be raised (for example, because shareholder approval is required for the share issue and it is not obtained), then this will negatively impact the ability to proceed.

However, should an AIM listing not eventuate, CDI holders in Kore Potash UK will still be able to trade their Kore Potash UK CDIs on ASX. Further, the Board believes a move to the United Kingdom itself, even in the absence of an AIM listing, would have sufficient benefits to warrant doing so.

(j) **Other risks**

Additional risks and uncertainties not currently known to the Company or Kore Potash UK may also have a material adverse effect on the Company or Kore Potash UK's business and that of the Kore Potash UK Merged Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting the Company, Kore Potash UK or Kore Potash UK Merged Group.

7 Taxation implications

7.1 Introduction

This Section has been prepared by Deloitte Tax Services Pty Ltd.

In this Section, the following definitions apply:

Kore Potash Securities means collectively (or individually as the context requires) the Shares and Options.

Kore Potash UK Securities means collectively (or individually as the context requires) the Kore Potash UK Shares (held in the form of Kore Potash UK CDIs) and Kore Potash UK Options.

Foreign Shareholders means Scheme Participants who are not Australian tax residents.

7.2 Disclaimer and general use restriction

This Section provides a general summary of certain Australian and UK tax consequences for certain Eligible Scheme Participants from exchanging their Kore Potash Securities for Kore Potash UK Securities as contemplated by the Scheme. This Section also provides a general summary of certain Australian and UK tax consequences for the Company as a result of the Scheme.

The categories of Eligible Scheme Participants considered in this Section are limited to individuals (who are not employees of the Company or any of its subsidiaries), companies, complying superannuation entities and certain trusts, each of whom hold their investments (including shares and options) on 'capital' account. For the avoidance of doubt, it is noted that this Section does not consider other types of Eligible Scheme Participants (such as partnerships and employees), Eligible Scheme Participants that do not hold their Kore Potash Securities on 'capital' account (e.g. held on 'revenue' account, as trading stock or as part of certain employment arrangements), Kore Potash Securities acquired before 1 July 1999 or the taxation implications of the AIM listing or capital raising which may occur following the successful implementation of the Scheme.

It is also noted that the comments in this Section do not consider the taxation and duty implications of a conversion from a CDI holding to a direct holding of Kore Potash UK Shares (or vice versa).

This Section is prepared solely for the Eligible Scheme Participants as described and limited above. This Section is not intended to and should not be used or relied upon by anyone else and there is no acceptance of a duty of care to any other person or entity. This Section has been prepared for the purpose of enabling certain Eligible Scheme Participants to broadly understand certain Australian and UK taxation implications of the proposed Scheme as outlined in this Scheme Booklet. You should not refer to or use Deloitte Tax Services Pty Ltd's name or this Section for any other purpose.

This Section does not constitute tax advice and is intended only as a general guide to certain Australian and UK tax implications of participating in the Scheme based on taxation law and administrative practice in effect as at the date of this Scheme Booklet (which are both subject to change at any time, possibly with retrospective effect). It does not consider any specific facts or circumstances that may apply to particular Eligible Scheme Participants. As the tax consequences of participating in the Scheme will depend on each Eligible Scheme Participant's own individual circumstances, all Eligible Scheme Participants are strongly advised to seek independent professional advice regarding the tax consequences of disposing of their Kore Potash Securities according to their own particular circumstances.

Deloitte Tax Services Pty Ltd, a registered tax agent, has provided the tax comments in this Section. Deloitte Tax Services Pty Ltd is not licensed under Chapter 7 of the Corporations Act to provide financial product advice. Taxation issues, such as those covered by this

Section, are only one of the matters you need to consider when making a decision about a financial product. You should consider taking advice from someone who holds an Australian Financial Services Licence before making such a decision.

7.3 Australian income taxation implications for Eligible Scheme Participants

It should be noted that Kore Potash is seeking a class ruling from the ATO that covers the application of CGT roll-over relief provisions to certain Eligible Scheme Participants. The summary below is based on a favourable ruling being obtained from the ATO confirming that the Scheme is eligible for CGT scrip-for-scrip roll-over relief pursuant to Subdivision 124-M of the Income Tax Assessment Act 1997. It is possible that the ATO may take a different view or conclude that the CGT roll-over relief provisions in Division 615 of the Income Tax Assessment Act 1997 apply instead of those in Subdivision 124-M. If the CGT roll-over provisions in Division 615 apply, the CGT roll-over outcomes to relevant Eligible Scheme Participants should be broadly similar to those under Subdivision 124-M. The Company will inform Eligible Scheme Participants of the outcomes of the class ruling process in due course.

Furthermore, the comments in this Section assume that there are no 'significant stakeholders' or 'common stakeholders' in the Company, and that Kore Potash UK does not intend to make joint roll-over elections, for Australian CGT roll-over relief purposes (with this assumption based on representations made to Deloitte Tax Services Pty Ltd by the Company).

Whilst application for the class ruling has been made, it has not been finalised as at the date of the Scheme Booklet. The Company anticipates that the ATO will provide a draft Class Ruling to management prior to the Effective Date and a final class ruling (assuming one is issued) once the Scheme is implemented (which will be available on the ATO website at www.law.ato.gov.au and the Company will announce its receipt). The Company will immediately announce if a class ruling is rejected.

(a) Australian tax residents

With reference to the disclaimer above, this part applies to Eligible Scheme Participants that are residents of Australia for Australian income tax purposes (this part has been prepared on the basis that all Ineligible Foreign Shareholders are not residents of Australia for Australian income tax purposes).

Disposal of Kore Potash Securities

CGT event

The disposal of Kore Potash Securities by an Eligible Scheme Participant pursuant to the Scheme will constitute a 'CGT event'. The CGT event will happen at the time the Eligible Scheme Participant disposes of its Kore Potash Securities under the Scheme, which should be the Implementation Date. However, as discussed further below, CGT 'scrip-for-scrip roll-over' relief may be available for an Eligible Scheme Participant to disregard a capital gain which arises from this CGT event.

In the absence of CGT scrip-for-scrip roll-over relief, a capital gain or capital loss will arise as a consequence of this CGT event. An Eligible Scheme Participant will make a capital gain if the capital proceeds exceed the Eligible Scheme Participant's cost base for the Kore Potash Securities and a capital loss if the capital proceeds are less than the Eligible Scheme Participant's reduced cost base for the Kore Potash Securities.

An Eligible Scheme Participant's capital proceeds should generally be equal to the Australian Dollar market value of the Kore Potash UK Securities received by the Eligible Scheme Participant in exchange (converted to Australian Dollars on the date of the CGT event, as required). For example, one way of determining the market value of the Kore Potash UK CDIs received in exchange for Shares is by reference to the price of Kore Potash UK CDIs on the Implementation Date.

An Eligible Scheme Participant's cost base (and reduced cost base) in the Kore Potash Securities should generally include the historical amount paid by the Eligible Scheme Participant to acquire the Kore Potash Securities plus any incidental costs of acquisition and disposal (e.g. brokerage fees and stamp duty).

CGT scrip-for-scrip roll-over relief

An Eligible Scheme Participant who makes a capital gain from the disposal of their Kore Potash Securities may be able to obtain CGT scrip-for-scrip roll-over relief. Broadly, CGT scrip-for-scrip roll-over relief enables an Eligible Scheme Participant to choose to disregard the capital gain they make from disposing of their Kore Potash Securities in exchange for Kore Potash UK Securities (as discussed further below).

An Eligible Scheme Participant should be entitled to choose CGT scrip-for-scrip roll-over relief if they would otherwise make a capital gain on the disposal of their Kore Potash Securities. If a capital loss arises, no CGT scrip-for-scrip roll-over relief is available. The consequences to an Eligible Scheme Participant of choosing to obtain CGT scrip-for-scrip roll-over relief and also the consequences if CGT scrip-for-scrip roll-over relief is not chosen or is not available are outlined generally below.

The CGT roll-over choice must be made before you lodge your income tax return for the income year in which the CGT event happens. An Eligible Scheme Participant does not need to inform the ATO or document their choice to claim CGT scrip-for-scrip roll-over relief other than to complete their income tax return in a manner consistent with their choice.

Further, Kore Potash UK will not make a choice pursuant to section 124-795(4) of the *Income Tax Assessment Act 1997* such that Eligible Scheme Participants are unable to obtain CGT scrip-for-scrip roll-over relief.

Consequences if CGT scrip-for-scrip roll-over relief is available and is chosen

If an Eligible Scheme Participant chooses CGT scrip-for-scrip roll-over relief, the following general treatment should apply.

- *Capital gain is disregarded*

If an Eligible Scheme Participant chooses CGT scrip-for-scrip roll-over relief, the capital gain arising on the disposal of their Kore Potash Securities in exchange for Kore Potash UK Securities should be disregarded.

- *Cost base and reduced cost base of Kore Potash UK Securities*

If an Eligible Scheme Participant chooses to obtain CGT scrip-for-scrip roll-over relief, the first element of the cost base for the Kore Potash UK Securities is worked out by attributing, on a reasonable basis, the existing cost base of the Kore Potash Securities that were exchanged for the Kore Potash UK Securities, to the Kore Potash UK Securities. The first element of the reduced cost base is worked out similarly.

- *Acquisition date of Kore Potash UK Securities*

If an Eligible Scheme Participant chooses to obtain scrip-for-scrip roll-over relief, the acquisition date of the Kore Potash UK Securities for CGT purposes is taken to be the date when the Eligible Scheme Participant originally acquired the corresponding Kore Potash Securities that were exchanged for the relevant Kore Potash UK Securities.

This acquisition date will be relevant for the purposes of determining whether any entitlement to the CGT discount is available in respect of any future disposal of the Kore Potash UK Securities (as discussed below).

Consequences if CGT scrip-for-scrip roll-over relief is not chosen or is not available

If an Eligible Scheme Participant does not qualify for CGT scrip-for-scrip roll-over relief, or the Eligible Scheme Participant chooses not to apply the roll-over relief, the following general treatment should apply.

- *Discount CGT treatment*

If the Eligible Scheme Participant has held, or is taken to have held, its Kore Potash Securities for at least 12 months at the time of the disposal of its Kore Potash Securities, the discount CGT provisions may apply. The discount is 50 per cent for individuals and trusts, and 33 1/3 per cent for complying superannuation entities. Companies are not entitled to a CGT discount.

If the Eligible Scheme Participant makes a discount capital gain, any of their available capital losses will be applied to reduce the undiscounted capital gain before the discount is applied. The resulting amount is then included in the Eligible Scheme Participant's net capital gain for the income year.

Where the Eligible Scheme Participant is a trustee, the rules around capital gains and the CGT discount are complex; subject to certain requirements being satisfied, the capital gain may flow through to the beneficiaries in that trust, who will assess eligibility for the CGT discount in their own right.

- *Capital loss*

If an Eligible Scheme Participant makes a capital loss from the disposal of their Kore Potash Securities this may be used to offset capital gains they derive in the same or subsequent years of income (subject to satisfying certain conditions) but cannot be offset against ordinary income nor carried back to offset net capital gains arising in earlier income years.

- *Cost base and reduced cost base of Kore Potash UK Securities*

The first element of the cost base (and reduced cost base) of the Kore Potash UK Securities received by an Eligible Scheme Participant should be equal to the Australian Dollar market value of the Kore Potash Securities it exchanges for the Kore Potash UK Securities.

In the absence of any contrary indication of the value of the Kore Potash Securities, their market value could be taken to be equal to the market value of the Kore Potash UK Securities on the date the Kore Potash UK Securities are issued (being the Implementation Date). For example, one way of determining the market value of the Kore Potash UK CDIs received in exchange for Shares is by reference to the share price of Kore Potash UK CDIs on the Implementation Date.

- *Acquisition date of Kore Potash UK Securities*

The acquisition date of the Kore Potash UK Securities for Eligible Scheme Participants for CGT discount purposes should be the Implementation Date.

This means an Eligible Scheme Participant will need to hold their Kore Potash UK Securities for at least 12 months after that date before the CGT discount (described above) may apply on a subsequent disposal of the Kore Potash UK Securities.

Ongoing ownership of Kore Potash UK Securities

The following comments are made on the basis Kore Potash UK will not be a resident of Australia for Australian income tax purposes, such that Eligible Scheme Participants will own securities in a foreign company.

Taxation of dividends received

Generally, an Eligible Scheme Participant will be required to include in its assessable income the gross amount of any dividends it may receive from Kore Potash UK when those dividends are paid or credited to them.

On the basis that Kore Potash UK will not be an Australian resident for tax purposes, it will not be able to frank dividends it pays to its shareholders. Accordingly, Eligible Scheme Participants will not receive any franked dividends (and will not be entitled to any franking credits in respect of such dividends) from Kore Potash UK. It is noted that, under the current structure, Eligible Scheme Participants would not have received franked dividends in any

event on the basis the Company's profits would largely have been derived from foreign sources.

If an Eligible Scheme Participant is a company that holds at least 10% of the 'direct participation' interests in Kore Potash UK, dividends received from Kore Potash UK may be treated as non-assessable non-exempt income if certain conditions are satisfied. For completeness, it is also noted that Kore Potash UK dividends received indirectly by a company through interposed trusts and partnerships may also be eligible for non-assessable non-exempt income treatment if the company's 'direct participation' and 'indirect participation' interests in Kore Potash UK are at least 10% and certain other conditions are satisfied. Eligible Scheme Participants in these circumstances are advised to seek independent tax advice (based on their individual circumstances), regarding whether dividends received from Kore Potash UK may be eligible for non-assessable non-exempt income treatment.

Future disposals of Kore Potash UK Securities

On a future disposal of Kore Potash UK Securities, Eligible Scheme Participants may make a capital gain if the capital proceeds (in Australian Dollars) of that disposal are more than the cost base (in Australian Dollars) or a capital loss if the capital proceeds (in Australian Dollars) of that disposal are less than the reduced cost base (in Australian Dollars). The cost base and acquisition date of the Kore Potash UK Securities, and eligibility for the CGT discount, are as described earlier.

Any foreign capital proceeds (i.e. British Pounds) should be converted into Australian Dollars at the prevailing exchange rate at the time of the transaction for tax purposes.

Lastly for completeness, in broad terms, it is noted that the capital gain or capital loss on disposal of Kore Potash UK Shares may, in certain circumstances, be reduced by a percentage that reflects the degree to which the underlying assets of Kore Potash UK are used in an 'active business' if the Eligible Scheme Participant is an Australian tax resident company that held a 'direct voting percentage' of 10 percent or more in Kore Potash UK throughout a 12 month period that began no earlier than 24 months before the time of the disposal and ended no later than that time. The rules regarding the CGT exemption are complex and dependent on the facts at the time of disposal (including the manner in which Kore Potash UK Shares are held and the underlying asset composition of Kore Potash UK at that time). Eligible Scheme Participants in these circumstances are strongly advised to seek independent tax advice based on their individual circumstances regarding whether capital gains or capital losses arising from disposal of their Kore Potash UK Shares may be eligible for CGT exemption treatment.

Foreign income tax

Eligible Scheme Participants may be entitled to obtain a non-refundable tax offset for foreign income tax paid on amounts included in their assessable income from the Kore Potash UK Securities. This offset can reduce the Australian tax payable on the amounts included in an Eligible Scheme Participant's assessable income, subject to an offset limit and certain other conditions being satisfied. For completeness, it is noted that the UK generally should not levy withholding tax on dividends paid by Kore Potash UK (refer to the discussion below).

Foreign income anti-deferral rules

In certain circumstances, the Australian foreign income anti-deferral rules can operate to tax an Australian tax resident shareholder on the income of a foreign company even though the shareholder has received no distributions from the foreign company. The principal foreign income anti-deferral rules that currently may apply to Eligible Scheme Participants in respect of holding Kore Potash UK Securities are the "controlled foreign company" rules, noting that previously proposed "foreign accumulation fund" rules have not yet been enacted.

While it would not be expected that the current foreign income anti-deferral rules would apply to an Eligible Scheme Participant that holds a non-controlling interest in a foreign company such as Kore Potash UK, these rules are extremely complex and may be subject to change. Accordingly, Eligible Scheme Participants are strongly urged to monitor developments in this

area closely and consult their own tax advisers as to the application of the foreign income anti-deferral rules to their holding of Kore Potash UK Securities in their own individual circumstances.

(b) **Foreign tax residents**

With reference to the disclaimer above, this part applies to Foreign Shareholders.

Disposal of Kore Potash Securities

Foreign Shareholders that hold their Kore Potash Securities on capital account and do not hold their Kore Potash Securities at any time in carrying on a business at or through a permanent establishment in Australia should generally not be subject to CGT on the disposal of their Kore Potash Securities unless the Kore Potash Securities are an "indirect Australian real property interest" or an option to acquire a share that is an "indirect Australian real property interest".

Broadly, shares would be an indirect Australian real property interest only if both of the following criteria are satisfied:

- the Foreign Shareholder and its associates (as defined for tax purposes) together have held at least 10% of the Company at the time the shareholder disposed of its shares or for at least 12 months during the 24 months before the shareholder disposed of its shares; and
- more than 50% of the market value of the Company's assets are represented by direct and certain indirect interests in real property in Australia (referred to as "taxable Australian property").

The Australian Government has introduced draft legislation to implement a change to the scope of taxable Australian property in Division 855 of the *Income Tax Assessment Act 1997*. Specifically, certain tests will be applied on an associate-inclusive basis, which are designed to ensure that foreign residents cannot avoid a CGT liability by disaggregating indirect interests in Australian real property. The measure is stated to apply from 9 May 2017.

On the basis the Company does not own, directly or indirectly, real property in Australia that represents more than 50% of its assets by market value, it is not expected that any of the Kore Potash Securities should represent an indirect Australian real property interest.

Taxation on dividends received

Foreign Shareholders should generally not be subject to Australian income tax or withholding taxes on dividends they receive from Kore Potash UK (on the basis that Kore Potash UK will not be an Australian tax resident).

Future disposals of Kore Potash UK Securities

Foreign Shareholders should generally not be subject to CGT on the disposal of Kore Potash UK Securities unless the Kore Potash UK Securities are an "indirect Australian real property interest" (as described above) or an option to acquire a share or CDI that is an "indirect Australian real property interest".

Non-resident CGT withholding

New Australian withholding rules have been recently introduced that can apply to the disposal of certain CGT assets that are an "indirect Australian real property interest" or are an option to acquire such an interest (the current non-final withholding rate is 12.5%). However, the new rules should not apply to the disposal of a CDI on the ASX (in accordance with a specific exemption).

7.4 UK taxation implications for Eligible Scheme Participants

Further to the disclaimer above, the following general tax comments apply only to Eligible Scheme Participants who are Australian tax residents (and therefore foreign tax residents for UK tax purposes).

The following comments do not apply where the Eligible Scheme Participant uses or holds its respective Kore Potash UK Securities in connection with a business carried on in the UK, is a foreign affiliate of taxpayers resident in the UK, is a trust with UK resident settlors or beneficiaries or is a company with UK resident shareholders.

The comments relate only to persons who are the absolute beneficial owners of the Kore Potash UK Securities (otherwise than through an individual savings account or a self-invested personal pension) and who hold them as investments (and not as securities to be realised in the course of trade). They may not apply to certain Eligible Scheme Participants, such as dealers in securities, insurance companies and collective investment schemes, Eligible Scheme Participants who are exempt from taxation and Eligible Scheme Participants who have (or are deemed to have) acquired their Kore Potash UK Securities by virtue of an office of employment. Such persons may be subject to special rules.

The comments set out below do not include a consideration of the potential UK inheritance tax consequences of holding shares or options. Eligible Scheme Participants or prospective shareholders should consult their own professional advisers in relation to potential UK inheritance tax consequences of holding Kore Potash UK Securities.

(a) Disposal of Kore Potash Securities and the receipt of Kore Potash UK Securities

There are generally no UK income tax consequences for Eligible Scheme Participants who are only Australian tax residents when they dispose of Kore Potash Securities in exchange for Kore Potash UK Securities pursuant to the above.

(b) Receipt of future dividend income from Kore Potash UK Securities

There are generally no UK income tax consequences for Eligible Scheme Participants who are only Australian tax residents where they receive dividends subsequently paid on Kore Potash UK Securities.

An Eligible Scheme Participant tax resident or otherwise subject to tax outside the UK (whether an individual or a body corporate) may be subject to foreign taxation on dividend income under local law. Eligible Scheme Participants to whom this may apply should obtain their own professional advice concerning tax liabilities on dividends received from Kore Potash UK Securities.

No UK withholding tax should be levied on dividends paid by Kore Potash UK on the basis the UK does not generally levy withholding tax on dividends.

(c) Disposal of Kore Potash UK Securities

Eligible Scheme Participants who are not resident in the UK for UK tax purposes will not generally be subject to UK taxation of chargeable gains on the disposal or deemed disposal of Kore Potash UK Securities unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Kore Potash UK Securities are used, held or acquired.

An Eligible Scheme Participant who is an individual and who acquired the Kore Potash UK Securities whilst a UK resident, and subsequently ceased to be UK resident for taxation purposes, or is treated as resident outside the UK for the purposes of a double tax treaty, for a period of five complete tax years of assessment or less, and who disposes of all or part of his Kore Potash UK Securities during the period, may be liable to UK capital gains tax on his return to the UK, subject to any available exemptions and reliefs.

(d) **Stamp duty and stamp duty reserve tax (SDRT)**

General

Instruments transferring UK shares are ordinarily subject to UK stamp duty at the rate of 0.5 per cent of the amount or value of the consideration given for the transfer (generally rounded up to the nearest £5).

An unconditional agreement to transfer UK shares normally gives rise to a charge to SDRT at the rate of 0.5 per cent of the amount or value of the consideration payable for the transfer. Payment of stamp duty on an instrument of transfer cancels the SDRT liability.

However, instruments transferring shares, and agreements to transfer shares, in each case where those shares admitted to trading on a recognised growth market, including AIM, and which are not listed in that or any other market as defined in section 99A of the *Finance Act 1986* are not subject to stamp duty or SDRT respectively.

Therefore, in the event that (and for so long as) Kore Potash UK shares are admitted to trading on AIM and not listed on that or any other market, Kore Potash UK shares should benefit from the growth market exemption from both UK stamp duty and SDRT.

However, as Kore Potash UK CDIs (or securities representing Kore Potash UK shares) are listed on the Australian Stock Exchange (or any other relevant market) then instruments transferring Kore Potash UK shares admitted to trading on AIM would from the point of such listing be subject to UK stamp duty and agreements to transfer Kore Potash UK shares admitted to trading on AIM entered into from the point of such listing would be subject to SDRT, as the conditions for the growth market exemption would not be satisfied. Therefore, subject to the following exceptions, at the date of listing / IPO on AIM, instruments transferring Kore Potash UK shares and agreements to transfer Kore Potash UK shares will be subject to UK stamp or SDRT at a rate of 0.5% of the amount or value of consideration provided in (broadly) money or money's worth by the purchaser of the Kore Potash UK shares. Stamp duty and SDRT are generally payable by the purchaser of the shares, although transactions in CREST are typically subject 0.5% SDRT collected by CREST from the purchaser's account.

An exemption may be available from UK stamp duty and SDRT for Kore Potash UK shares so listed in Australia and which are registered on an overseas branch register.

The exchange of Kore Potash Options for Kore Potash UK Options should not be subject to UK stamp duty or SDRT on the basis that the cancellation of the Kore Potash Options and the issuance of Kore Potash UK Options does not constitute the transfer of a UK security.

While special UK stamp duty rules apply with respect to an instrument effecting the grant of an option, this is only the case where the option constitutes stock or a marketable security and consideration for the grant of an option is provided in the form of money, marketable securities or the assumption of a debt, which is not expected to be the case here where neither the Kore Potash Options nor the Kore Potash UK Options are freely transferable.

To the extent that the Kore Potash UK Options are transferred, UK stamp duty and/or SDRT may arise on the instrument of transfer or agreement to transfer, depending on how such transfer is effected.

The statements above are intended as a general guide to the current position. Certain categories of persons, including market makers, brokers, dealers and persons connected with depositary arrangements and clearance services are not liable to stamp duty or SDRT and/or may be liable at a higher rate, or may, although not primarily liable for the tax, be required to notify and account for it under the *Stamp Duty Reserve Tax Regulations 1986*.

CREST

Deposits of Kore Potash UK shares into CREST will not generally be subject to SDRT or stamp duty, unless the transfer into CREST is itself for consideration in money or money's worth. Paperless transfers of Kore Potash UK shares within the CREST system are

generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent of the amount or value of the consideration payable, subject to the growth market exemption from SDRT described above. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system.

(e) **Other tax implications**

In addition to the income tax implications commented on above, other tax implications may need to be considered, such as the applicability of VAT in these regimes.

7.5 **Taxation implications for the Company**

This Section provides a general summary of certain Australian and UK tax implications for the Company as a result of the Scheme. The following comments are made on the basis that after the Scheme completes the Company expects to remain an Australian tax resident company (for Australian income tax and tax treaty purposes) and nothing else changes.

The main Australian tax implication of the Scheme on the Company relates to its ability to recoup prior year tax losses. The Company has circa US\$7.9 million of carried forward tax losses at 31 December 2014. The Company may have additional carried forward tax losses following lodgement of its income tax returns for the years ended 31 December 2015 and 2016 (late lodgement penalties may apply to these returns once lodged but are not expected to be material). If available, these losses will continue to be used to shelter any assessable income derived by the Company going forward, such as any interest income and foreign exchange gains, which are not expected to be significant.

In broad terms, carry forward tax losses must satisfy the Continuity of Ownership Test (**COT**) or failing that, the Same Business Test (**SBT**), prior to recoupment. Broadly, the COT requires the Company to have maintained more than 50% of the same ultimate beneficial owners from the start of each loss year and at each test time until the end of the income year in which the loss is sought to be recouped (certain tracing concessions are available for listed companies). Failing the COT, the Company would be required to satisfy the SBT going forward which broadly would require it to carry on the same business during a recoupment year as it did immediately before the COT was failed.

We note there is currently legislation before Parliament that seeks to introduce a “similar” business test. Based on current drafting, it is expected this test will make it easier for companies to satisfy the SBT, however this is not certain until the legislation has been enacted and further definitive guidance has been provided by the ATO. If enacted in its current form, the similar business test would apply to losses incurred in income years beginning on or after 1 July 2015. For completeness, it is noted that the “similar” business test should not apply to the Company’s carried forward tax losses existing as at 31 December 2015.

The Scheme may cause the Company to fail the COT such that the Company must satisfy the SBT (or the “similar” business test for applicable losses) going forward in order to recoup the Company’s carried forward tax losses. The Company will continue to monitor these tests going forward and use reasonable endeavours to utilise its tax losses, if required.

Separately, we note that within 12 to 18 months following the Scheme becoming Effective, the Company intends to transfer its shares in Sintoukola Potash to Kore Potash UK as the Board believes this will reduce any uncertainty as to the availability of the UK-Congo BIT. Further work will be performed at that time to manage the tax outcomes for the Company.

Lastly, we do not expect any adverse UK tax implications for the Company as a result of the Scheme.

8 Implementation of the Scheme

8.1 Scheme Implementation Agreement

On 30 August 2017, the Company and Kore Potash UK entered into a Scheme Implementation Agreement in relation to the Scheme under which the Company agreed to propose the Scheme. The Scheme Implementation Agreement sets out the Company's and Kore Potash UK's obligations in connection with the implementation of the Scheme.

A summary of the key elements of the Scheme Implementation Agreement is set out in Sections 8.2 to 8.4 below. A full copy of the Scheme Implementation Agreement is available on the Company's website www.korepotash.com.

8.2 Conditions Precedent

Implementation of the Scheme is subject to Conditions Precedent which must be satisfied or waived before the Scheme can be implemented. The Conditions Precedent and their status is summarised as follows:

Conditions	Status
<p>Shareholder approval</p> <p>The Scheme Resolution being approved, which requires:</p> <ul style="list-style-type: none">• a majority in number of Shareholders who vote on the Scheme Resolution; and• at least 75% of the votes cast on the Scheme Resolution	<p>Shareholder meeting to satisfy this condition is convened for 27 October 2017.</p>
<p>Court approval and order lodgement</p> <p>The Court approving the Scheme and an office copy of the Court orders approving the Scheme being lodged with ASIC as contemplated by section 411(10) of the Corporations Act</p>	<p>The Second Court Hearing is expected to be held following the Scheme Meeting on 27 October 2017.</p> <p>Target ASIC lodgement date to satisfy this condition is expected to be no later than one Business Day after the Second Court Date, with the Second Court Date expected to be on 6 November 2017.</p>
<p>No prohibitive orders</p> <p>No judicial or government agency taking and not withdrawing any action or imposing any restraint the prevent implementation of the Scheme</p>	<p>The Company is not aware of any circumstances giving rise to any such matter.</p>

<p>Regulatory approvals</p> <p>All approvals, consents and waivers which the parties agree are required to implement the Scheme (other than Court and Shareholder approval) are obtained</p>	<p>The Company is not aware of any circumstances giving rise to any such matter.</p> <p>Refer to Section 9.5 for the status of the ASX waivers and confirmations that the Company and Kore Potash UK have applied for.</p> <p>Refer to Section 9.6 for the status of the ASIC relief that Kore Potash UK has applied for.</p>
<p>ASX listing</p> <p>The ASX approving:</p> <ul style="list-style-type: none"> • Kore Potash UK for admission to the official list of the ASX; and • the Kore Potash UK CDIs for official quotation by the ASX, <p>in each case conditional only upon the Scheme becoming effective and Kore Potash UK providing the information required by the ASX approval or by the ASX Listing Rules and satisfying any conditions in the ASX approval with regard to the deferred settlement of the Kore Potash UK CDIs</p>	<p>The Company is not aware of any circumstances giving rise to any such matter and intends to seek the relevant confirmations from ASX on or before the Second Court Hearing.</p> <p>It should be noted that this condition is not capable of being waived meaning the Scheme will only proceed if Kore Potash UK is approved for admission to the official list of ASX.</p>
<p>Ability to issue CDIs</p> <p>Before 5.00pm (Perth time) on the Business Day prior to the Second Court Date, Kore Potash UK has done everything necessary under the ASX Settlement Operating Rules to enable it to issue CDIs other than the allotment to a depository of Kore Potash UK Shares under the Scheme</p>	<p>The Company is not aware of any circumstances giving rise to any such matter and intends to seek the relevant confirmations from ASX on or before the Second Court Hearing.</p>
<p>Independent Expert</p> <p>The Independent Expert concludes the Scheme is in the best interests of Shareholders and does not change its conclusion or withdraw its report prior to the Second Court Date</p>	<p>The Independent Expert has concluded that the Scheme is in the best interests of the Company's Shareholders (refer to Annexure A) and the Company is not aware of any reason why that opinion would change.</p>
<p>Convertible Securities</p> <p>The Company and Kore Potash UK entering into binding agreements with each Optionholder and each Performance Right Holder to cancel the Convertible Securities held by each such holder</p>	<p>The Company and Kore Potash UK are currently in discussions with each Optionholder and Performance Right Holder. The Company is not aware of any reason why this condition will not be satisfied prior to the Second Court Hearing.</p>
<p>Investment agreements</p> <p>The Company and Kore Potash UK entering into deeds of assignment or novation with each of SGRF and SQM pursuant to which the rights and obligations of the Company under the SGRF Investment Agreement and</p>	<p>The Company and Kore Potash UK are currently finalising the documentation with each of SGRF and SQM regarding the novation of the investment agreements. The Company is not aware of any reason why this condition will not be satisfied prior to the</p>

SQM Investment Agreement (respectively) Second Court Hearing.
are novated to Kore Potash UK on terms
and conditions acceptable to the Company
and Kore Potash UK and not more materially
advantageous to either SGRF or SQM than
the current terms of the SGRF Investment
Agreement and SQM Investment Agreement
(respectively)

The Conditions Precedent are set out in full in Schedule 1 of the Scheme Implementation Agreement.

8.3 End Date

The Company and Kore Potash UK have committed to implement the Scheme by the End Date, being 1 March 2018 but may agree on a later date in writing. The Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

8.4 Termination of Scheme Implementation Agreement

The Scheme Implementation Agreement may be terminated at any time prior to 5.00pm (Perth time) on the Business Day before the Second Court Date:

- **(resolution voted down)** if the resolution to approve the Scheme submitted to the Scheme Meeting is not approved by the requisite majorities of Shareholders;
- **(End Date)** if the Effective Date for the Scheme has not occurred on or before the End Date;
- **(material breach)** if the other party is in material breach of any clause of the Scheme Implementation Agreement, provided that either the Company or Kore Potash UK, as the case may be, has, if practicable, given notice to the other setting out the relevant circumstances and stating an intention to terminate, and the relevant circumstances continue to exist five Business Days (or any shorter period ending at 5.00pm (Perth time) on the Business Day before the Second Court Date) after the time such notice is given;
- **(no Court orders)** if the Court refuses to grant an order convening the Scheme Meeting or approving the Scheme;
- **(restraint)** if any court, the Takeovers Panel or Governmental Agency has issued any order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, or has refused to do anything necessary to permit the Scheme, and the parties fail to agree on conducting an appeal within five Business Days;
- **(Conditions Precedent)** if one of the Conditions Precedent becomes incapable of being satisfied;
- **(Independent Expert)** if the Independent Expert opines that the Scheme is not in the best interests of Shareholders; or
- **(Board recommendation)** if the Board withdraws its recommendation of the Scheme.

The Scheme Implementation Agreement may also be terminated at any time by mutual consent of the Company and Kore Potash UK, provided that such consent to terminate is in writing and is signed by each of the parties.

8.5 Deed Poll

On 14 September 2017, Kore Potash UK executed the Deed Poll pursuant to which Kore Potash UK agreed, subject to the Scheme becoming Effective, to provide the Scheme Consideration to each Scheme Participant and to do all things necessary or desirable on its part to implement the Scheme.

A copy of the Deed Poll is attached as Annexure E to this Scheme Booklet.

8.6 Irrevocable undertakings

In consideration for the allotment and issue of the Redeemable Shares, each of Mr Bennett and Mr Hathorn have given an irrevocable undertaking to pay Kore Potash UK the sum of £25,000 each on or before the date that is five years from the date of the undertaking or, if sooner, immediately upon a written demand or demands by Kore Potash UK.

In addition, Mr Bennett has given an irrevocable undertaking to gift the Subscriber Share to a nominee of Kore Potash UK as soon as reasonably practical upon completion of the Scheme.

8.7 Scheme Meeting

On or about the date of this Scheme Booklet, the Court ordered that the Scheme Meeting be convened in accordance with the Notice of Scheme Meeting and appointed David Hathorn to chair the Scheme Meeting. The Notice of Scheme Meeting is set out as Annexure F to this Scheme Booklet.

Each Shareholder who is registered on the Register at 7.00pm (Sydney time) on 25 October 2017 is entitled to attend and vote at the Scheme Meeting, either in person or by proxy or attorney or, in the case of a body corporate, by its corporate representative appointed in accordance with section 250D of the Corporations Act. Voting at the Scheme Meeting will be by way of a poll.

Instructions on how to attend and vote at the Scheme Meeting (in person, by proxy, attorney or corporate representative), are set out on pages 5 and 6 “Action required by Shareholders” and in the notes for the Notice of Scheme Meeting in Annexure F to this Scheme Booklet.

8.8 Court approval of the Scheme

In the event that:

- the Scheme is agreed to by the requisite majorities of Shareholders at the Scheme Meeting; and
- all Conditions Precedent have been satisfied or waived (if they are capable of being waived) (see Section 8.2),

the Company will apply to the Court for orders approving the Scheme.

Each Shareholder has the right to appear at the Second Court Hearing.

8.9 Effective Date

The Scheme will become Effective on the Effective Date, being the date an office copy of the Court order from the Second Court Hearing approving the Scheme is lodged with ASIC. The Company will give notice to ASX upon the Scheme becoming Effective.

The Company intends to apply to ASX for its Shares to be suspended from official quotation on ASX from close of trading on the Effective Date.

8.10 Record Date

Those Shareholders on the Register on the Record Date (i.e. at 7.00pm (Sydney time) on the fifth Business Day after the Effective Date), other than Ineligible Foreign Shareholders, will become entitled to the Scheme Consideration in respect of the Shares they hold at that time.

Except for Scheme Participants' (other than Ineligible Foreign Shareholders) tax file numbers, any binding instruction or notification between a Scheme Participant (other than an Ineligible Foreign Shareholder) and the Company relating to the Shares as at the Record Date (including any instructions relating to payment of dividends or to communications from the Company, including bank account details, email addresses and communication preferences) will, unless otherwise determined by Kore Potash UK, be deemed to be a similarly binding instruction or notification to Kore Potash UK in respect of relevant Kore Potash UK CDIs. Kore Potash UK CDI holders may subsequently revoke or amend such instructions or notifications online or by written notice to the Registry.

8.11 Determination of persons entitled to Scheme Consideration

(a) Dealings on or prior to the Record Date

For the purposes of calculating entitlements under the Scheme, any dealing in Shares will only be recognised if:

- in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Register as the holder of the relevant Shares at the Record Date; and
- in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before the Record Date at the place where the Register is kept.

Subject to the Corporations Act, ASX Listing Rules and the Constitution, the Company must register registrable transmission applications or transfers which it receives by the Record Date. The Company will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Shares received after the Record Date.

(b) Dealings after the Record Date

For the purposes of determining the entitlement to Scheme Consideration, the Company will, until the Scheme Consideration has been provided, maintain the Register, subject to the comments in Section 8.11(a), in its form as at the Record Date. The Register in this form will solely determine entitlements to the Scheme Consideration.

From the Record Date:

- all certificates and holding statements for Scheme Shares cease to have effect as documents of title in respect of such Scheme Shares; and
- each entry on the Register will cease to be of any effect except as evidence of entitlement to Scheme Consideration in respect of the Shares relating to that entry.

8.12 Implementation Date

The Implementation Date is the fifth Business Day following the Record Date, or such other date as ordered by the Court or agreed between the Company and Kore Potash UK.

Once the Scheme Consideration has been paid, the Scheme Shares will be transferred to Kore Potash UK without the need for further acts by Scheme Participants.

In the case of Scheme Shares held in joint names, the Scheme Consideration will be made payable to the joint holders and sent to the holder whose name appears first in the Register as at the Record Date.

8.13 Delisting the Company

The Company intends to apply to ASX:

- for suspension of the official quotation of Shares on the ASX from close of trading on the Effective Date; and
- to have itself removed from the official list of the ASX.

9 Additional information

9.1 Interests in the Company

(a) Interests of the Directors in the Company's securities

As at the date of this Scheme Booklet, only the Directors below had Relevant Interests in the Company's securities:

(i) Shares

As at the date of this Scheme Booklet, only the Directors below had Relevant Interests in Shares:

Director	Number of Shares (direct and indirect interests)
Sean Bennett	1,719,350
David Hathorn	20,568,105
Jonathan Trollip	575,003

(ii) Options

As at the date of this Scheme Booklet, only the Directors below had Relevant Interests in Options:

Director	Number of Options (direct and indirect interests)
Sean Bennett	100,000 unlisted options exercisable at \$0.30, expiring 15 November 2019
David Hathorn	2,049,416 unlisted options exercisable at \$0.30, expiring 15 November 2019
Leonard Math	183,600 unlisted options exercisable at \$0.33, expiring 15 April 2018
Jonathan Trollip	57,091 unlisted options exercisable at \$0.30, expiring 15 April 2018

See Section 9.4 for further information on the cancellation and replacement of the Options.

(iii) Other securities

As at the date of this Scheme Booklet, only the Directors below had Relevant Interests in securities in the Company (other than Shares and Options):

Director	Number of other securities (direct and indirect interests)
Sean Bennett	8,097,500 Performance Rights
David Hathorn	12,000,000 Performance Rights
Jonathan Trollip	2,000,000 Performance Rights
Leonard Math	1,000,000 Performance Rights

See Section 9.4 for further information on the cancellation and replacement of the Performance Rights.

Other than Mr Jonathan Trollip (who acquired, through an off-market acquisition, 375,003 Shares and 57,091 attaching unlisted options at a price of \$0.20 per Share (inclusive of the attaching unlisted option) on 20 July 2017), no director of the Company has acquired or disposed of a Relevant Interest in any securities in the Company in the 4 month period ending on the date immediately before the date of this Scheme Booklet.

(b) Interests of Kore Potash UK and Kore Potash UK Directors in the Company

(i) Interests of Kore Potash UK in the Company

As at the date of this Scheme Booklet, Kore Potash UK holds no Relevant Interest in any of the Company's securities.

(ii) Interests of Kore Potash UK Directors in the Company

As described in Section 5.4, Sean Bennett and David Hathorn (being Directors of the Company) are also directors of Kore Potash UK. Accordingly, as at the date of this Scheme Booklet, the Kore Potash UK Directors have a Relevant Interest in the same securities of the Company that they have as Directors of the Company, as set out above in Section 9.1(a).

9.2 Interests in Kore Potash UK securities

(a) Interests of the Directors in Kore Potash UK securities

As at the date of this Scheme Booklet, only the Directors below had Relevant Interests in Kore Potash UK securities:

Director	Number of Kore Potash UK securities (direct and indirect interests)	Consideration payable
Sean Bennett	25,000 Redeemable Shares	£25,000
	1 Subscriber Share	US\$0.001
David Hathorn	25,000 Redeemable Shares	£25,000

In relation to the Redeemable Shares, each of Mr Bennett and Mr Hathorn have given an irrevocable undertaking to pay Kore Potash UK the sum of £25,000 each on or before the date that is five years from the date of the undertaking or, if sooner, immediately upon a written demand or demands by Kore Potash UK. Kore Potash UK will redeem the Redeemable Shares as soon as reasonably practicable after becoming legally able to do so.

In relation to the Subscriber Share, Mr Bennett has given an irrevocable undertaking to gift the Subscriber Share to a nominee of Kore Potash UK as soon as reasonably practical upon completion of the Scheme. Subject to compliance with the UK Companies Act, as soon as practicable following the gifting of the Subscriber Share, Kore Potash UK will cancel the Subscriber Share and diminish the amount of its share capital by the nominal value of the Subscriber Share.

Refer to Sections 5.1 and 8.6 for further information regarding the Redeemable Shares and Subscriber Share.

(b) Interests of the Kore Potash UK Directors in Kore Potash UK securities

As described in Section 5.4, Sean Bennett and David Hathorn (being Directors of the Company) are also directors of Kore Potash UK. Accordingly, as at the date of this Scheme Booklet, the Kore Potash UK Directors have a Relevant Interest in the same securities of Kore Potash UK that they have as Directors of the Company, as set out above in Section 9.2(a).

9.3 Benefits and agreements

(a) Benefits in connection with retirement from office

There is no payment or other benefit that is proposed to be made or given to any Director, secretary or executive officer of the Company (or its Related Bodies Corporate) as compensation for the loss of or consideration for or in connection with his or her retirement from office in the Company or any of its Related Bodies Corporate in connection with the Scheme.

(b) Agreements connected with or conditional on the Scheme

Mr Sean Bennett and Mr David Hathorn are currently directors of Kore Potash UK. Kore Potash UK will enter into director agreements with each of Mr Bennett and Mr Hathorn on substantially the same terms as their current agreements with the Company and in compliance with the laws of England and Wales. These agreements are conditional on the Scheme becoming Effective.

If the Scheme becomes Effective, the remaining Directors of the Company (being Mr Jonathan Trollip, Mr Leonard Math, Mr Timothy Keating and Mr Pablo Altimiras) will be appointed as Non-Executive Directors of Kore Potash UK, in which case Kore Potash UK will enter into director agreements with each of those persons on substantially the same terms as their current agreements with the Company and in compliance with the laws of England and Wales. The entry into of these agreements is conditional on the Scheme being implemented.

Each person who is appointed as a director of Kore Potash UK may be entitled to receive director fees, meeting attendance fees, options, performance rights and reimbursement of incidental expenses from Kore Potash UK in connection with the performance of their duties as directors of Kore Potash UK.

Subject to the provisions of the UK Companies Act and without prejudice to any indemnity to which a Kore Potash UK Director may otherwise be entitled, every Kore Potash UK Director and other officer of Kore Potash UK shall be entitled to be indemnified out of the assets of Kore Potash UK against any liability attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to Kore Potash UK or any associated company but only to the extent that such indemnification would not be deemed void under the UK Companies Act.

Further, the Directors who hold Convertible Securities (refer to Sections 9.1(a)(ii) and (iii) above) propose to enter into Convertible Securities Exchange Deeds in relation to the cancellation and replacement of the Convertible Securities held by them. The Convertible Securities Exchange Deeds are conditional of the Scheme being implemented and the terms and operation of such deeds is described in detail in Section 9.4.

None of the Directors of the Company or director or proposed director of Kore Potash UK has agreed to receive, or is entitled to receive, any benefit from Kore Potash UK which is conditional on, or is related to, the Scheme, other than in their capacity as a holder of Shares or as set out in this Section 9.3.

(c) Interests of the Directors in contracts with Kore Potash UK

As set out in Section 9.2(a), Sean Bennett and David Hathorn have given irrevocable undertakings in relation to the Redeemable Shares and the Subscriber Share.

Other than as disclosed in this Section 9.3, none of the Directors has any interest in any contract entered into by Kore Potash UK.

(d) Payments to non-executive Kore Potash UK Directors

Refer to Section 5.6(i) for information on the Kore Potash UK Directors' fees and expenses.

9.4 Cancellation of Convertible Securities

(a) Background

The Company has a total of 58,191,226 Options and 48,077,728 Performance Rights on issue. The majority of those Options are held by the two largest shareholders of the Company, Princess Aurora Company Pte Ltd and Sociedad Quimica Minera de Chile SA. All of the Performance Rights are held by the Board and management team.

In order for Kore Potash UK to acquire all of the securities on issue in the Company, it is a Condition Precedent that the Company and Kore Potash UK enter into binding agreements with each Optionholder and each Performance Right Holder to cancel the Convertible Securities held by each such holder. Accordingly, the Company will procure the cancellation of all of the Convertible Securities on issue immediately prior to the Scheme becoming Effective in exchange for:

- one Kore Potash UK Option for each Option that is cancelled, in the case of the Options; and
- one Kore Potash UK Performance Right for each Performance Right that is cancelled, in the case of the Performance Rights.

The Company has obtained an in-principle waiver from ASX in relation to ASX Listing Rule 6.23.2 to permit the Convertible Securities to be cancelled for consideration without requiring Shareholder approval to be obtained.

(b) Terms of the Replacement Convertible Securities

Kore Potash UK Options will be issued on essentially the same terms as the Options they are replacing (except to the extent changes are required to comply with the laws of England and Wales). The Kore Potash UK Options will be issued with an exercise period equal to the unexpired period of the Options they replace. Kore Potash UK Options will be on a one for one basis, meaning that an Optionholder will receive one Kore Potash UK Option for each Option they hold. The number, expiry date and exercise price of the Options are set out in Section 4.7(c).

Kore Potash UK Performance Rights will be issued on essentially the same terms as the Performance Rights they are replacing (except to the extent changes are required to comply with the laws of England and Wales, including the change detailed in the paragraph below). Kore Potash UK Performance Rights will be on a one for one basis, meaning that the holder of Performance Rights will receive one Kore Potash UK Performance Right for each Performance Right they hold.

The existing Performance Rights have a nil exercise price and entitle the holder to one share on vesting. As a public company subject to the laws of England and Wales, Kore Potash UK is prohibited from issuing shares for no consideration. Accordingly, to avoid a potential breach of local law, Kore Potash UK proposes to issue Kore Potash UK Performance Rights with a nominal exercise price of US\$0.001 in order to minimise the risk that it could be deemed to be issuing shares for no consideration if and when the Kore Potash UK Performance Rights vest.

9.5 ASX relief

Kore Potash UK has filed an application for waivers and confirmations from the ASX in relation to certain ASX Listing Rules and documents that need filed with the ASX in connection with Kore Potash UK's application to be admitted to the official list of ASX and the quotation of the Kore Potash UK CDIs on ASX.

As at the date of this Scheme Booklet, Kore Potash UK has received in-principle confirmation from ASX that it will grant the waivers and confirmations sought by Kore Potash UK in all material respects.

In addition, the Company has obtained an in-principle waiver from ASX in relation to ASX Listing Rule 6.23.2 to permit the Convertible Securities to be cancelled for consideration without requiring Shareholder approval to be obtained.

9.6 ASIC relief

An application has been made to ASIC for an in-principle decision to grant a modification or variation of subsections 707(3) and (4) of the Corporations Act to make it clear that:

- Shareholders and Optionholders will be able to on-sell their Kore Potash UK Options and Kore Potash UK securities issued on exercise of Kore Potash UK Options and Kore Potash UK Performance Rights; and
- the Sale Facility Agent may sell Kore Potash UK CDIs that would otherwise be issued to Ineligible Foreign Shareholders,

within 12 months of their issue, without requiring disclosure under Chapter 6D of the Corporations Act.

As at the date of this Scheme Booklet, ASIC has not made a formal decision on this application. If granted, the form of the relief granted to the Company and Kore Potash UK will be subject to finalisation of the relief instruments by ASIC.

9.7 Formal disclosures and consents

The following parties have given and have not, before the date of this Scheme Booklet, withdrawn their written consent:

- to be named in this Scheme Booklet in the form and context in which they are named; and
- if applicable, to the inclusion of each statement made by them (and each statement based on statements made by them) (if any) in the form and context in which these statements appear in this Scheme Booklet.

Name	Role
BDO Corporate Finance (WA) Pty Ltd	Independent Expert
Computershare Investor Services Pty Limited	Registry
Corrs Chambers Westgarth	Australian legal adviser
Deloitte Tax Services Pty Ltd	Tax adviser
Deloitte Touche Tohmatsu	Auditor
Greenberg Traurig LLP	UK legal adviser

BDO Corporate Finance (WA) Pty Ltd has given, and has not, before the date of this Scheme Booklet, withdrawn its written consent to the inclusion of the Independent Expert's Report in the form and context in which it appears in Annexure A and references to the Independent Expert's Report in the form and context in which they appear.

Deloitte Tax Services Pty Ltd has given, and has not, before the date of this Scheme Booklet, withdrawn its written consent to the inclusion of Section 7 of this Scheme Booklet and references to the information set out in that Section in the form and context in which they appear.

Each person named in the previous table:

- has not authorised or caused the issue of this Scheme Booklet;

- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than BDO Corporate Finance (WA) Pty Ltd, in relation to its Independent Expert's Report, and Deloitte Tax Services Pty Ltd, in relation to Section 7 of the Scheme Booklet; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this Section 9.7.

None of the Company or Kore Potash UK or any of their subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of any information contained in the Independent Expert's Report or in Section 7 of this Scheme Booklet (subject to the disclaimer and general use restriction in Section 7.2), except in relation to any information which the Company has provided to the Independent Expert.

9.8 Transaction costs

The persons performing a function in a professional or advisory capacity in connection with the Scheme and with the preparation of this Scheme Booklet are named in Section 9.7, (other than Deloitte Touche Tohmatsu as auditor of the Company). The fees stated below for each adviser are approximate fees in connection with the Scheme and preparation of this Scheme Booklet.

The fee for professional services paid or payable to:

- Corrs Chambers Westgarth as Australian legal adviser to the Company is approximately A\$205,000 (including counsel's fees);
- Greenberg Traurig LLP as UK legal adviser to the Company is approximately A\$37,000 (including counsel's fees);
- BDO Corporate Finance (WA) Pty Ltd as the Independent Expert is approximately A\$25,000;
- Computershare Investor Services Pty Limited for services provided as the Registry is approximately A\$25,300; and
- Deloitte Tax Services Pty Ltd as tax adviser to the Company is approximately A\$277,000.

All of the above figures are exclusive of any applicable GST.

9.9 Other information material to the making of a decision in relation to the Scheme

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Director, at the time of lodging this Scheme Booklet with ASIC for registration, which has not previously been disclosed to Shareholders.

If, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date, the Company becomes aware that:

- a material statement in this Scheme Booklet is false or misleading;
- there is a material omission from this Scheme Booklet;
- a significant change affecting a matter in this Scheme Booklet has occurred; or

- a significant new matter has arisen which would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

the Company will prepare a supplementary document to this Scheme Booklet. The form which the supplementary document may take, and whether a copy will be sent to each shareholder, will depend on the nature and timing of the new or changed circumstances.

In all cases, the supplementary document will be available from the Company's website at www.korepotash.com and from the ASX website at www.asx.com.au.

10 Explanatory statement for the General Meeting

10.1 Overview of the General Meeting

Set out below is the explanatory statement which has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting of the Company to be held at Level 6, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia on 27 October 2017 at 11.30am (Perth time).

Although the General Meeting will be held immediately after the Scheme Meeting, the General Meeting and the Scheme Meeting are separate meetings and have been convened for different purposes.

The purpose of the General Meeting is to consider the General Meeting Resolution set out in Annexure G and described in this Section 10.

The purpose of the Scheme Meeting is to consider the Scheme Resolution.

This information is important. You should read the information relating to the General Meeting carefully and, if necessary, seek your own independent advice.

The Directors unanimously recommend that Shareholders vote in favour of the General Meeting Resolution, which seeks approval for the purposes of ASX Listing Rule 7.1 to permit Kore Potash UK to issue Kore Potash UK Shares in connection with the AIM Raising (if it proceeds).

The Chairman of the Board intends to vote undirected proxies in favour of the General Meeting Resolution at the General Meeting.

The Notice of General Meeting is attached as Appendix G. The Proxy Form (General Meeting) also accompanies this Scheme Booklet.

10.2 AIM Raising

(a) Background

As set out in Sections 2.6(b) and 5.8(b), if Kore Potash UK proceeds with a potential AIM listing, it may in conjunction undertake a capital raising to raise up to \$US20 million.

Accordingly, Shareholder approval is sought for the issue of such number of Kore Potash UK Shares as is necessary to raise up to US\$20 million in connection with the AIM Raising.

Shareholders are asked to approve the maximum amount that Kore Potash UK considers may be raised in connection with the AIM Raising to avoid the time and expense that would otherwise be required to shortly after completion of the Scheme have to convene another shareholder meeting to approve a further equity raising at that time.

It may also be that these funds are required to meet AIM's minimum working capital requirements hence approval is sought to ensure this can occur.

(b) Need for approval

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period calculated in accordance with the formula prescribed by ASX Listing Rule 7.1 (**Placement Capacity**).

The amount of Kore Potash UK Shares to be issued pursuant to the AIM Raising may, to the extent considered in the best interests of shareholders at the time, exceed the Placement Capacity imposed by ASX Listing Rule 7.1. Accordingly, Shareholder approval is being

sought to enable Kore Potash UK to undertake the AIM Raising without using any of its Placement Capacity.

Kore Potash UK has sought a waiver from ASX to the effect that the approval by Shareholders of the Company will be treated as approval by shareholders of Kore Potash UK. The combination of this waiver and the resolution at the General Meeting being approved by the requisite majority will therefore permit Kore Potash UK to undertake the AIM Raising without utilising any of Kore Potash UK's Placement Capacity and without the need for a separate shareholder approval.

If the requisite waiver is not granted, then the AIM Raising will not proceed in the manner contemplated by this Section 10.

Shareholders should be aware that to the extent that a significant number of new Kore Potash UK Shares are issued as part of the AIM Raising at a discount to prevailing prices, the interests of existing shareholders in Kore Potash UK may be diluted. However, as set out below, the authority sought at the General Meeting will be limited in time (the issue must occur within 3 months of the approval at the General Meeting) and the size of the discount to the prevailing price of Kore Potash UK CDIs (the issue price must be at least 80% of the market price referenced below).

(c) Technical information required by ASX Listing Rule 7.1

Set out below is the information required to be disclosed in compliance with Listing Rule 7.3:

- the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price as calculated below, equals US\$20,000,000;
- the Kore Potash UK Shares will be issued no later than 3 months after the date of the General Meeting (or such later date as maybe permitted pursuant to the terms of any waiver granted by the ASX or modification of the ASX Listing Rules);
- the issue price of the Kore Potash UK Shares will be finalised following a book build managed by Kore Potash UK and the nomad and broker appointed by it and the then market conditions and may well be higher or lower than recent Share trading prices of the Company's Shares. However, that issue price will be at least 80% of the average market price of the Kore Potash UK CDIs calculated over the last 5 days on which sales of Kore Potash UK CDIs are recorded before the date on which Kore Potash UK lodges a pathfinder admission document with AIM. Broadly speaking, a pathfinder admission document is a draft admission document used to assess the level of demand from potential investors for the shares on offer. The pathfinder admission document must contain all the information required by the AIM Rules. Alongside the publication of the pathfinder admission document, Kore Potash UK and the nomad and broker will conduct investor roadshows to institutions to encourage investment in Kore Potash UK. Following the roadshows, the nomad and broker will assess the level of investor interest and, ultimately, arrange the bookbuilding process to help to determine the issue of the Kore Potash UK Shares. As that issue price is likely to be in US\$, then the minimum price calculated in AUD will be converted to US\$ using the daily spot US\$/AUD price quoted by Bloomberg;
- details of the persons to whom these Kore Potash UK Shares may be issued are not known at this time. However, those persons will be subscribers under the pathfinder prospectus as part of the proposed AIM listing and in accordance with the laws that apply to those offers at that time;
- the Kore Potash UK Shares will be ordinary shares in the capital of Kore Potash UK issued on the same terms and conditions as the Kore Potash UK Shares then on issue and will rank equally in all respects; and

- the intended use of the funds raised from the AIM Raising is to continue to develop the Company's assets and general working capital purposes, a break down of which will be set out in the pathfinder prospectus at that time.

(d) **Directors recommendation**

The Directors recommend that Shareholders vote in favour of the resolution to be put at the General Meeting. The Chairman intends to vote undirected proxies in favour of the General Meeting Resolution.

11 Glossary, definitions and interpretation

11.1 Glossary

The meanings of the terms used in this Scheme Booklet are set out below.

Term	Meaning
AASB	Australian Accounting Standards Board.
AIM	the market of that name operated by the London Stock Exchange plc.
AIM Raising	the proposed capital raising to be undertaken by Kore Potash UK to satisfy the AIM minimum working capital requirements, as described in Section 10.2.
AIM Rules	The AIM Rules for Companies issued by the London Stock Exchange plc governing admission to and the operation of AIM, as amended or re-issued from time to time.
Announcement Date	31 August 2017.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it.
ASX Listing Rules	the official listing rules of the ASX.
ASX Settlement	ASX Settlement Pty Ltd ACN 008 504 532.
ASX Settlement Operating Rules	the settlement rules of the settlement facility provided by ASX Settlement.
ATO	Australian Taxation Office.
Board	the board of directors of the Company.
Business Day	a day that is each of the following: <ul style="list-style-type: none">• a Business Day within meaning given in the ASX Listing Rules; and• a day that banks are open for business in Perth, Western Australia.
CDI	a CHESS depository interest, being a unit of beneficial ownership in shares of a foreign company which are quoted on ASX and registered in the name of CDN.
CDN	CHESS Depository Nominees Pty Ltd ACN 071 346 506.
CGT	capital gains tax.

Term	Meaning
CHESS	the clearing house electronic subregister system of share transfers operated by ASX Settlement.
Companies Act	the Companies Acts (as defined in section 2 of the UK Companies Act), in so far as they apply to Kore Potash UK.
Company	Kore Potash Limited ACN 108 066 422.
Conditions Precedent	the conditions precedent to the Scheme. A summary is set out in Section 8.2 of this Scheme Booklet and which are fully set out in Schedule 1 of the Scheme Implementation Agreement.
Constitution	the constitution of the Company.
Convertible Securities	the Options and the Performance Rights.
Convertible Securities Exchange Deed	each of the Convertible Securities Exchange Deeds dated on or about the date of this Scheme Booklet entered into between the Company, Kore Potash UK and each Optionholder or Performance Right Holder (as the case may be).
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Court	the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed in writing by the Company and Kore Potash UK.
Deed Poll	the deed poll executed by Kore Potash UK on 14 September 2017 pursuant to which Kore Potash UK acknowledges and confirms its obligations under the Scheme. A copy of the Deed Poll is contained in Annexure E to this Scheme Booklet.
Director	each member of Board.
Dougou Extension Prospect	the Company's prospect of that same name as described in Section 4.2(a).
Dougou Project	the Company's project of that same name as described in Section 4.2(a).
Effective	when used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	the date on which the Scheme becomes Effective.
Eligible Scheme Participant	a Scheme Participant who is not an Ineligible Foreign Shareholder.

Term	Meaning
EMEA	Europe, the Middle East and Africa.
End Date	1 March 2018 or such later date as the Company and Kore Potash UK agree in writing.
FCA	the Financial Conduct Authority of the United Kingdom.
French Consortium	has the meaning given to that term in Section 4.2(b).
FSMA	the Financial Services and Markets Act 2000 of the United Kingdom, as amended from time to time.
General Meeting	The meeting of Shareholders to approve, for the purposes of ASX Listing Rule 7.1, Kore Potash UK issuing Kore Potash UK Shares in connection with the AIM Raising as set described in Section 10, the notice of which is set out as Annexure G.
General Meeting Resolution	The resolution set out in Annexure G.
Governmental Agency	any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including, for the avoidance of doubt, the Commonwealth Treasurer), ASIC, ATO, ASX, the Foreign Investment Review Board and any regulatory organisation established under statute or any stock exchange.
Implementation Date	the fifth Business Day after the Record Date or such other day as ordered by the Court or agreed between the Company and Kore Potash UK.
Independent Expert	BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045.
Independent Expert's Report	the report prepared by the Independent Expert dated 21 September 2017 set out in Annexure A.
Indicated	has the meaning given in the JORC Code.
Ineligible Foreign Shareholder	has the meaning given to that term in Section 2.9 of this Scheme Booklet.
Inferred	has the meaning given in the JORC Code.
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Reserves, 2012 Edition.
KCI	potassium chloride
Kola Project	the Company's project of that same name as described in Section 4.2(a).

Term	Meaning
Kore Group	the Company and each of its Related Bodies Corporate.
Kore Potash UK	Kore Potash plc, a public limited company incorporated in England and Wales under the UK Companies Act with registered number 10933682.
Kore Potash UK Articles	the articles of association of Kore Potash UK.
Kore Potash UK Board	the board of directors of Kore Potash UK.
Kore Potash UK CDIs	the CDIs to be issued by Kore Potash UK as Scheme Consideration or a CDI in respect of a Kore Potash UK Share (as the context requires).
Kore Potash UK Director	each member of the Kore Potash UK Board.
Kore Potash UK Merged Group	the combined group consisting of the Kore Group and Kore Potash UK.
Kore Potash UK Merged Group Board	the proposed board of directors of Kore Potash UK Merged Group, being David Hathorn, Sean Bennett, Jonathan Trollip, Leonard Math, Timothy Keating and Pablo Atimiras. In addition, two as yet unidentified independent directors are expected to be appointed as Non-Executive Directors of Kore Potash UK either before or shortly after the implementation of the Scheme.
Kore Potash UK Option	an option to subscribe for one Kore Potash UK Share.
Kore Potash UK Performance Right	a performance right in Kore Potash UK.
Kore Potash UK Share	an ordinary share in the capital of Kore Potash UK.
Measured	has the meaning given in the JORC Code.
Mineral Resource	has the meaning given in the JORC Code.
Mining Convention	the agreement between the Government of the Republic of Congo and Sintoukola Potash and its subsidiaries that governs the conditions of the construction, operation and mine closure of the Kola and Dougou (including Dougou Extension) mining projects, including government undertakings and tax and customs duty exemptions. The Mining Convention was signed on 8 June 2017 and is in the process of legislative ratification into special law in the Republic of Congo.
Notice of General Meeting	the notice of meeting relating to the Scheme Meeting which is contained in Annexure G.
Notice of Scheme Meeting	the notice of meeting relating to the Scheme Meeting which is contained in Annexure F.
Officer	in relation to any entities, any of its directors and officers.

Term	Meaning
Option	an option to subscribe for a Share.
Optionholder	the holder of an Option.
Performance Right	a performance right on issue in the Company.
Performance Right Holder	the holder of a Performance Right.
Perth time	the local time in Perth, Western Australia.
Proposed Transaction	the proposed re-domiciliation of the Kore Group in the United Kingdom via the Scheme.
Proxy Form (General Meeting)	the proxy form for the General Meeting which accompanies this Scheme Booklet.
Proxy Form (Scheme Meeting)	the proxy form for the Scheme Meeting which accompanies this Scheme Booklet.
Record Date	7.00pm (Sydney time) on the fifth Business Day after the Effective Date or such other date and time as the parties agree.
Redeemable Shares	has the meaning given to that term in Section 5.2(a).
Register	the share register of the Company.
Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277.
Related Body Corporate	has the same meaning given to it in the Corporations Act.
Related Entity	of a party means another entity which: <ul style="list-style-type: none"> • is a related body corporate of the first entity; • is in any consolidated entity which contains the party; or • the party controls.
Relevant Interest	has the same meaning as given by sections 608 and 609 of the Corporations Act.
Sale Facility Agent	means the appropriately licenced agent appointed by Kore Potash UK to administer the facility made available to Ineligible Foreign Shareholders under which Kore Potash UK CDIs to which those shareholders would otherwise have become entitled under the Scheme are sold, as described in Section 2.10.
Scheme Booklet	this document.
Scheme Consideration	one Kore Potash UK CDI per Scheme Share.

Term	Meaning
Scheme Implementation Agreement	the Scheme Implementation Agreement between the Company and Kore Potash UK dated 30 August 2017. A summary is set out in Sections 8.1 to 8.4, and a full copy can be obtained from the Company's website www.korepotash.com or on the website of the ASX www.asx.com.au .
Scheme Meeting	the meeting of Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.
Scheme or Scheme of Arrangement	the proposed scheme of arrangement between the Company and the Scheme Participants under Part 5.1 of the Corporations Act in the form set out at Annexure D which, if implemented, will give effect to the Proposed Transaction between Kore Potash UK and the Company, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Kore Potash UK and the Company.
Scheme Participant	each person who is a Shareholder at the Record Date.
Scheme Resolution	the resolution to agree to the terms of the Scheme.
Scheme Share	a Share held by a Scheme Participant as at the Record Date.
Second Court Date	the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard.
Second Court Hearing	the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
SGRF	Princess Aurora Company Pte. Limited, a major Shareholder in the Company.
SGRF Investment Agreement	the investment agreement between SGRF and the Company (then known as Elemental Minerals Limited), an overview of which is contained in Section 5.8(f).
Share	a fully paid ordinary share of the Company.
Shareholders	each person who is registered as the holder of Shares.
Sintoukola Potash	Sintoukola Potash S.A., a company incorporated in the Republic of Congo and 97% owned by the Company, which has the rights over the Sintoukola Project.
Sintoukola Project	The potash project situated in the Kouilou Province in the south west corner of the Republic of Congo.
SQM	Sociedad Quimica y Minera de Chile S.A.
SQM Investment Agreement	the investment agreement between SQM and the Company (then known as Elemental Minerals Limited), an overview of which is contained in Section 5.8(f).

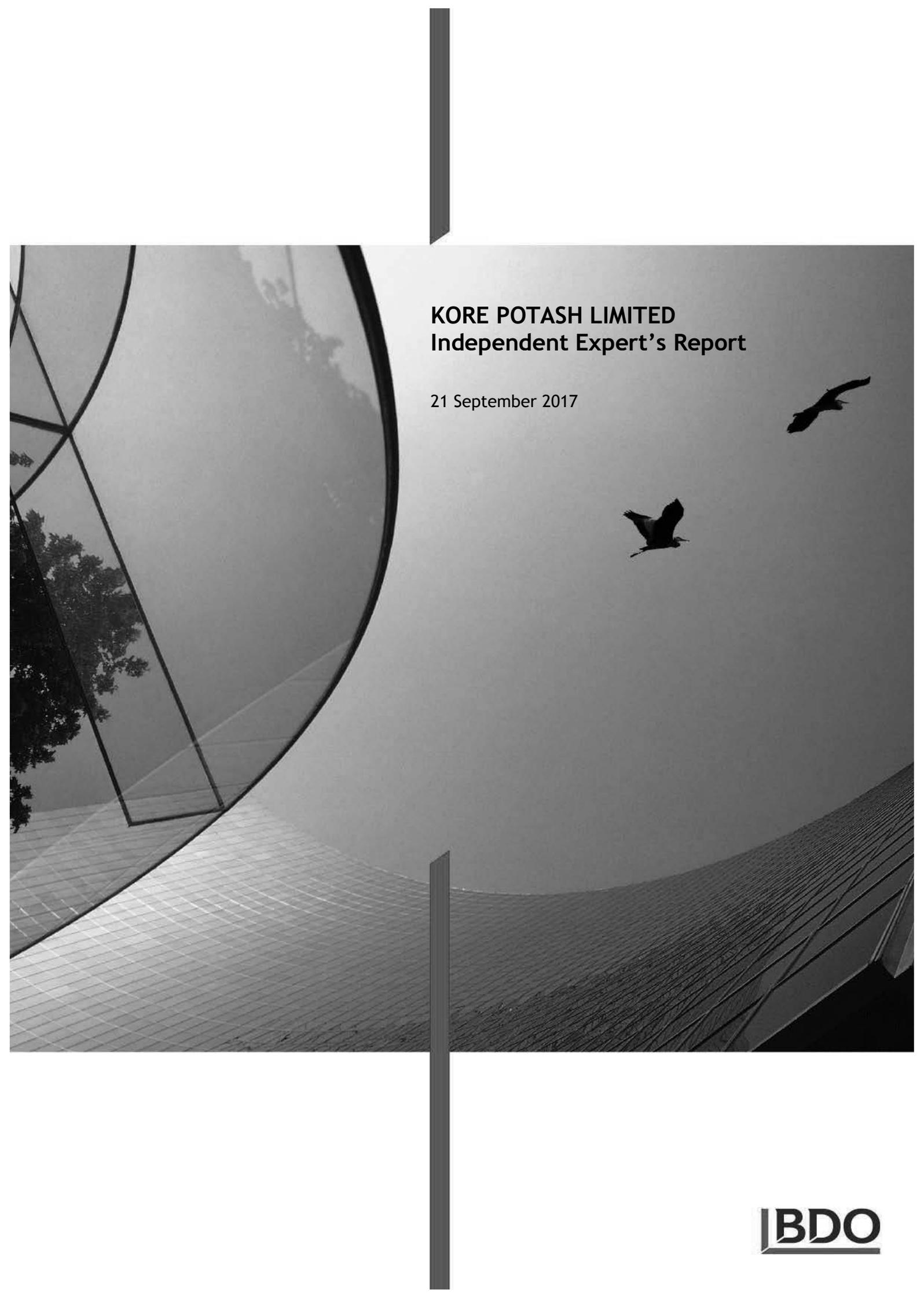
Term	Meaning
Subscriber Share	has the meaning given to that term in Section 5.2(b).
Subsidiary	has the meaning given to that term in the Corporations Act.
UK	United Kingdom.
UK-Congo BIT	the agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of Congo for the Promotion and Protection of Investments dated 25 May 1989 and entered into force on 9 November 1990.
UK Companies Act	the UK Companies Act 2006, as amended.

11.2 Interpretation

In this Scheme Booklet:

- other words and phrases have the same meaning (if any) given to them in the Corporations Act;
- words of any gender include all genders;
- words importing the singular include the plural and vice versa;
- an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- a reference to a Section or Annexure, is a reference to a Section of or Annexure of, this Scheme Booklet as relevant;
- a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- a reference to time is a reference to Perth time, unless expressly stated otherwise;
- “\$”, “A\$” or “AUD” are references to Australian currency;
- “£” are references to the currency of the United Kingdom;
- “US\$” or “USD” are references to the currency of the United States;
- an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia; and
- the words “include”, “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

Annexure A – Independent Expert’s Report



KORE POTASH LIMITED
Independent Expert's Report

21 September 2017



Financial Services Guide

21 September 2017

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Kore Potash Limited ('Kore' or 'the Company') to provide an independent expert's report on the proposed Scheme of Arrangement between Kore and the holders of Kore's ordinary shares in relation to the proposed re-domicile of the Company and its controlled entities, the effect of which will be to make Kore a wholly-owned subsidiary of a newly formed company incorporated in accordance with the laws of England and Wales. You will be provided with a copy of our report as a retail client because you are a shareholder of Kore.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$25,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Kore for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ('FOS'). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1800 367 287
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details

You may contact us using the details set out on page one of the accompanying report.



TABLE OF CONTENTS

1.	Introduction	1
2.	Summary and Opinion	1
3.	Scope of the Report	4
4.	Outline of the Scheme	5
5.	Profile of Kore	6
6.	Economic analysis	15
7.	Industry analysis	18
8.	Implications of the Scheme	21
9.	Do the advantages of the Scheme outweigh the disadvantages?	24
10.	Conclusion	30
11.	Sources of information	30
12.	Independence	30
13.	Qualifications	31
14.	Disclaimers and consents	32

Appendix 1 - Glossary and copyright notice

© 2017 BDO Corporate Finance (WA) Pty Ltd



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

21 September 2017

The Directors
Kore Potash Limited
Level 3, 88 William Street
Perth, WA 6000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

The directors of Kore Potash Limited (**'Kore'** or **'the Company'**) have resolved to propose to Kore shareholders (**'Shareholders'**) the re-domicile of the Company and its controlled entities (**'Kore Group'**) by means of a Scheme of Arrangement under Part 5.1 of the Corporations Act 2001 Cth (**'Corporations Act'** or **'the Act'**) (**'the Scheme'**), the effect of which will be to make Kore a wholly-owned subsidiary of a newly formed company incorporated in accordance with the laws of England and Wales, to be named Kore Potash Plc (**'Kore UK'**). If Shareholders approve the Scheme, all the ordinary shares held by Shareholders will be exchanged for shares in Kore UK, which will act as the holding company of Kore.

Under the Scheme, existing Shareholders will receive one Kore UK share in the form of a Kore UK CHESS Depository Interest (**'Kore UK CDI'**) for every Kore share held as at the record date of the Scheme. The Kore UK CDIs can be converted into Kore UK shares (**'Kore UK Shares'**) and vice versa on a one for one basis at any time following the implementation of the Scheme.

Kore UK will make an application for admission of Kore UK to the official list of the Australian Securities Exchange (**'ASX'**) and for quotation of Kore UK CDIs within seven days of the date of the scheme booklet to be produced in connection with the Scheme (**'Scheme Booklet'**). Approval of the listing is a condition to the implementation of the Scheme.

On 10 July 2017, the Company announced its intention to seek admission to have its shares traded on the Alternative Investment Market (**'AIM'**) of the London Stock Exchange by the end of 2017. The implementation of the Scheme is not conditional on the Company's admission to the AIM.

2. Summary and Opinion

2.1 Purpose of the report

The directors of Kore have requested that BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) prepare an independent expert's report (**'our Report'**) to express an opinion as to whether or not the Scheme is in the best interests of Shareholders.

Our Report is prepared pursuant to Section 411 of the Corporations Act ('Section 411') and is to be included in the Scheme Booklet for Kore in order to assist the Shareholders in their decision whether to approve the Scheme.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 60 'Schemes of Arrangements' ('RG 60'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

ASIC's regulatory guides do not specify the basis of evaluation for a change of domicile transaction but do indicate that the basis of evaluation selected by the expert must be appropriate for the nature of each specific transaction, that is, the expert must consider the substance of the proposed transaction and not the legal form when evaluating the proposed transaction.

Upon implementation of the Scheme, there will be no change in the economic interests of Shareholders in eligible jurisdictions, who effectively retain their interests in the assets of the Kore Group by way of an interposed entity. The Scheme merely represents a restructure changing the geographic location of the incorporation of the ultimate holding company of the Kore Group and as such, we do not consider it appropriate to analyse the Scheme as a control transaction.

RG 111 provides further guidance on forming an opinion as to whether a transaction is in the best interests of security holders. The range of transactions regulated by RG 111 includes transactions not involving a change of control, such as demergers and demutualisations. RG 111 indicates that for these types of transactions the issue of value is of secondary importance and the expert should provide an opinion as to whether the advantages of the transaction outweigh the disadvantages. It provides that if the demerger or demutualisation involves a Scheme of Arrangement and the expert concludes that the advantages of the transaction outweigh the disadvantages, the expert should conclude that the Scheme of Arrangement is in the best interests of shareholders.

Based on the guidance provided by RG 111, we consider the most appropriate approach to assess whether the Scheme is in the best interests of Shareholders is to consider whether the advantages of the Scheme outweigh the disadvantages.

As such, in arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this report. In particular, we have considered:

- the advantages and disadvantages of the Scheme;
- other factors which we consider to be relevant to the Shareholders in their assessment of the Scheme; and
- the position of Shareholders should the Scheme not proceed.

2.3 Opinion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that the advantages of approving the Scheme outweigh the disadvantages and therefore the Scheme is in the best interests of Shareholders.

The respective advantages and disadvantages of approving the Scheme that we considered are summarised in the table below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
9.1.1	Cash repatriation taxation advantages	9.2.1	Additional costs and administrative burden
9.1.2	Potential access to new funds	9.2.2	Potential dilution of existing Shareholders' interest in the Company
9.1.3	UK-Congo Bilateral Investment Treaty	9.2.3	Change in jurisdiction and lack of familiarity with new market
9.1.4	Market profile	9.2.4	Some ineligible Shareholders may not be able to receive Kore CDIs
9.1.5	Familiarity of local exchange		
9.1.6	Position of Shareholders if the Scheme is not approved		

2.4 Other considerations

We have also considered the following key matters in determining whether the Scheme is in the best interests of Shareholders.

Section	Description
9.3.1	Impact on investment portfolios and risk preferences
9.3.2	Foreign exchange implications
9.3.3	Liquidity of Kore UK CDIs
9.3.4	Comparable shareholder protection and regulations
9.3.5	Taxation implications
9.3.6	The Scheme may be implemented even if individual Shareholders do not vote, or vote against, the Scheme

3. Scope of the Report

3.1 Purpose of the Report

The Scheme is to be implemented pursuant to Section 411 of the Act. Part 3 of Schedule 8 to the Corporations Regulations 2001 Cth (**'Regulations'**) prescribes the information to be sent to shareholders in relation to Schemes of Arrangement pursuant to Section 411 of the Act.

An independent expert's report must be obtained by a scheme company if:

- there is one or more common directors; or
- the other party to the scheme holds 30% or more of the voting shares in the scheme company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interests of the members of the company the subject of the scheme and setting out his or her reasons for that opinion.

In the case of Kore, the requirement arises as Kore UK and Kore will have one or more common directors.

BDO in Australia has completed a number of independent expert's reports relating to Schemes of Arrangements involving a change of domicile, with the most recent being:

- Heartware Limited - change of domicile from Australia to the United States of America;
- Marengo Mining Limited - change of domicile from Australia to Canada;
- Peplin Limited - change of domicile from Australia to the United States of America;
- Synergy Metals Limited - change of domicile from Australia to Bermuda; and
- Vietnam Industrial Investments - change of domicile from Australia to Singapore.

3.2 Regulatory guidance

Neither the Act nor the Regulations defines the term 'in the best interests of'. In determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

Schemes of Arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, 'in the best interests' must be capable of a broad interpretation to meet the particular circumstances of each transaction. This involves a judgment on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed transaction is implemented than if it is not. An opinion of 'in the best interests' does not imply the best possible outcome for shareholders.

In determining whether the advantages of the Scheme outweigh the disadvantages, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide suggests that an opinion as to whether the advantages of a transaction outweigh the disadvantages should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to affect it.

We have considered the Scheme in the context of the Shareholders as a whole. We have not considered the effect the Scheme may have on individual Shareholders and their specific circumstances. Individual Shareholders will have different investment and risk profiles, which may result in the Scheme affecting

them differently. Accordingly, what might be in the best interests of Shareholders as a whole, may not be in the best interests of individual Shareholders.

3.3 Adopted basis of evaluation

RG 111 suggests that the main purpose of an independent expert's report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the transaction.

Having regard to RG 111, we have completed our Report as follows:

- an investigation into the advantages and disadvantages of the Scheme (Section 9.1 and 9.2, respectively);
- an analysis of any other issues that could be reasonably anticipated to concern Shareholders as a result of the Scheme (Section 9.3); and
- a consideration of whether the Scheme is in the best interests of Shareholders.

4. Outline of the Scheme

The directors of Kore have resolved to propose to Shareholders the re-domicile of the Kore Group by means of a Scheme of Arrangement under Part 5.1 of the Corporations Act, the effect of which will be to make Kore a wholly-owned subsidiary of a newly formed company incorporated in accordance with the laws of England and Wales, to be named Kore Potash Plc, previously defined as '**Kore UK**'. If Shareholders approve the Scheme, all the ordinary shares held by Shareholders in Kore will be exchanged for Kore UK Shares, to be held in the form of Kore UK CDIs, and Kore UK will become the holding company of Kore.

Under the Scheme, existing Shareholders will receive one Kore UK Share in the form of one Kore UK CDI for every Kore share held as at the record date of the Scheme Booklet. The Kore UK CDIs can be converted into Kore UK Shares and vice versa on a one for one basis at any time following the implementation of the Scheme.

Kore UK will make an application for admission of Kore UK to the official list of the ASX and for quotation of Kore UK CDIs within seven days of the date of the Scheme Booklet. Approval of the listing is a condition to the implementation of the Scheme. The Company also intends to seek admission to trade its shares on the AIM of the London Stock Exchange at a future date. The implementation of the Scheme is not conditional on the Company's admission to the AIM.

Conditions of the Scheme

The Scheme is subject to various conditions precedent including, but not limited to:

- the Scheme being approved, which requires a majority in number of Shareholders who vote on the Scheme, and at least 75% of the votes cast on the Scheme;
- the Federal Court of Australia approving the Scheme;
- no judicial or government agency taking and not withdrawing any action or imposing any restraint to prevent implementation of the Scheme;
- the ASX approving:
 - Kore UK for admission to the official list of the ASX; and
 - the Kore UK CDIs for official quotation by the ASX.

- binding agreements are executed to give effect to the cancellation and replacement of convertible Kore securities;
- the Company and Kore UK entering into deeds of assignment or novation with each of Princess Aurora Company Pte Limited, the special purpose vehicle incorporated by the State General Reserve Fund ('SGRF') and Sociedad Quimica y Minera de Chile S.A. ('SQM'), pursuant to which the rights and obligations of the Company under the investment agreements are novated to Kore UK on terms and conditions acceptable to the Company and Kore UK, and not more materially advantageous to SGRF and/or SQM; and
- the independent expert concluding the Scheme is in the best interests of Shareholders and not changing or withdrawing this conclusion.

The complete terms of the Scheme are set out in Section 8.2 of the Scheme Booklet.

Ineligible Foreign Shareholders

Each Shareholder whose address is recorded in Kore's share registry at the record date as being outside Australia and its external territories, Chile, where there are less than 50 Shareholders, China, where the Shareholder is a qualified domestic institutional investor or sovereign wealth fund or quasi-government investment fund, the Democratic Republic of the Congo, the Republic of Congo, Mauritius, New Zealand, Oman, Seychelles, Singapore, South Africa, Switzerland, the United States, the United Kingdom and any other jurisdictions agreed in writing between the Company and Kore UK, is an ineligible foreign Shareholder ('**Ineligible Foreign Shareholder**') under the Scheme.

Kore UK is not obliged to issue Kore UK CDIs to an Ineligible Foreign Shareholder. The Kore UK CDIs that would otherwise have been issued to an Ineligible Foreign Shareholder will be issued to a sale facility agent and/or nominee of the sale facility agent ('**Sale Facility Agent**') on the date of implementation of the Scheme.

Kore UK will procure that the Sale Facility Agent sells or procures the sale of all Kore UK CDIs issued to the Sale Facility Agent as soon as reasonably practical after the Scheme is implemented, and remit to the Ineligible Foreign Shareholders their proportion of the net proceeds of the sale of the Kore UK CDIs, in full satisfaction of the rights of each Ineligible Foreign Shareholder under the Scheme.

Further details of the treatment of the Kore UK CDIs for Ineligible Foreign Shareholders is outlined in Section 2.10 of the Scheme Booklet.

5. Profile of Kore

5.1 Overview

Kore, formerly Elemental Minerals Limited, is a mineral exploration and development company with assets in the Republic of Congo ('**RoC**'). The Company's primary asset is the Sintoukola Potash Project ('**Sintoukola Project**'), which comprises three projects at varying stages of development, namely the Kola Sylvinite Project ('**Kola Project**'), the Dougou Carnallitite Project ('**Dougou Project**') and the Dougou Extension Prospect. The Sintoukola Project is owned by Sintoukola Potash SARL ('**Sintoukola**'), of which Kore owns 97%. Kore was incorporated and listed on the Australian Securities Exchange in 2005. Its registered office in Australia is located in Perth.

The Company's current board members and senior management are listed below:

- Mr David Hathorn - Non Executive Chairman;
- Mr Sean Bennett- Managing Director and CEO;
- Mr Jonathan Trollip - Non Executive Director;
- Mr Timothy Keating - Non Executive Director;
- Mr Pablo Altimiras - Non Executive Director;
- Mr Leonard Math - Non Executive Director;
- Mr Lawrence Davidson - Joint Company Secretary; and
- Mr Henko Vos - Joint Company Secretary

5.2 Recent Capital Raisings

On 16 November 2016, the Company announced that it had completed a US\$45 million capital raising through the issue of shares at \$0.20 per share to two strategic investors and also through a US\$5 million private placement to existing shareholders. The Company also issued 45 million free attaching options at an exercise price of \$0.30 to the investors. The strategic investors were SGRF, a sovereign wealth fund in Oman and SQM, a potash company. SGRF and SQM each agreed to subscribe for shares with a total subscription value of US\$20 million each. The funds would allow the Company to appoint a Consortium of French engineering and construction companies to carry out a Definitive Feasibility Study ('DFS') for the Kola Project.

On 27 April 2017, the Company announced that it had closed a US\$5 million capital raising with Summit Private Equity ('Summit'). The funds were raised through the issue of shares at \$0.25 per share, and the issue of five million options with an exercise price of \$0.30.

5.3 Sintoukola Project

Kola Project

The Kola Project is located 400 kilometres west of Brazzaville, the capital of the Republic of Congo. The Kola project comprises sylvinitic and carnallitic potash rocks. Exploration of the site started in 2010 and a maiden resource was defined in 2011. In 2012 a Pre-Feasibility Study ('PFS') was undertaken for a conventional underground mine. The PFS was used to seek approval for a mining license. A 25 year mining license was granted to the Company in 2013 and the Environmental and Social Impact Assessment ('ESIA') was approved in 2013.

On 23 November 2016, the Company announced that it had commenced an additional drilling program. The Company completed three drill holes at Kola at depths of 350 and 400 metres.

On 28 February 2017, the Company signed a contract with TechnipFMC, VINCI Construction Grands Projets, Egis and Louis Dreyfus Armateurs ('the French Consortium') for the implementation of the Kola Project DFS, followed by a binding engineering procurement and construction proposal.

Dougou Project and Dougou Extension Prospect

The Dougou Project and the Dougou Extension Prospect are located South West of the Kola Project. The Dougou Project is spread over 451 square kilometres and covers both the Dougou Project and the Dougou Extension Prospect.

A maiden inferred resource of carnallite was defined in 2014 and updated following drilling in 2015. Following a scoping study of the Dougou Project at the start of 2015, the Company submitted a Mining License application for the Dougou area. The Dougou mining license was granted in May 2017 and the ESIA was approved in April 2017.

In 2015, an initial exploration target was defined over the Dougou Extension Prospect, and a drilling program commenced in 2017.

On 8 June 2017, the Government of the RoC approved and signed the mining convention governing the conditions of construction, operation and mine closure of the Kola Project and Dougou Project (including the Dougou Extension Prospect).

5.4 Consolidated Statement of Financial Position

Consolidated Statement of Financial Position	Audited as at 31-Dec-16 US\$	Audited as at 31-Dec-15 US\$	Audited as at 31-Dec-14 US\$
CURRENT ASSETS			
Cash and cash equivalents	42,609,786	3,058,606	5,894,073
Trade and other receivables	208,465	203,165	386,709
TOTAL CURRENT ASSETS	42,818,251	3,261,771	6,280,782
NON CURRENT ASSETS			
Trade and other receivables	86,889	-	-
Property, plant and equipment	374,316	399,152	663,768
Exploration and evaluation expenditure	95,798,269	93,068,160	97,701,924
TOTAL NON CURRENT ASSETS	96,259,474	93,467,312	98,365,692
TOTAL ASSETS	139,077,725	96,729,083	104,646,474
CURRENT LIABILITIES			
Trade and other payables	200,736	320,976	438,251
TOTAL CURRENT LIABILITIES	200,736	320,976	438,251
TOTAL LIABILITIES	200,736	320,976	438,251
NET ASSETS	138,876,989	96,408,107	104,208,223
EQUITY			
Contributed equity	200,572,926	154,657,058	150,933,803
Reserves	13,941,197	13,128,517	22,002,786
Accumulated losses	(75,637,134)	(71,377,468)	(68,728,366)
TOTAL EQUITY	138,876,989	96,408,107	104,208,223

Source: Kore's audited financial statements for the years ended 31 December 2014, 31 December 2015 and 31 December 2016

Commentary on Consolidated Statement of Financial Position

We note the following in relation to Kore's Consolidated Statement of Financial Position:

- Cash and cash equivalents increased from US\$3.06 million as at 31 December 2015 to US\$42.61 million as at 31 December 2016. The increase of US\$39.55 million was primarily due to proceeds of US\$48.31 million from the issue of shares to SGRF and SQM. This inflow was partially offset by

payments for exploration activities of US\$6.30 million and payments to suppliers of US\$2.63 million.

- Current trade and other receivables as at 31 December 2016 was US\$0.21 million. This comprised prepayments of US\$0.08 million, other receivables of US\$0.08 million and Goods and Services Tax ('GST') recoverable of US\$0.04 million.
- Non-current trade and other receivables as at 31 December 2016 was US\$0.09 million. This solely comprised deposits.
- Exploration and evaluation expenditure increased from US\$93.07 million as at 31 December 2015, to US\$95.80 million as at 31 December 2016. The increase was the result of US\$5.97 million in exploration and evaluation expenditure being capitalised during the year, which was partially offset by foreign exchange differences of US\$3.24 million.

5.5 Consolidated Statement of Profit or Loss and Other Comprehensive Income

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 31-Dec-16 US\$	Audited for the year ended 31-Dec-15 US\$	Audited for the year ended 31 Dec-14 US\$
Continuing Operations			
Other income	20,949	18,339	123,128
Expenses			
Directors remuneration	(310,501)	(350,314)	(310,563)
Equity compensation benefits	(1,777,625)	(920,489)	(1,150,508)
Salaries, employee benefits and consultancy expense	(1,243,365)	(448,810)	(891,131)
Administration expenses	(1,156,793)	(752,677)	(1,276,957)
Net realised foreign exchange gain/(losses)	213,582	(171,854)	(169,086)
Interest and finance expense	(5,913)	(23,297)	(265,475)
Loss before income tax expense	(4,259,666)	(2,649,102)	(3,940,592)
Income tax	-	-	454,353
Loss from continuing operations	(4,259,666)	(2,649,102)	(3,486,239)
Other comprehensive loss, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translating foreign operations	(3,360,183)	(9,794,758)	(11,623,267)
Other comprehensive income for the year, net of tax	(3,360,183)	(9,794,758)	(11,623,267)
Total comprehensive loss for the period	(7,619,849)	(12,443,860)	(15,109,506)

Source: Kore's audited financial statements for the years ended 31 December 2014, 31 December 2015 and 31 December 2016

Commentary on Consolidated Statement of Profit or Loss and Other Comprehensive Income

We note the following in relation to Kore's Consolidated Statement Profit or Loss and Other Comprehensive Income:

- Other income of US\$0.02 million for the year ended 31 December 2016, comprised solely interest income.

- Equity compensation benefits paid to directors, key management and other employees increased from US\$0.92 million for the year ended 31 December 2015 to US\$1.78 million for the year ended 31 December 2016. The increase was the result of an expansion of the senior management team in order to conduct the Kola DFS.
- Salaries, employee benefits and consultancy expense increased from US\$0.45 million for the year ended 31 December 2015 to US\$1.24 million for the year ended 31 December 2016. The increase was primarily the result of an increase in fees paid to consultants of US\$0.78 million.
- Administration expenses increased from US\$0.75 million for the year ended 31 December 2015 to US\$1.16 million for the year end 31 December 2016. The increase was primarily the result of expenses associated with capital raisings.
- Net realised foreign exchange gains for the year ended 31 December 2016 were US\$0.21 million. The gain was the result of net movements in the Congolese Franc/US Dollar exchange rate, the Australian Dollar/US Dollar exchange rate and the Euro/US Dollar exchange rate, which the Company is exposed to due to its operating activities in the Republic of Congo and ongoing funding of overseas operations from Australia.

5.6 Capital Structure

The share structure of Kore as at 31 July 2017 is outlined below:

	Number
Total ordinary shares on issue	768,158,142
Top 20 shareholders	631,438,399
Top 20 shareholders - % of shares on issue	82.20%

Source: Kore's share registry information

The range of shares held in Kore as at 31 July 2017 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares
1 - 1,000	390	199,926	0.03%
1,001 - 5,000	591	1,712,770	0.22%
5,001 - 10,000	258	2,108,743	0.27%
10,001 - 100,000	470	16,396,975	2.13%
100,001 - and over	132	747,739,728	97.34%
Total	1,841	768,158,142	100.00%

Source: Kore's share registry information

The ordinary shares held by the most significant shareholders as at 31 July 2017 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares
Sociedad Quimica Y Minera De Chile S.A	131,370,000	17.10%
State General Reserve Fund of Oman	131,370,000	17.10%
Harlequin Investments Limited	102,313,611	13.32%
Dingyi Group Investments Limited	75,941,524	9.89%
Subtotal	440,995,135	57.41%
Others	327,163,007	42.59%
Total ordinary shares on Issue	768,158,142	100.00%

Source: Kore's share registry information

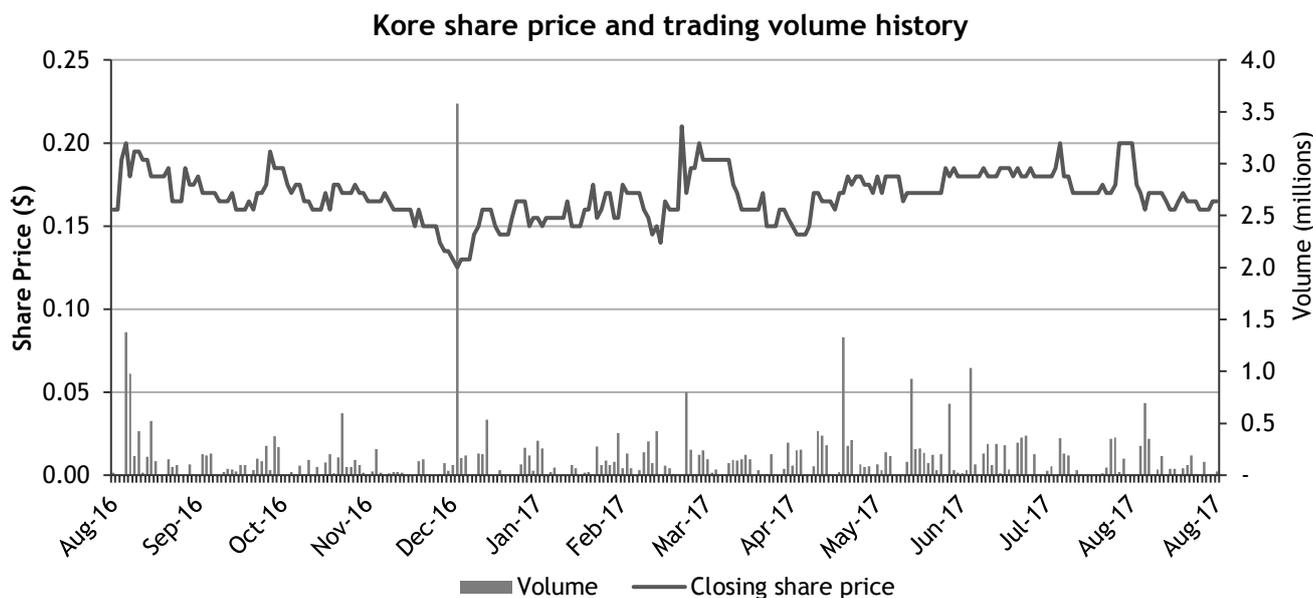
The most significant option holders of Kore as at 31 July 2017 are outlined below:

Name	Number of Options	Exercise Price (\$)	Expiry Date
Princess Aurora Company Pte Limited	20,000,000	\$0.30	15-Nov-19
Sociedad Quimica Minera de Chile	20,000,000	\$0.30	15-Nov-19
Other shareholders	7,900,000	\$0.30	15-Nov-19
Directors	2,100,000	\$0.30	15-Nov-19
Employees and Directors	6,691,226	\$0.33	15-Apr-18
Former Directors	1,500,000	\$0.33	26-Jun-18
Total Number of Options	58,191,226		

Source: Kore's share registry information

5.7 ASX Share Price Analysis

Our analysis of the quoted market price of a Kore share is based on the pricing prior to the announcement of the Scheme. This is because the value of a Kore share after the announcement may include the effects of any change in value as a result of the announcement of the Scheme. Information on the Scheme was announced to the market on 31 August 2017, therefore the following chart provides a summary of the share price movement over the 12 months to 30 August 2017, which was the last full trading day prior to the announcement of the Scheme.



Source: Bloomberg

The daily price of Kore's shares from 30 August 2016 to 30 August 2017 has ranged from a low of \$0.125 on 22 December 2016 to a high of \$0.210 on 7 March 2017. During the 12 months to 30 August 2017, the ASX closing price of a Kore share generally fluctuated between \$0.150 and \$0.200.

As part of our review, we noted three instances of substantially increased trading volume, the specific instances occurred on:

- 21 December 2016 on which date approximately 3.58 million shares were traded;
- 2 September 2016 on which date approximately 1.38 million shares were traded; and
- 27 April 2017 on which date approximately 1.33 million shares were traded.

We note that on 1 September 2016, the Company announced that it had entered into a binding agreement with strategic investors and on 27 April 2017 Kore announced that it had closed a US\$5 million equity investment with Summit.

However, there were no ASX announcements released on or around 21 December 2016, which explain the large volume of shares traded. As such we consider this instance of increased trading volume to be broadly unexplained and most likely due to large investors either entering or exiting trading positions.

During the 12 months to 30 August 2017, a number of announcements were made to the market. The key announcements and respective closing share price on the day of the announcement as well as the closing share price three days after the announcement, are set out below:

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$	(movement)	%	\$	(movement)	%
10/07/2017	Kore Potash to seek a Listing in London	0.200	▲	8%	0.200	▶	0%
20/06/2017	Update on the Kola Definitive Feasibility Study	0.185	▲	3%	0.185	▶	0%
16/06/2017	Signing of Mining Convention	0.180	▶	0%	0.180	▶	0%
01/06/2017	Appendix 3B	0.185	▲	9%	0.180	▼	3%
31/05/2017	Results of Meeting	0.170	▶	0%	0.185	▲	9%
29/05/2017	Issue of Performance Shares to Employees	0.170	▶	0%	0.185	▲	9%
18/05/2017	Dougou & Dougou Extension Mining Licence Granted	0.165	▼	8%	0.170	▲	3%
01/05/2017	Notice of Annual General Meeting/Proxy Form	0.180	▲	6%	0.180	▶	0%
01/05/2017	Appendix 4G	0.180	▲	6%	0.180	▶	0%
01/05/2017	Annual Report to shareholders	0.180	▲	6%	0.180	▶	0%
28/04/2017	Quarterly Activities and Cash flow Report	0.170	▶	0%	0.180	▲	6%
27/04/2017	Kore Closes US\$5m Equity Investment at a Significant Premium	0.170	▲	6%	0.175	▲	3%
31/03/2017	Full Year Statutory Accounts	0.160	▶	0%	0.150	▼	6%
07/03/2017	Kola Drilling Complete & Commencement of Drilling at Dougou	0.210	▲	31%	0.185	▼	12%
28/02/2017	Consortium to Deliver Kola Definitive Feasibility Study	0.140	▼	7%	0.160	▲	14%
31/01/2017	Quarterly Activities and Cash flow Report	0.150	▶	0%	0.160	▲	7%
23/11/2016	Commencement of Drilling Activities	0.165	▼	3%	0.165	▶	0%
14/11/2016	Performance Rights	0.175	▶	0%	0.170	▼	3%
11/11/2016	Key conditions satisfied for US\$45m Strategic Investment	0.175	▲	9%	0.170	▼	3%
02/11/2016	Kore Potash Launched Today	0.165	▼	6%	0.160	▼	3%
01/11/2016	Quarterly Activities and Cash flow Report	0.175	▶	0%	0.160	▼	9%
20/10/2016	Results of General Meeting	0.175	▲	3%	0.185	▲	6%
06/10/2016	Addendum to Notice of General Meeting	0.165	▶	0%	0.160	▼	3%
21/09/2016	Notice of General Meeting/Proxy Form	0.165	▶	0%	0.175	▲	6%
13/09/2016	Half Year Accounts	0.180	▼	5%	0.180	▶	0%
01/09/2016	Binding Agreements signed with Strategic Investors - US\$50m	0.160	▶	0%	0.180	▲	13%

Source: Bloomberg

On 1 August 2016, The Company released its Quarterly Activities Report, which highlighted the start of early works on the Kola Project DFS and the mobilization to site of the drill contractor for the Kola Project and Dougou Extension Prospect drill program. The Company's share price declined by 6% on the day of the announcement to close at \$0.155, before increasing 3% in the subsequent three-day period to close at \$0.160.

On 1 September 2016, following a trading halt, the Company announced that it had signed separate inter-conditional Definitive Investment Agreements with three strategic investors to raise US\$50 million through the issues of shares at \$0.20 per share. The Company's share price remained unchanged at \$0.160 on the day of the announcement, before increasing 13% over the subsequent three-day period to close at \$0.180.

On 13 September 2016, The Company released its Half Yearly Report and Accounts. The announcement highlighted key developments during the half year including the completion of a private placement of \$4.1million and the completion of a master plan which provided a strategic overview of the Kola Project, the Dougou Project and the Dougou Extension Prospect. The Company's share price declined 5% on the day of the announcement to close at \$0.180.

On 1 November 2016, The Company released its Quarterly Activities Report, which highlighted the submission of the Dougou Project ESIA and the application for a new exploration license. The Company's share price remained unchanged at \$0.175 on the day of the announcement, before declining 9% over the subsequent three-day period to close at \$0.160.

On 2 November 2016, the Company announced a change of name. The announcement advised that following the approval of shareholders and ASIC, the Company had changed its name from Elemental Minerals Limited to Kore Potash Limited. The Company's share price decreased by 6% on the day of the announcement to close at \$0.165. The Company's share price declined a further 3% over the subsequent three-day period, to close at \$0.160.

On 11 November 2016, the Company announced that it had satisfied key conditions for a US\$45 million strategic investment. The Company's share price increased by 9% on the day of the announcement, to close at \$0.175.

On 31 January 2017, the Company released its Quarterly Activities Report, which highlighted the introduction of two new cornerstone investors (SQM and SCRF), and the commencement of a three hole drilling program at the Kola Project. The Company's share price remained unchanged at \$0.150 on the day of the announcement, before increasing 7% over the subsequent three-day period to close at \$0.160.

On 28 February 2017, the Company announced that the French Consortium had been selected to deliver the Kola Project DFS. The Company signed contracts with French engineering and construction companies to complete work within 14 months. The Company's share price declined by 7% on the day of the announcement to close at \$0.140, before increasing 14% over the subsequent three-day period to close at \$0.160.

On 7 March 2017, the Company announced that it completed drilling at the Kola Project and commenced drilling at the Dougou Project. The announcement noted that three drill holes had been completed at the Kola Project, with each intersecting sylvinitic mineralisation. The Company's share price increased by 31% on the day of the announcement to close at \$0.210, before declining 12% over the subsequent three-day period, to close at \$0.185.

On 27 April 2017, the Company announced that it had successfully closed a US\$5 million equity raising with Summit. The equity raising was at \$0.25 per share. The Company's share price increased by 6% on the day of the announcement to close at \$0.170, before increasing a further 3% over the subsequent three-day period, to close at \$0.175.

On 28 April 2017, the Company released its Quarterly Activities Report, which the completion of the Drilling Program at the Kola Project, the commencement of the Kola Project DFS and the commencement of drilling at the Dougou Extension Prospect. The Company's share price remained unchanged at \$0.170 on the day of the announcement, before increasing 6% over the subsequent three-day period to close at \$0.180.

On 1 May 2017, the Company released its Annual Report to Shareholders. The Report highlighted key developments during the year including a change of name from Elemental Minerals to Kore Potash, the completion of a US\$45 Strategic investment and the signing of a contract with the French Consortium to complete the Kola Project DFS. The Company's share price increased by 6% on the day of the announcement to close at \$0.180.

On 18 May 2017, the Company announced that it had been awarded the mining license for the Dougou Project and the Dougou Extension Prospect, had been granted. The mining license was granted by Presidential Decree and would have a 25-year duration. The Company's share price decreased by 8% on the day of the announcement to close at \$0.165, before increasing 3% over the subsequent three-day period to close at \$0.170

On 16 June 2017, the Government of the RoC approved and signed the mining convention governing the conditions of construction, operation and mine closure of the Kola Project and Dougou Project (including the Dougou Extension Prospect). The Company's share price remained unchanged at \$0.180 on the day of the announcement and the three days following.

On 10 July 2017, The Company announced that it was seeking to list in London. In the announcement the Company outlined its intention to seek admission to have its shares traded on the AIM by the end of 2017. The Company's share price increased by 8% on the day of the announcement to close at \$0.200.

To provide further analysis of the market prices for a Kore share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 30 August 2017.

Share Price per unit	30-Aug-17	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.165				
Volume weighted average price		\$0.164	\$0.170	\$0.176	\$0.175

Source: Bloomberg and BDO analysis

The above weighted average prices are prior to the date of the announcement of the Scheme, to avoid the influence of any increase in price of Kore shares that has occurred since the Scheme was announced.

An analysis of the volume of trading in Kore shares for the twelve months to 30 August 2017 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.165	\$0.165	24	0.00%
10 Days	\$0.155	\$0.170	538,979	0.07%
30 Days	\$0.155	\$0.200	3,235,148	0.42%
60 Days	\$0.155	\$0.200	7,847,763	1.02%
90 Days	\$0.155	\$0.200	13,808,272	1.80%
180 Days	\$0.125	\$0.215	24,549,664	3.20%
1 Year	\$0.125	\$0.215	37,562,524	4.89%

Source: Bloomberg and BDO analysis

The above table indicates that Kore's shares display a low level of liquidity, with 4.89% of the Company's current issued capital being traded in the 12-month period. RG 111.69 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- regular trading in a company's securities;
- approximately 1% of a company's securities are traded on a weekly basis;
- the spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- there are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

With regard to the above, we consider Kore's shares on the ASX exhibit a low level of liquidity, given that only 4.89% of the Company's current issued share capital has been traded in the historical 12-month period, to 30 August 2017. Furthermore, we observed extended periods of no trade activity and significant unexplained changes in the Company's share price.

6. Economic analysis

6.1 Global

Overall, the global economy is continuing to grow at a moderate level, entering 2017 with more momentum than originally anticipated. This overall improvement in the global economy has also contributed to higher commodity prices. Growth in global industrial production and trade has also picked up recently, and labour market conditions in many countries have tightened.

In China, the 2017 growth target for the economy of around 6.5% is slightly lower than the pace of growth recorded in 2016. This is reflective of the continuing implementation of a proactive fiscal policy and

maintenance of prudent monetary policy, with the tolerance for slightly slower economic growth giving the country more room to push through reforms and deal with levels of built-up debt.

Above-trend growth is expected in a number of advanced economies, however uncertainty regarding the global economic outlook and policy settings for major jurisdictions continues. Recently, global monetary policy has been accommodative however there no longer exists an expectation of additional monetary easing in major economies.

Source: www.rba.gov.au Statement by Philip Lowe, Governor: Monetary Policy Decision 4 July 2017, 6 June 2017 and 2 May 2017

6.2 United Kingdom

Domestic Growth

Gross domestic product ('GDP') growth in the United Kingdom ('UK') declined markedly for the first quarter of 2017, primarily due to weaker household spending, which reflected the impact of a depreciating Great British Pound ('GBP') on household incomes. This is being offset, to an extent, by an increase in net trade, which the declining domestic currency has facilitated. Further counteracting the effects of weakened consumption is the improvement in UK asset prices and financial conditions. This is largely a result of accommodative monetary policy and a general improvement in market sentiment across the globe.

In particular, confidence has begun to recover for both consumers and businesses since the UK referendum resulting in the UK relinquishing its European Union ('EU') membership ('Brexit'). Subsequently, investment looks set to rise, as indicated by the Bank of England's ('BoE') surveys.

Brexit

In March 2017, following referendum, the UK Government notified the European Council of the UK's intention to withdraw from the European Union. This initiated, under Article 50 of the Treaty on the EU, a two-year period for the UK and the EU to negotiate and conclude a withdrawal agreement. The way in which these negotiations will transpire is largely unknown, particularly in the wake of June's election which saw a hung parliament formed. There is a perception that UK Prime Minister, Theresa May's ability to make concessions in the negotiation process has been diminished by the election results. This has caused uncertainty around Britain's ability to maintain relationships and trade linkages within the EU. Of the companies that responded to the BoE's survey between February 2017 and April 2017, 10% confirmed Brexit was the single largest current source of uncertainty, with a further 70% citing it as a contributing factor.

Nonetheless, the UK economy has since demonstrated resilience. Looser monetary conditions have helped retain confidence from consumers and businesses, and a general strengthening of the global economy has promoted trade, bolstering UK exports and asset prices.

Credit

The easing in credit conditions, together with an increase in demand for credit over 2016, as reported by the BoE, saw a marked increase in consumer credit growth over the last year.

Corporate credit conditions are likely to remain supportive of business investment, with interest rates for new and outstanding business loans broadly unchanged.

Currency Movements

Since its lowest levels following Brexit referendum, the GBP has risen by 6.1% against the Australian Dollar ('AUD'). Nonetheless, it is still 19.15% below its pre-referendum peak.

The depreciation of the GBP should theoretically prompt new and existing exporters to expand operations as well as encourage UK households and businesses to substitute towards domestically produced goods and services.

More recently, the GBP strengthened in the lead up to the June election in anticipation of Theresa May securing a greater majority. However, the unpredicted result caused the GBP to decline sharply in the days following the election.

Business Investment

The BoE's Agents' report highlighted that business investment fell by 0.9% in the fourth quarter of 2016, citing heightened uncertainty as the primary cause. This apprehension resulted in companies postponing larger investment decisions until there was more certainty regarding the UK's outlook following the Brexit vote in June 2016.

Business investment has begun to recover since Brexit as a result of overall strong corporate liquidity and favourable credit conditions. The BoE reports that recent investment intention surveys indicate a rise in investment, particularly driven by exporters' desires to renew and increase capacity and benefit from the depreciated GBP and stronger global demand. Nonetheless, many firms, particularly those heavily exposed to trade with the EU, remain cautious about larger, long-term investment decisions due to uncertainty around future UK trading arrangements.

Monetary

The BoE has continued to support the economy deciding to maintain the Bank Rate at 0.25% at its monetary policy meeting on 14 June 2017. Inflation has recently risen above the 2% target, however, this appears to reflect merely temporary factors.

Source: Bank of England Inflation Report May 2017; www.bankofengland.co.uk *Monetary policy summary and minutes 14 June 2017*; Bloomberg; Bank of England Agents' Summary 21 June 2017.

6.3 Republic of Congo

The Economy of the RoC is largely dependent on oil and related support services. This dependence has proven to be a major obstacle to sustainable economic growth for the RoC, as steeply declining oil prices have had a significant impact on government revenues. Following growth of 2.6% in 2015, the economy shrank by 2.4% in 2016. This was largely driven by lower world oil prices. Growth is expected to recover over 2017-2019 (average expected growth rate of 3.6%) as the launch of the Nord oil field is expected to increase the Country's oil output.

In 2016, inflation rose to 4.3%, driven by pressures on the private sector to increase non-oil revenues to support the state budget. Inflation in 2017-2018 is expected to remain above the 3% convergence criterion set by the Central African Economic and Monetary Community. Unemployment remains high, with 30% of the workforce between the ages of 15-29 unemployed.

In 2012, the Government introduced a National Development Program to encourage entrepreneurship and diversification of industry. The program was completed in 2016, and while there has been an improvement

in the performance of non-extractive sectors such as manufacturing, electricity and gas, and telecommunication, oil has remained the mainstay of the RoC economy. The government is discussing further reform programs with institutions such as the International Monetary Fund, as there remains a need to stabilise and diversify the economy.

Source: World Bank and African Economic Outlook

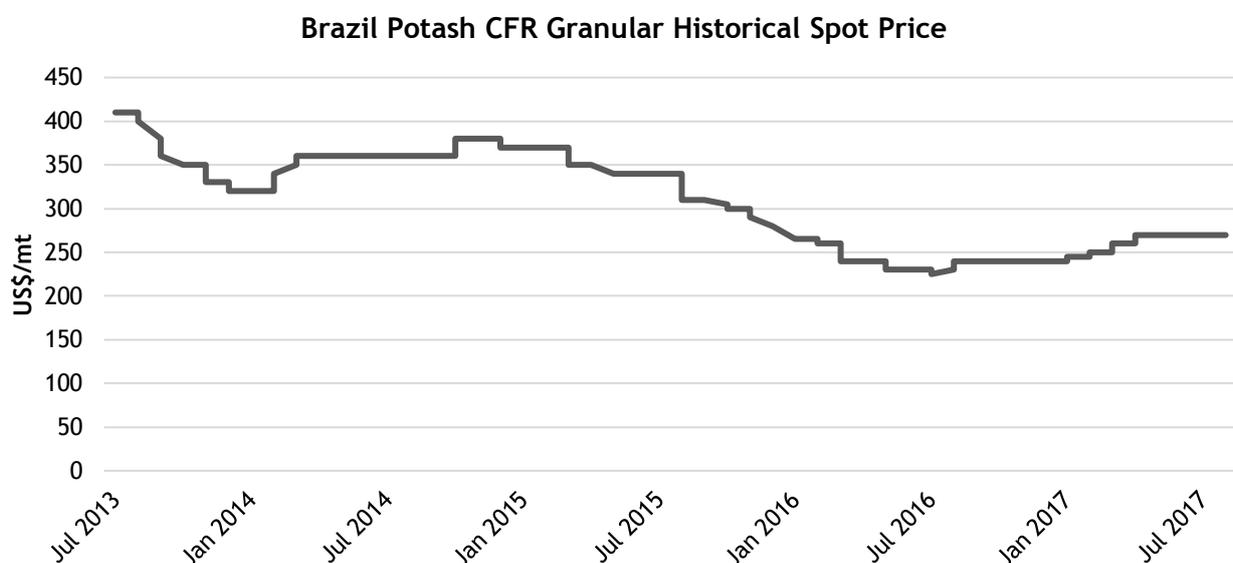
7. Industry analysis

Potash Overview

Potash is the common term for mined and manufactured salts containing potassium in water soluble form. The most common form of potash is potassium chloride, typically referred to as Muriate of Potash. Potash is a crucial plant nutrient and is primarily used as an agricultural fertilizer, along with nitrogen and soluble phosphorus. There is no substitute for potash, other than low-nutrient-content alternatives such as animal manure, and therefore, it is in high demand in countries where fast growing populations require a parallel expansion of their respective agricultural industries.

Potash Prices

The chart below shows the Brazil Potash CFR Granular historical spot prices since July 2013.



Source: Bloomberg

Potash prices declined more than 40% following the global financial crisis as a result of falling demand. Between 2011 and 2012, the price of potash recovered and remained relatively stable at around US\$480/mt. The recovery was largely attributable to improving economic conditions in China and India resulting in increased demand for potash.

In July 2013, potash prices fell significantly as a result of the world's largest potash producer, OAO Uralkali, dissolving its marketing relationship with Belaruskali, a Belarusian potash producer. At the time, Uralkali and Belaruskali controlled over 40% of global potash exports. The termination of the marketing

relationship resulted in an increase in market competition and OAO Uralkali selling potash at lower prices. Consequently, other potash companies were forced to lower their prices in order to remain competitive.

Since 2014, potash prices have slumped to lower than levels immediately following the global financial crises. Although potash consumption has continued to grow, the global potash market has seen a persistent oversupply, which has intensified competition and resulted in weaker prices.

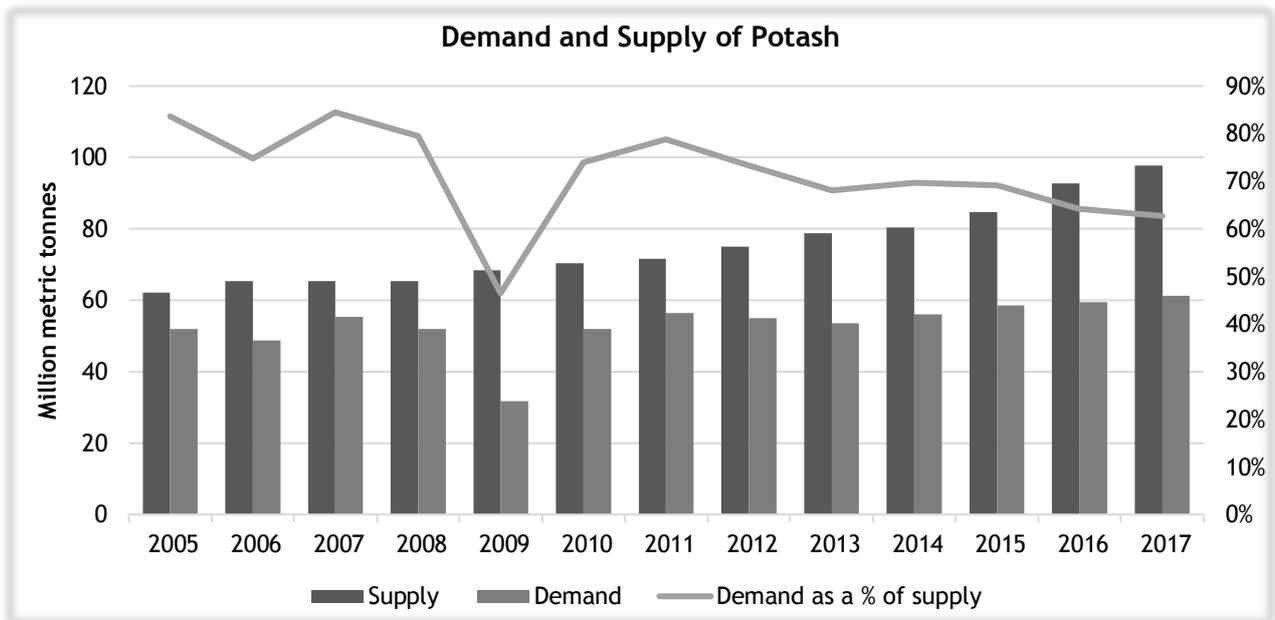
Rapidly growing populations in Asia and South America have been met with speculations of a boom in agricultural requirements, and thus, potash demand and prices. Subsequently, potash production in recent years has expanded, including an escalation in the scale of production in existing mines as well as an increase in the planning, development and exploration of additional projects. The continued development of new mines and the expansion of new facilities in more than 15 countries, resulted in potash prices falling to approximately US\$325/mt in early 2014. In conjunction with increased competition between existing potash producers, the world’s largest consumers, China and India, also increased their domestic production capacity resulting in further oversupply and downward pressure on prices.

A slump in agricultural commodities throughout 2015 and 2016 restricted farm expenditures and consequently led to a reduction in global demand. Furthermore, China, the world’s largest consumer of potash, has continued to increase domestic production, which has further reduced global demand and resulted in potash prices reaching a low of approximately US\$225/mt in late 2016.

Going into 2017, prices have exhibited an upward trend to reach US\$270/mt in August 2017. Future potash prices are expected to improve in coming years as demand is expected to strengthen and small potash projects are driven out of the market as a result of the persistent low prices.

Potash Trends

The graph below shows the annual global potash demand and supply from 2005 to 2017:



Source: Bloomberg

Potash supply has exceeded demand over the last several years, particularly since 2011. Whilst demand has increased over the past few years, it has been relatively sluggish compared to the more significant growth in supply.

Global production has expanded in recent years due to speculation in 2013 and 2014 of increased future demand as a result of growing populations in Asia and South America. There are numerous projects in development in countries such as Argentina, Australia, Brazil, Canada, Congo, Eritrea, Ethiopia, Kazakhstan, Laos, Peru, Thailand, and the United Kingdom that are expected to be completed in the future. According to the US Geological Survey, there are approximately 30 potash mining projects in development as of 2016, all of which are expected to be completed by 2020.

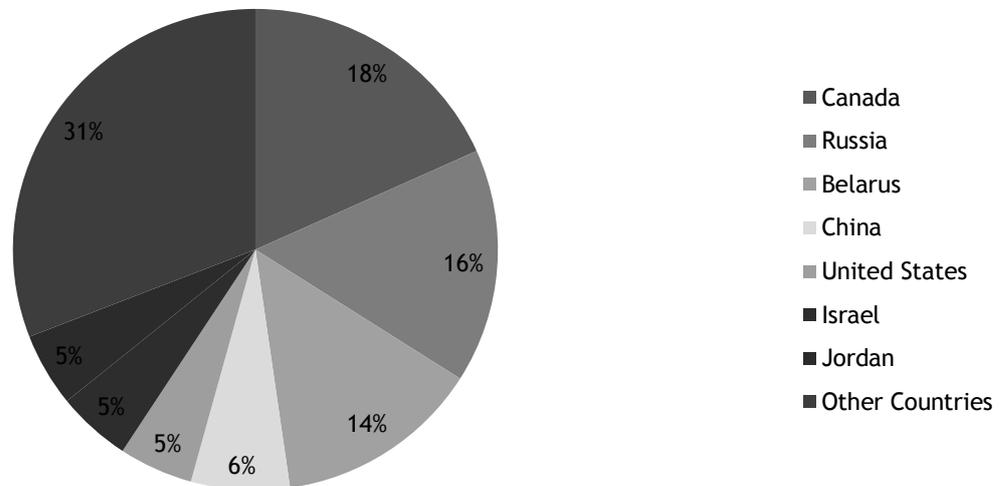
Contrastingly, demand has plateaued due largely to the world’s largest consumers, China and India, reducing their global demand as a result of increased domestic production. The 2016 Fertilizer Outlook and Technology conference found that potash demand is expected to grow 2.3% until 2020.

Consequently, it is forecast that there will be a continued oversupply of potash on the global market.

Reserves

The graphs below show the known global reserves of Potassium Oxide (‘K₂O’) as of January 2017. Canada, Russia and Belarus have a significant share of the potash market with 48%.

Global Reserves 2017



Source: U.S Geological Survey, Jan 2017

Global Outlook

Asia and South America are assumed to be the primary source of growth in demand for potash in the near future, particularly Brazil and China, as they attempt to meet their rapidly increasing population’s demand for produce. World consumption is projected by the industry producers’ association to increase from 39 million metric tons of K₂O in 2016 to 43 million metric tons of K₂O in 2019. It is estimated that China, the market’s largest consumer, is currently consuming as much as 15.5 million metric tonnes annually.

Moreover, annual global production capacity is expected to increase from 56 million metric tons in 2016 to 65 million metric tons in 2020. This increase in production capacity is expected to come from Canada, China, Russia, Belarus and Turkmenistan, as other early development projects throughout the world are not expected to be completed in the near future.

8. Implications of the Scheme

We have summarised the implications of the Scheme for Shareholders below:

8.1 Ownership structure

If the Scheme is approved, existing Shareholders will receive one Kore UK Share, to be held in the form of a Kore UK CDI, for every Kore share held as at the record date of the Scheme, and Kore UK will become the 100% holder of Kore.

As such, in substance there will be no change in the economic interests of Shareholders, as they will effectively retain their existing proportionate interest in the business and assets of Kore.

8.2 Taxation Implications

The Australian income tax consequences for Shareholders of implementing the Scheme will depend upon whether the shares are held on capital account, on revenue account or as trading stock. A distinguishing feature of shares held on capital account and shares held either on revenue account or as trading stock is the purpose for which they were acquired:

- shares held on revenue account, or as trading stock, are acquired for resale at a profit in the short term; whereas
- shares held on capital account are acquired for the purposes of deriving dividend income and long term appreciation of value.

The implementation of the Scheme should not crystallise Australian Capital Gains Tax ('CGT') for Shareholders who hold their shares on capital account. This is due to the availability of scrip-for-scrip roll-over relief in Australia. We note that Kore is pre-emptively engaging with the Australian Taxation Office on this matter, with a view to obtaining a class ruling prior to completion of the Scheme. However, the availability of scrip-for-scrip roll-over relief has not been confirmed by a ruling and it is possible that the Australian Taxation Office will take a different view. On the basis that scrip-for-scrip roll over relief is available, Shareholders who are Australian tax residents can choose to disregard any capital gain arising upon the exchange of Kore shares for Kore UK CDIs.

Shareholders who hold their shares on revenue account will be subject to income tax on any gains arising from the exchange of Kore shares for Kore UK CDIs. Non-resident Shareholders whose revenue gains are sourced in Australia may be protected by an applicable tax treaty.

Furthermore, as Kore UK will not be an Australian resident for tax purposes, Shareholders who receive Kore UK CDIs will have a beneficial interest in shares in a foreign company, which will have ongoing implications for Shareholders. The impact of these taxation implication will vary for different Shareholders.

Section 7 of the Scheme Booklet provides a detailed summary of the general tax implications of participating in the Scheme. However, the tax implications of the Scheme will affect Shareholders

differently subject to their own respective circumstances, and as such, if necessary, Shareholders should seek their own individual tax advice.

Cash Repatriation

Based on the mining convention which governs the tax treatment of the Kore Group in the RoC (**‘Mining Convention’**), the distribution of dividends from Sintoukola will be exempt from dividend tax in the RoC and all other withholding taxes.

Furthermore, no dividend withholding tax will be levied on dividends declared by Kore UK to Shareholders, including both UK residents and non-residents, as the UK does not levy withholding tax on dividends.

We discuss the advantages of the Scheme relating to cash repatriation further in Section 9.1.1

8.3 Listed status and potential access to funds

As detailed in Section 4, the Scheme is conditional upon Kore UK being admitted to the official list of the ASX. As such, there will be no direct implication of the Scheme proceeding with respect to the Company’s current listed status on the ASX. Notwithstanding the fact that Kore UK will be governed by the respective laws of the England and Wales, including the UK Companies Act 2006, Kore UK will still need to remain compliant with the ASX Listing Rules.

Additionally, the Company has announced its intention to seek admission to have its shares traded on the AIM of the London Stock Exchange by the end of 2017. The implementation of the Scheme is not conditional on the Company’s admission to the official list of the AIM.

One of the primary considerations for re-domiciling to the UK is to position the Company such that it becomes more attractive for international investors. The directors of Kore consider that the geographical proximity to larger and more diverse equity markets, in conjunction with a potential admission to the AIM, will increase the attractiveness of the Company to an equity market, which historically has provided substantial equity financing for junior mining companies and traditionally has a keen appetite for African based mining projects. We discuss this further in Section 9.1.2

As such, a key implication of the Scheme is that Kore may have access to increased sources of funding by way of the issue of ordinary shares and options to, and entering into debt agreements with, international (in particular UK based) investors.

8.4 Legal and regulatory framework

If the Scheme is approved, Shareholders will no longer hold shares in an Australian company as they will exchange them for a beneficial interest in shares in Kore UK, a company domiciled in the UK. Kore UK will therefore be governed by the statutory regime of the UK Companies Act 2006 and the laws applicable in England and Wales generally.

Furthermore, as Kore UK will be listed on the ASX, the protections currently provided to Shareholders under the ASX Listing Rules will continue to apply to their holding in Kore UK. In the event that the Company is admitted to the official list of the AIM, its respective listing rules will also apply to Kore UK.

A detailed comparison of Australian and the UK legal regime is outlined in Annexure B of the Scheme Booklet. We have summarised some of the key similarities and differences, which we consider may be of importance to Shareholders below.

Share issues

As Kore UK will be listed on the ASX, Kore UK will still be restricted in how it can issue new securities in accordance with chapter 7 of the ASX Listing Rules. In particular, Kore UK is prohibited from issuing or agreeing to issue securities in any 12-month period which amount to more than 15% of the issued capital in Kore UK, unless it obtains shareholder approval or unless one of a number of specified exceptions apply.

The Companies Act 2006 confers statutory pre-emption rights on shareholders relating to the allotment of new shares, which can be dis-applied by a special resolution of the shareholders. Subject to certain exceptions, the Companies Act 2006, also requires the directors of a company to obtain the approval of shareholders by way of an ordinary resolution to issue and allot new shares and to grant rights to subscribe for or convert any securities into shares.

Disclosure regime

As Kore UK will be listed on the ASX, the protections currently provided to Shareholders under the ASX Listing Rules will continue to apply to their holding in Kore UK. Furthermore, due to the continued operation of chapters 3, 4 and 5 of the ASX Listing Rules, Kore UK will still need to comply with its respective obligations in relation to:

- continuous disclosure;
- periodic disclosures (i.e. financial reporting); and
- additional reporting on exploration activities (i.e. quarterly activities and cash flow reporting).

In the event that the Company is admitted to the official list of the AIM, its respective listing rules will also apply to Kore UK, resulting in further regulation and compliance requirements for Kore UK.

Related party transactions

Given that Kore UK will need to remain compliant with the ASX Listing Rules, the Company will need to adhere to chapter 10 of the ASX Listing Rules relating to transactions with persons in a position of influence.

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of a substantial asset, when the consideration to be paid for the asset or the value of the asset being disposed constitutes 5% or more of the equity interests of that entity as set out in the latest published accounts.

Furthermore, the Corporations Act prohibits the Company from giving a director (or other related party) a financial benefit unless either:

- the Company obtains shareholder approval and gives the benefit within 15 months after the approval; and
- giving the financial benefit falls within a specific exception set out in the Corporations Act.

Under Kore UK's articles of association, provided that a director has disclosed to the board of Kore UK the nature and extent of his/her interest (direct or indirect) in relation to a transaction or arrangement with Kore UK, the director shall, amongst other things, not be accountable to Kore UK for any benefit which he/she derives from such a transaction or arrangement.

Takeover provisions

The Corporations Act restricts the acquisition by any person of a relevant interest in a company under a transaction whereby, that person (together with its associates), or someone else's voting power in the company either:

- increases from 20% or below to more than 20%; or
- where the person's voting power was already above 20% and below 90%, increases in any way at all.

In contrast, the Companies Act 2006 stipulates that a mandatory cash offer, or offer with a cash alternative, must be made where a person, together with its associates, either:

- acquires an interest in a company resulting in an aggregate holding of 30% or more of the target company's voting rights; or
- increase the aggregate percentage interest it has in the target company's voting shares when it already holds an interest that is not less than 30%, but more than 50%, of the target company's voting rights.

8.5 Costs

The process of implementing the Scheme has a number of steps and involves numerous one-off transaction costs, which Kore's directors estimate to total approximately A\$620,000.

We do however note that most of these costs have already been incurred, or will be incurred by the date of the meeting to approve the Scheme, regardless of whether the Scheme is approved or not. As a consequence, the quantum of the initial transaction costs of the Scheme is not considered to be material to the decision to be made by Shareholders.

If the Scheme is approved, there will also be additional ongoing operating costs incurred in relation to maintaining a company and share register in the UK and adhering to the relevant UK laws including the Companies Act 2006, as required. Furthermore, in the event that Kore UK is admitted to the official list of the AIM, there may be additional regulation and compliance requirements for Kore UK. Kore's management estimate this to result in an additional expenditure of approximately 283,500 GBP.

9. Do the advantages of the Scheme outweigh the disadvantages?

If the Scheme is approved, there will be no material change in value to Shareholders. Consequently, in order to determine whether the Scheme is in the best interests of Shareholders, we have considered the advantages, disadvantages and other factors that are likely to impact Shareholders.

9.1 Advantages of the Scheme

We have considered the following advantages when assessing the Scheme:

9.1.1. Cash repatriation taxation advantages

Based on the Mining Convention, the distribution of dividends from Sintoukola will be exempt from dividend tax in the RoC and all other withholding taxes. Under UK corporation tax law, dividends received by companies incorporated in the UK are subject to UK corporation tax, unless they are exempt. One such

exemption provides that distributions received by a company will be exempt from UK corporation tax if the recipient controls the payer. If the Scheme is implemented, Kore UK (recipient) will control Sintoukola (payer). Therefore, dividends received by Kore UK would be exempt from corporate tax.

Furthermore, as discussed in Section 8.2, no dividend withholding tax will be levied on dividends declared by Kore UK to Shareholders, including both UK residents and non-residents, as the UK does not levy withholding tax on dividends. As an Australian incorporated Company, dividends declared by Kore are currently subject to a withholding tax of 30% for non-treaty countries and typically 15% for countries that Australia has an income tax treaty with. Therefore, if the Scheme is implemented, Shareholders will receive 100% of the dividends declared by Kore UK as they will not be subject to withholding tax.

9.1.2. Potential access to new funds

One of the principal advantages of the Scheme (and the change in domicile of the Kore Group) is that Kore UK would obtain direct and full access to the capital markets in the Europe, Middle East and Africa region (**'EMEA Region'**). The directors of the Company have considered the financing alternatives and believe that the required level of equity funding for the Kola Project would be difficult to achieve in the Australian market, or UK market as a foreign domiciled company, or indeed other offshore markets such as Asia and North America.

A change in domicile to the UK, and potential subsequent admission to the AIM, would provide Kore UK with access to an equity market which has a strong interest in the resources sector and a distinct appetite for investing in junior mining companies with projects in developing countries. The change in domicile to the UK will also make the Company more attractive to institutional investors in the EMEA Region (**'EMEA Investors'**) that limit the amount of 'foreign issues' in their equity portfolios in an attempt to manage international risk.

Currently Kore has to compete with other large foreign issuers for the non EMEA Region portion of EMEA Investors' equity portfolios. It is likely that non EMEA Region equities account for a small proportion of EMEA Investors' equity portfolios. Furthermore, it is common for these limited funds to be invested in larger more developed competitors that are perceived to be less risky than Kore.

If the Scheme is implemented, Kore UK will be a UK domiciled company. Consequently, Kore UK should have full access to the capital pools of EMEA Region as investments in Kore UK will no longer be considered 'foreign issues' to EMEA Investors.

This increased potential to access capital is an advantage to Shareholders as in the worst case it could be considered neutral in its effects. Nonetheless, Shareholders should be aware that there is no guarantee that Kore UK would be successful in obtaining the funding required to develop the Kola Project following the implementation of the Scheme.

9.1.3. UK-Congo Bilateral Investment Treaty

The UK-Congo Bilateral Investment Treaty (**'UK-Congo BIT'** or **'the Treaty'**) is an agreement between the governments of the UK and the RoC (**'Contracting Party'**), which protects foreign investments of nationals and companies from the UK in the RoC, and vice-versa, from conduct in breach of the Treaty. Some of the key benefits afforded by the UK-Congo BIT are outlined below:

Promotion and protection of investment

Under the Treaty, investments of national or companies of either Contracting Party will be accorded fair and equitable treatment and enjoy full protection and security in the other territory. In particular, neither Contracting Party shall unreasonably impair or discriminate the management, maintenance, use or disposal of investments in its territory. The Treaty also directs both the UK and the RoC to create favourable condition for nationals and companies of the other Contracting Party to invest capital in its territory.

National Treatment and most-favoured-nation provision

Neither Contracting Party shall subject investments or returns of nationals or companies of the other Contracting Party to treatment less favourable than that of its own nationals or companies.

Expropriation

The UK-Congo BIT stipulates that investments of nationals or companies of either Contracting Party shall not be nationalised, expropriated or subjected to measures having effect equivalent to nationalisation or expropriation, except for a public purpose related to the internal needs of the specific Contracting Party on a non-discriminatory basis and against prompt, adequate and effective compensation. The compensation shall amount to the genuine value of the investment and include interest at a normal commercial rate until the date of payment, which is to be made without delay.

Repatriation of Investment and Returns

Under the Treaty, each Contracting Party shall guarantee to nationals or companies of the other Contracting Party the unrestricted transfer of their investments and returns.

Settlement of Investment Disputes

In accordance with the UK-Congo BIT, should any legal dispute arise between a Contracting Party and a national or company of the other Contracting Party concerning an investment in its territory, each Contracting Party consents to submit to the International Centre for Settlement of Investment Disputes for settlement reconciliation or arbitration.

Currently, Kore does not benefit from the protection of such a treaty as there is no similar treaty in place between Australia and the RoC. If the Scheme is implemented, Kore UK's investments in the RoC may be protected under the UK-Congo BIT against conduct in breach of the treaty by the RoC.

However, there currently exists uncertainty as to whether the UK-Congo BIT will apply to indirect investments of Kore UK. Consequently, the Company intends to transfer its shares in Sintoukola to Kore UK within 12 to 18 months following the implementation of the Scheme. The board of Kore believes that following this transfer, the direct holding of the shares in Sintoukola by Kore UK will be considered an investment for the purpose of the Treaty. Furthermore, Sintoukola should itself benefit from the Treaty and be able to bring claims in its own right in relation to its investments and assets in the RoC.

9.1.4. Market profile

The Scheme provides an opportunity to create a new profile for Kore in the larger, more diverse EMEA Region. As a UK incorporated company, Kore UK will be eligible for inclusion on most major indices in the EMEA Region, which may potentially increase the Company's analyst coverage, media exposure and market presence. This can be considered an advantage to Shareholders as a greater market presence can lead to an improvement in the Company's ability to raise future capital, which in turn accelerates growth in the Company and creates additional value for Shareholders in the long run.

9.1.5. Familiarity of local exchange

Implementation of the Scheme is conditional upon Kore UK being admitted to the official list of the ASX. Therefore, following the Scheme, Shareholders will continue to hold their interests in the Company on the exchange that they are most familiar.

We understand that Kore UK's intention to seek admission to have its shares traded on the AIM by the end of 2017 will not preclude Kore UK from being listed on the ASX. Kore UK will simply become a dual listed company, with a listing on both the ASX and AIM.

9.1.6. Position of Shareholders if the Scheme is not approved

We note that the transaction costs associated with the Scheme of approximately A\$620,000, most of which have already been incurred, will be expended by Kore, irrespective of whether the Scheme proceeds or not. Therefore, if the Scheme is implemented, Shareholders will be able to capitalise on the funds already invested by the Company and benefit from the aforementioned advantages of the Scheme. Should the Scheme not be implemented, the transaction cost associated with the Scheme will become sunk costs that Shareholders are unable to benefit from.

Furthermore, if the Scheme is not implemented, it is likely that Kore will need to reconsider how it will seek additional funds from both current Shareholders as well as new shareholders, which are required for the future development and construction of the Kola Project. If the Scheme is approved, the potential pool of investors will not be restricted to those currently available to the Company as Kore UK will potentially have access to new funds in addition to benefiting from the funding synergies associated with developing the Company's market profile (see sections 9.1.2 Potential access to new funds and 9.1.4 Market profile).

9.2 Disadvantages of the Scheme

We have considered the following disadvantages when assessing the Scheme:

9.2.1. Additional costs and administrative burden

If the Scheme is approved, Kore UK will incur the transaction costs associated with re-domiciling to the UK. We note that most of these costs have already been incurred, or will be incurred by the date of the meeting to approve the Scheme, regardless of whether the Scheme is approved or not. As a consequence, the transaction costs of the Scheme are not considered to be material to the decision to be made by the Shareholders.

Nonetheless, the Company must also bear the cost of any ongoing compliance, administration and operating costs as a result of the becoming a newly formed entity under the Companies Act 2006. It is also noted that given Kore has not historically included in its corporate structure any entities incorporated in

the UK, that the directors of Kore may not be familiar with all the relevant laws and regulations pertaining to UK companies. Consequently, there may be a need for Kore UK to consult external advisors, which will incur additional costs.

Furthermore, in the event that the Company is admitted to the official list of the AIM, its respective listing rules will also apply to Kore UK, resulting in further regulation and compliance requirements for Kore UK.

9.2.2. Potential dilution of existing Shareholders' interest in the Company

As discussed in Section 9.1, if the Scheme is implemented, Kore UK's potential access to new funds coupled with the likely development of Kore UK's market profile may lead to a greater ability to access equity finance through public offerings. The potential benefit of equity financing is that the capital that Kore UK receives from selling additional shares can be used to improve Kore UK's profitability and value of its stock. However, if existing Shareholders are unable to, or choose not to participate in any future equity raisings, it will lead to their existing percentage ownership in Kore UK being diluted.

9.2.3. Change in jurisdiction and lack of familiarity with new market

If the Scheme is approved, Shareholders will become shareholders in Kore UK. As a company incorporated in the United Kingdom, Kore UK will not be subject to all the provisions of the Corporations Act, with which Shareholders are familiar. Whilst the provisions of the Companies Act 2006 are broadly similar to those under the Corporations Act, some Shareholders may not be familiar with the UK provisions that Kore UK will subsequently be subject to if the Scheme is approved. A detailed comparison of Australian and the UK legal regime is outlined in Annexure B of the Scheme Booklet.

Under the Scheme Kore UK will retain the management team of Kore whose prior experience primarily relates to Australian incorporated mining companies. As a result, a reduced familiarity with UK statutory requirements may result in an increased compliance costs as external advisors and consultants may need to be used more regularly.

9.2.4. Some ineligible Shareholders may not be able to receive Kore UK CDIs

As outlined in Section 4 of our Report, if the Scheme proceeds, Shareholders whose address is recorded in Kore's share registry as being outside of Australia and its external territories, Chile, where there are less than 50 Shareholders, China, where the Shareholder is a qualified domestic institutional investor or sovereign wealth fund or quasi-government investment fund, the Democratic Republic of the Congo, the Republic of Congo, Mauritius, New Zealand, Oman, Seychelles, Singapore, South Africa, Switzerland, the United States, the United Kingdom and any other jurisdictions agreed in writing between the Company and Kore UK, will not receive Kore UK CDIs under the Scheme.

Instead, the Kore UK CDIs that would otherwise be issued to Ineligible Foreign Shareholders will be issued to a Sale Facility Agent that will sell or procure the sale of those Kore UK CDIs and remit to the Ineligible Foreign Shareholders their proportion of the net proceeds.

In effect, if the Scheme is approved, Ineligible Foreign Shareholders will be forced to exit their respective investments in Kore without any specific control or guarantee in relation to the sale price they receive for their parcel of Kore UK CDIs.

Based on the Company's share register as at 16 August 2017, there will be 14 Ineligible Foreign Shareholders if the Scheme is implemented.

9.3 Other considerations

We have also considered the following factors when assessing whether the advantages of the Scheme outweigh the disadvantages:

9.3.1. Impact on investment portfolios and risk preferences

The Scheme will have potential impacts on the investment portfolios of Shareholders who may have specific preferences with respect to the jurisdiction of their investments. The effect of changing the domicile of the Kore Group from Australia to the UK may mean that Kore (and in due course Kore UK) will no longer be an appropriate investment for those respective Shareholders due to the nature of their individual investment portfolio strategies and risk preferences. Conversely, the change in domicile may attract new investors as Kore UK will become an appropriate investment for investors with a preference for UK incorporated equities.

However, we note that the underlying key asset of the Kore Group, being the Sintoukola Project, remains unchanged. As such, the key associated risks are not increased and may be reduced as a consequence of the Kore Group having access to the UK-Congo BIT (see Section 9.1.3)

In this regard given all Shareholders are likely to have differing preferences, we note that Shareholders should seek their own individual advice as necessary.

9.3.2. Foreign exchange implications

If the Scheme is implemented, the Kore Group will change domicile from Australia to the UK. However, Kore UK will be admitted to the official list of the ASX and its functional currency will continue to be the US\$. Consequently, with the exception of any country of domicile specific costs, which we consider not to be material, the Scheme will not result in any material foreign exchange implications for the Company or Shareholders.

9.3.3. Liquidity of Kore UK CDIs

If the Scheme is implemented, Kore UK's CDIs will be admitted to the official list of the ASX. We note that for the 12 months prior to 30 August 2017, approximately 4.89% of Kore's issued shares were cumulatively traded. Furthermore, we note that the Company's shares exhibited large unexplained price and volume changes. As detailed in Section 5.7, in our view this represents a low level of liquidity.

As discussed in section 9.1.4, the change in domicile may facilitate the development of the Kore Group's market profile. In conjunction with the potential admission of Kore UK to the official list of the AIM, this may result in greater interest and depth of trading in Kore's shares, however we are unable to quantify the increase in liquidity, or whether there will be any increase at all.

9.3.4. Comparable shareholder protection and regulations

As discussed in Section 8.4 of our Report, the UK's Companies Act 2006 and Australia's Corporations Act are broadly similar with regard to takeovers and other various shareholder protection provisions. We do not consider this to be an advantage or disadvantage to Shareholders as there will not be a significant difference in protection provisions for Shareholders following implementation of the Scheme.

A detailed comparison of Australian and the UK legal regime is outlined in Annexure B of the Scheme Booklet.

9.3.5. Taxation implications

An overview of the tax implications for Australian shareholders is set out in Section 8.2 of our Report. Shareholders are directed to Section 7 of the Scheme Booklet for a more detailed explanation of the tax implications of the Scheme for Shareholders. We emphasise that the tax circumstances of each Shareholder can differ significantly and individual Shareholders are advised to obtain their own specific tax advice.

9.3.6. The Scheme may be implemented even if individual Shareholders do not vote, or vote against, the Scheme

In the event that Scheme is approved by the requisite majority of Shareholders and by the Federal Court of Australia and the remaining conditions precedent are satisfied or waived, the Scheme will be implemented, even if individual Shareholders do not vote, or vote against, the Scheme.

10. Conclusion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that the advantages of the Scheme outweigh the disadvantages, therefore we have concluded that the Scheme is in the best interests of Shareholders.

11. Sources of information

This report has been based on the following information:

- draft Scheme Booklet on or about the date of this report;
- draft Scheme Implementation Agreement on or about the date of this report;
- Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of the Congo for the Promotion and Protection of Investments, London, 25 May 1989;
- UK Companies Act 2006;
- Corporations Act 2001 Cth;
- audited financial statements of Kore for the years ended 31 December 2014, 31 December 2015 and 31 December 2016;
- IBIS World;
- share registry information; and
- discussions with directors and management of Kore.

12. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$25,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not

receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Kore in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Company, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Kore and its respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Kore and its respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Kore, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Kore and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

13. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 29 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia.

Adam Myers is a member of Chartered Accountants Australia and New Zealand. Adam's career spans 19 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has

considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

14. Disclaimers and consents

This report has been prepared at the request of Kore for inclusion in the Scheme Booklet, which will be sent to all Shareholders. Kore engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the Scheme.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Kore UK. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to Shareholders, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Sherif Andrawes

Director



Adam Myers

Director

Appendix 1 - Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 Cth
AIM	Alternative Investment Market
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD or A\$	Australian Dollar
BDO	BDO Corporate Finance (WA) Pty Ltd
BoE	Bank of England
Brexit	The UK referendum resulting in the UK relinquishing its EU membership
CGT	Capital Gains Tax
the Company	Kore Potash Limited
Contracting Party	The UK and the RoC
Corporations Act	The Corporations Act 2001 Cth
DFS	Definitive Feasibility Study
Dougou Project	Dougou Carnallitite Project
EMEA Investors	Institutional investors in the EMEA Region
EMEA Region	Europe, Middle East and Africa Region
ESIA	Environmental and Social Impact Assessment
EU	European Union
FOS	Financial Ombudsman Service
the French Consortium	TechnipFMC, VINCI Construction Grands Projets, Egis and Louis Dreyfus Armateurs
FSG	Financial Services Guide
GBP	Great British Pound

Reference	Definition
GDP	Gross domestic product
GST	Goods and Services Tax
Ineligible Foreign Shareholders	Each Shareholder whose address is recorded in Kore's share registry at the record date as being outside Australia and its external territories, Chile, where there are less than 50 Shareholders, China, where the Shareholder is a qualified domestic institutional investor or sovereign wealth fund or quasi-government investment fund, the Democratic Republic of the Congo, the Republic of Congo, Mauritius, New Zealand, Oman, Seychelles, Singapore, South Africa, Switzerland, the United States, the United Kingdom and any other jurisdictions agreed in writing between the Company and Kore UK
K ₂ O	Potassium Oxide
Kola Project	Kola Sylvinite Project
Kore	Kore Potash Limited
Kore Group	Kore and its controlled entities
Kore UK	Kore Potash Plc the newly formed company incorporated in accordance with the laws of England and Wales
Kore UK CDI	Kore UK CHESS Depository Interest
Kore UK Shares	Shares in Kore UK that can be exchanged on a one for one basis for Kore UK CDIs
Mining Convention	The mining convention which governs the tax treatment of the Kore Group in the RoC
PFS	Pre-Feasibility Study
RBA	Reserve Bank of Australia
Regulations	Corporations Regulations 2001 (Cth)
our Report	This Independent Expert's Report prepared by BDO
RG 60	Schemes of arrangement (September 2011)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RoC	Republic of Congo

Reference	Definition
Sale Facility Agent	Sale facility agent and/or nominee of the sale facility agent
the Scheme	The proposed re-domicile of the Kore Group by means of a Scheme of Arrangement under Part 5.1 of the Corporations Act
Scheme Booklet	Scheme booklet to be produced in connection with the Scheme
Section 411	Section 411 of the Corporations Act
Section 611	Section 611 of the Corporations Act
SGRF	State General Reserve Fund
Shareholders	Shareholders of Kore
Sintoukola	Sintoukola Potash SARL
Sintoukola Project	Sintoukola Potash Project
SQM	Sociedad Quimica y Minera de Chile S.A.
Summit	Summit Private Equity
Treaty	UK-Congo Bilateral Investment Treaty
UK	United Kingdom
UK-Congo BIT	UK-Congo Bilateral Investment Treaty

Copyright © 2017 BDO Corporate Finance (WA) Pty Ltd

All rights reserved. No part of this publication may be reproduced, published, distributed, displayed, copied or stored for public or private use in any information retrieval system, or transmitted in any form by any mechanical, photographic or electronic process, including electronically or digitally on the Internet or World Wide Web, or over any network, or local area network, without written permission of the author. No part of this publication may be modified, changed or exploited in any way used for derivative work or offered for sale without the express written permission of the author.

For permission requests, write to BDO Corporate Finance (WA) Pty Ltd, at the address below:

The Directors

BDO Corporate Finance (WA) Pty Ltd

38 Station Street

SUBIACO, WA 6008

Australia

Annexure B – Comparison of Australian and United Kingdom legal regimes

Kore Potash UK is a public limited company incorporated under the laws of England and Wales. The Company is a publicly listed company incorporated under the laws of Australia. Shareholders of the Company, whose rights are currently governed by the laws of Australia and the Company’s Constitution will, upon implementation of the Scheme, become holders of Kore Potash UK Shares (held in the form of Kore Potash UK CDIs) and their rights as such will be governed by the laws of England and Wales and the Kore Potash UK Articles.

A summary of some of the more material differences between the rights of holders of Kore Potash UK Shares and holders of shares in an Australian company, resulting from the differences in their governing documents and governing laws, is set out below. The summary is a general description only. It is provided as a general guide and does not purport to be a comprehensive analysis of all the consequences resulting from holding, acquiring or disposing of such shares, CDIs or interests in such shares or CDIs. If you are in any doubt as to your own legal position, you should seek independent professional advice.

If Kore Potash UK successfully lists on ASX, the protections currently afforded to Shareholders of the Company by the ASX Listing Rules will continue to apply to their holding in Kore Potash UK. In the event that Kore Potash UK proceeds with a listing on AIM, then the AIM Rules will also apply resulting in further regulation and compliance requirements for Kore Potash UK.

Area	Rights of holders of Shares in the Company	Rights of holders of Shares or CDIs in Kore Potash UK
Share capital	<p>The Corporations Act does not:</p> <ul style="list-style-type: none"> • prescribe the minimum amount of share capital that the Company should have; • prescribe a minimum issue price for each share in the Company; or • require the Company to place a maximum limit on the share capital for which its members may subscribe. <p>Australian law does not contain any concept of authorised capital or par value per share.</p> <p>The issue price of shares is set by the directors of the Company collectively at the time of each issue.</p> <p>A public company cannot hold shares in itself or shares ‘in treasury’ other than in limited prescribed circumstances.</p>	<p>The UK Companies Act:</p> <ul style="list-style-type: none"> • requires a public company’s share capital to have a fixed nominal value; • requires a public company to have a minimum nominal value share capital of £50,000; and • requires that a public company must not allot shares at a discount to the nominal value and must not allot partly paid shares unless at least one quarter of the nominal value and the whole of any premium is paid up on issue. <p>Subject to compliance with the UK Companies Act, the issue price of shares is set by the directors of a company collectively at the time of each issue.</p> <p>A public company can also hold shares in treasury. That is, it can hold shares in itself. However, a public company can only hold treasury shares where the shares have been purchased by the company from a shareholder out of distributable profits.</p>
Issue of additional shares	<p>The Company’s constitution authorises the Board to allot and issue shares in the Company to persons, including members, directors or employees of the Company on such terms and with such rights as the Board determines.</p> <p>The issue of securities to directors and other related parties of the</p>	<p>Subject to certain exceptions, the UK Companies Act confers statutory pre-emption rights on shareholders relating to the allotment of new shares (or the grant of rights to subscribe for or convert any security into shares), which can be disapplied by a special resolution of the shareholders. Such pre-emption rights can also be disapplied by including provisions</p>

	<p>Company is regulated under the Corporations Act and the ASX Listing Rules. Generally, various requirements must be met for such an issue, including shareholder approval, unless the issue falls within a specified exception.</p> <p>Under the ASX Listing Rules, the Company is prohibited from issuing or agreeing to issue securities in any 12 month period which amount to more than 15% of the Company's fully paid ordinary securities unless it obtains shareholder approval or unless one of a number of specified exceptions apply.</p> <p>There are also restrictions on issuing securities where the Company is subject to a takeover or where a majority shareholder has notified the Company of its intention to call a general meeting to appoint or remove directors.</p>	<p>in the company's articles. Subject to certain exceptions, the UK Companies Act also requires the directors of a company to obtain the approval of shareholders by way of ordinary resolution (unless the articles contain a provision) to issue and allot new shares and to grant rights to subscribe for or to convert any securities into shares.</p> <p>Kore Potash UK has been incorporated to include authority in the Kore Potash UK Articles for the Kore Potash UK Directors to issue Kore Potash UK Shares up to a total nominal value of US\$1,192,181 which is intended to cover the issue of Kore Potash UK Shares: (i) under the Scheme; (ii) on exercise of the Kore Potash UK Options and on vesting of the Kore Potash UK Performance Rights; (iii) under the AIM Raising; and (iv) which may be required for additional general working capital purposes.</p> <p>Whilst Kore Potash UK remains listed on ASX, the requirements of the ASX Listing Rules will also continue to apply.</p>
<p>Issue of preference shares</p>	<p>Subject to the Corporations Act, the Company's constitution authorises preference shares to be issued on terms that they are, or at the option of the Company are liable, to be redeemed.</p> <p>Voting rights attached to the preference shares are limited to voting only in certain circumstances (such as proposals to reduce the Company's share capital or to wind up the Company) under the ASX Listing Rules.</p> <p>The ASX also imposes other prescribed requirements impacting rights to dividends, shareholder information and other matters.</p>	<p>English law permits a company to issue shares with preferred, deferred or other special rights. The Kore Potash UK Articles permit shares to have such rights conferred as determined by shareholders by ordinary resolution or, in the absence of such determination, as the directors may determine. English law and the Kore Potash UK Articles also permit redeemable shares to be issued.</p> <p>Whilst Kore Potash UK remains listed on ASX, the requirements of the ASX Listing Rules will also continue to apply.</p>
<p>Share certificates</p>	<p>The Company's constitution provides that the Directors may determine not to issue a share certificate or option certificate or may determine to cancel a certificate without issuing any certificate in its place, if that determination is not contrary to the Corporations Act or ASX Listing Rules.</p> <p>Where the Directors make such a determination, a member shall have the right to receive such statements of the holdings of the member as are required to be distributed under the Corporations Act and Listing Rules.</p>	<p>The Kore Potash UK Articles provide that Kore Potash UK may issue shares in uncertificated form and permit any shares held in uncertificated form to be transferred in dematerialised form pursuant to the relevant regulations.</p>
<p>Buy-back of shares</p>	<p>The Corporations Act allows the Company to buy-back its own shares through a specific buy-back procedure provided that:</p> <ul style="list-style-type: none"> • the buy-back does not materially prejudice the Company's ability to pay its creditors; and 	<p>Provided it complies with the procedural requirements set out in the UK Companies Act, a public company can buy back its own shares (including redeemable shares) provided it is not prohibited or restricted from doing so by its articles. A public company may only buy back its shares</p>

- the Company follows the procedures set out in the Corporations Act.

The buy-back procedure which includes the form of shareholder approval (for example, ordinary, special or unanimous resolutions), notice period and disclosure to be given to the shareholders, depends on the type of buy back.

In accordance with the Corporations Act and the Listing Rules, the Company may buy back shares (in accordance with certain additional disclosure and timetable requirements).

pursuant to a share buyback contract being approved in advance of the purchase by way of an ordinary resolution of the shareholders.

A buyback can be funded out of:

- distributable profits; or
- from the proceeds of a fresh issue of shares made for the purpose of financing the buyback.

Public companies are not permitted to buy back their own shares out of capital.

Any shares bought back by a public company:

- may be cancelled or held in treasury if purchased out of distributable profits; or
- must be cancelled if purchased from the proceeds of a new issue of shares.

Transfer/transmission of shares

Under the Company's constitution securities in the Company are generally freely transferable.

The directors may refuse to register a transfer of shares where the ASX Listing Rules or the ASX Settlement Operating Rules permit the Company to do so.

Under the Kore Potash UK Articles, shares in Kore Potash UK are generally freely transferable.

The directors may refuse to register a transfer of shares in certain limited circumstances permitted by the articles.

Whilst Kore Potash UK remains listed on ASX, the requirements of the ASX Listing Rules will also continue to apply.

Dividends and distributions

Under the Company's constitution, the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to its members of such dividend.

Before declaring a dividend, the directors should be satisfied that:

- the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- the payment of the dividend is fair and reasonable to the Company's shareholders as a whole; and
- the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

Kore Potash UK may by ordinary resolution declare that out of profits available for distribution there be paid dividends to members in accordance with their respective rights and priorities, but no dividend shall exceed the amount recommended by the directors.

The Kore Potash UK Articles allow the Kore Potash UK board to pay to the members such interim dividends as appear to them to be justified by the profits of Kore Potash UK available for distribution and the position of Kore Potash UK.

Kore Potash UK may, on the recommendation of the Kore Potash UK Board, by ordinary resolution satisfy a dividend by the distribution of specific assets.

No dividend payable in respect of a share shall bear interest unless provided for by the rights attached to that share or another agreement between the shareholder and Kore Potash UK.

Voting rights

The Company's constitution provides that:

- each member entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a member or a proxy, attorney or a representative of a member has

The Kore Potash UK Articles provide that at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is duly demanded. A poll may be demanded by:

- the chairman of the meeting;
- at least five members present in person or by proxy and entitled to vote at the meeting;

- one vote; and
- on a poll, every person present who is a member or a proxy, attorney or representative of a member shall, in respect of each fully paid share held by him, or in respect of which he or she is appointed a proxy, attorney or representative have one vote for the share, but in respect of partly paid shares, shall have a fraction of a vote for each partly paid share.

Further, if the Corporations Act or ASX Listing Rules require that some members are not to vote on a resolution or that votes cast by some members be disregarded in order for the resolution to have the intended effect, and the notice of meeting at which the resolution was proposed states that fact, the Company must not count any votes purported to be cast by those members.

- any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- a member or members present in person or by proxy holding shares in Kore Potash UK conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Every member who is present in person or is present by a duly authorised representative shall have one vote on a show of hands, and on a poll every member present in person or by representative or by proxy shall have one vote for each share he or she holds.

On a separate general meeting of the holders of any class of shares, any holder of shares of the class in question present in person or by proxy may demand a poll and, on a poll, shall have one vote in respect of every share of such class held by him or her.

If an equal number of votes is cast for and against a resolution at a meeting of members, whether on a show of hands or a poll, the chairman is entitled to have a casting vote.

Whilst Kore Potash UK remains listed on ASX, the requirements of the ASX Listing Rules will also continue to apply.

Variation of rights

The Company's constitution provides that if at any time the Company's share capital is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares in that class) be varied or abrogated in any way with the consent in writing of the holders of 75% of the issued shares in that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

The Corporations Act provides that where shareholders in an affected class do not all agree (whether by resolution or written consent) to the:

- variation or cancellation of their rights; or
- a modification to the Company's constitution to allow rights to be varied or cancelled,

shareholders with at least 10% of the votes in the affected class may apply to the court (within a limited time frame) to have the variation,

The Kore Potash UK Articles provide that if at any time the Company's share capital is divided into different classes of shares, the rights attached to any class may, subject to the UK Companies Act, be varied or abrogated either:

- in such manner (if any) as may be provided by such rights; or
- in the absence of any such provision:
 - with the consent in writing of the holders of three quarters in nominal amount of the issued shares of that class (excluding any shares held as treasury shares); or
 - with the sanction of a special resolution passed at a separate general meeting of the shares of that class.

cancellation or modification set aside.

Subject to the shares' terms of issue, the rights attached to a class of shares are not deemed varied by the issue of further shares of that class.

Continuous disclosure

Subject to certain limited exceptions, the ASX Listing Rules require the Company to immediately disclose to ASX any information concerning the Company that a reasonable person would expect to have a material effect on the price or the value of the Company's shares.

The Corporations Act also imposes obligations on the Company to require it to notify the ASX of relevant information where the Company is required under the ASX Listing Rules to notify ASX of information about specified events or matters as they arise for market disclosure.

There are also periodic reporting and disclosure rules that apply to the Company, requiring it (among other things) to report to the ASX at the end of every half year and annually in respect of its financial statements and reports. In respect of its mining and exploration activities, the Company is also required to report quarterly to the ASX.

Whilst Kore Potash UK remains listed on ASX, the requirements of the ASX Listing Rules will also continue to apply.

Powers of the board and matters that require shareholder approval

The Company's constitution grants the Board the power to manage the Company's business.

The directors must not sell or dispose of, the Company's main undertaking unless:

- the Company has by resolution in general meeting authorised the disposal; or
- the agreement is subject to ratification by the Company in general meeting.

The ASX Listing Rules also impose restrictions on the disposal of a Company's main undertaking, requiring compliance with the ASX's requirements (including shareholder approval).

However, the Corporations Act provides that the following matters (among others and in addition to others set out in this table) require shareholder approval, and are therefore not within the powers of the Board:

- removal of directors;
- appointment of an auditor;
- amending or changing the constitution; and
- adopting a new company name.

Subject to the provisions of the UK Companies Act, the Kore Potash UK Articles grant the Board the power to manage the Company's business and affairs.

The UK Companies Act provides that the following matters (among others and in addition to others set out in this table) require shareholder approval:

- increase or decrease in number of directors;
- amending or changing the articles;
- acceptance of financial reports;
- election/re-election of directors;
- appointment of an auditor; and
- adopting a new company name.

Note, however, that the adoption of a new company name, appointment of an auditor and appointment of a director can also be approved by a director under the Kore Potash UK's Articles.

Whilst Kore Potash UK remains listed on ASX, the requirements of the ASX Listing Rules will also continue to apply.

Duties of directors

Under Australian law, the Directors of the Company have a wide range of both general law and statutory duties to the Company.

These duties are of a fiduciary nature and include the duty to:

- act in good faith in the best interests of the Company as a whole;
- act for a proper purpose;
- not improperly use information or their position;
- exercise care, skill and diligence; and
- avoid actual or potential conflicts of interest.

Under English law, the directors of a Company have a wide range of duties both under general law and statutory duties towards the Company, these include the following fiduciary duties:

- act within powers;
- promote the success of the company for the benefit of its shareholders as a whole;
- exercise independent judgment;
- exercise reasonable care, skill and diligence;
- avoid conflicts of interest;
- not accept benefits from third parties; and
- declare interest in proposed transactions or arrangements.

Compensation of directors

The Company's constitution provides that the Directors must be paid by way of fees for their services, but the sum must not exceed the fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company. The remuneration of Directors cannot be increased except pursuant to a resolution passed at a general meeting of the Company.

The Company's constitution further provides that a managing director or executive director shall, subject to the terms of any agreement, receive such remuneration as the Directors may determine.

Termination or retirement benefits to directors and other officers of the Company are also subject to restrictions under the Corporations Act and ASX Listing Rules.

The Kore Potash UK Board may set the ordinary remuneration of the Kore Potash UK Directors. The Kore Potash UK Board may also determine any additional remuneration to be paid to the Kore Potash UK Directors, which may be paid by way of salary, commission, participation in profits or otherwise.

Whilst Kore Potash UK remains listed on ASX, the requirements of the ASX Listing Rules will also continue to apply.

Transactions involving directors or other related parties (including large shareholders)

The Corporations Act prohibits the Company from giving a director (or other related party (including a shareholder who controls the Company) a financial benefit unless either:

- the Company obtains shareholder approval (in compliance with the Corporations Act requirements) and gives the benefit within 15 months after approval; or
- giving the financial benefit falls within a specific exception set out in the Corporations Act (eg a benefit given on arms' length terms or reasonable remuneration or reimbursement of an officer or employee of the Company).

Subject to limited exceptions, the ASX Listing Rules prohibit the Company from acquiring a substantial

Under the Kore Potash UK Articles, provided that a director has disclosed to the board of Kore Potash UK the nature and extent of his or her interest (direct or indirect) in relation to a transaction or arrangement with Kore Potash UK, the director shall, amongst other things, not be accountable to Kore Potash UK for any benefit which he or she derives from such transaction or arrangement.

Except in certain circumstances as set out in the Kore Potash UK Articles, a Kore Potash UK Director cannot vote at a meeting or committee of the board of Kore Potash UK on any resolution concerning a matter in which he or she has directly or indirectly an interest which is material. A Kore Potash UK Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he or she is not entitled to vote.

The Kore Potash UK Articles provide the Kore Potash UK Board with the power to

asset from, or disposing of a substantial asset to, any of its directors (or other person of influence including shareholders holding voting power of more than 10% of the issued shares of the Company) unless it obtains shareholder approval.

Additionally, the ASX Listing Rules prohibit the Company from issuing securities to any of its directors unless it obtains shareholder approval prior to the issue or an exemption applies to the share issue (such as pro rata issues to all shareholders).

Directors, when entering into transactions with the Company, are subject to the Australian common law and statutory duties to avoid actual and potential conflicts of interest.

There are also disclosure requirements and voting restrictions imposed on directors under the Corporations Act on matters involving a material personal interest.

Subject to the Corporations Act and the ASX Listing Rules, under the Company's constitution a director may:

- hold any other office or place of profit in or in relation to the Company (except that of auditor) in conjunction with his or her office of Director and on such terms as to remuneration or otherwise as the Directors shall approve;
- become a shareholder in or director of or hold any office or place of profit in or in relation any company promoted by the Company or in which the Company may be interested, whether as to vendor, shareholder or otherwise; and
- in all respects act as a Director in relation to any contract or arrangement in which he or she is interested, including in relation to the execution of the contract or agreement or the use of the Company's common seal, but he or she may not vote in relation to any contract or proposed contract or arrangement in which he or she has directly or indirectly a material interest and in that respect he or she shall comply with the requirements of the Corporations Act.

authorise a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of Kore Potash UK, by passing a resolution. The interested director and any other director who has a similar interest must not be counted in the quorum in the meeting and shall not vote on the resolution.

In addition, the UK Companies Act also provides that certain arrangements between the UK company and its directors require shareholder approval, namely:

- long-term service contracts between the company and a director;
- substantial property transactions;
- loans, quasi-loans and credit transactions; and
- payments for loss of office.

Under the UK Companies Act, however, there are no equivalent shareholder approval requirements for related party transactions (with parties other than directors).

Whilst Kore Potash UK remains listed on ASX, the requirements of the ASX Listing Rules will also continue to apply.

Number and nomination of directors

Number

As a public company in Australia, the Company must have:

- no fewer than three directors (not counting alternate directors);

Under the UK Companies Act, a public limited company must have at least two directors and there is no maximum number of directors. The Kore Potash UK Articles also state that Kore Potash UK must, at all times, have at least two (and

- at least two directors ordinarily resident in Australia;
- at least one secretary; and
- at least one secretary must ordinarily reside in Australia.

The Company's constitution provides that the Directors can determine the number of Directors, subject to there being not less than 3 nor more than 10.

The Company in general meeting can increase or reduce the number of Directors.

Nomination

Under the ASX Listing Rules, the Company must accept nominations for the election of directors up to 35 business days (or 30 business days in the case of a meeting requested by shareholders) before the date of a general meeting at which the directors may be elected, unless the Company's constitution provides otherwise.

Under the Company's constitution, a person other than a Director seeking re-election shall be eligible for election as a Director at any general meeting unless that person or some shareholder intending to propose that person has given notice in accordance with the Company's constitution.

Removal of directors

The shareholders of the Company may remove a director from office by passing an ordinary resolution to do so at a general meeting.

Under the Corporations Act, a notice of intention to move the resolution must be given to the Company at least two months before the meeting is to be held. However, if the Company calls a meeting after the notice of intention is given, the meeting may pass the resolution even though the meeting is held less than two months after the notice of intention is given. The director is entitled to put their case to members and to receive a copy of the notice.

The Company's constitution further provides that a person will automatically cease to be a Director if that person (among other things):

- becomes of unsound mind;
- resigns from office;
- becomes bankrupt or makes any arrangement or composition with his or her creditors generally; or
- becomes prohibited from being a director by reason of an order made under the Corporations

no more than 12) directors.

Both the Kore Potash UK Directors and the company by resolution passed in general meeting may, at any time, appoint any individual who is willing to act as a director and is permitted by law to do so, as a director. Kore Potash UK may at any time by ordinary resolution passed in general meeting of the shareholders remove any director from office.

Whilst Kore Potash UK remains listed on ASX, the requirements of the ASX Listing Rules will also continue to apply.

The office of a director shall be vacated if (among other things) the director:

- has a bankruptcy order made against him or her or makes any arrangement or composition with his or her creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- becomes incapable by reason of illness or injury of managing and administering his or her property and affairs and the board of Kore Potash UK resolves that his or her office be vacated;
- is absent from meetings of the board of Kore Potash UK for the greater of six consecutive months without permission of the board of Kore Potash UK and the board of Kore Potash UK resolves that his or her office be vacated;
- if having been appointed for a fixed term, the term expires;
- having retired at an annual general meeting, is not re-appointed as a director; or
- becomes prohibited by law from

Act.

acting as a director or ceases to be a director by virtue of any provision of the Companies Act and every other statute in force concerning companies and affecting Kore Potash UK.

Casual vacancies

The Board may at any time appoint a person to be a director, either to fill a casual vacancy or as an addition to the existing number of directors. Any director so appointed, automatically retires at the next general meeting (and is eligible for re-election) and is not taken into account in deciding the directors to retire by rotation at that general meeting.

The Kore Potash UK Board may at any time appoint a person to be a director, either to fill a casual vacancy or as an addition to the existing number of directors.

Rotation of directors

The ASX Listing Rules require that:

- the Company hold an election of directors each year;
- a director, other than the managing director and directors appointed to fill casual vacancies or as additions to the Board, must not hold office past the third annual general meeting following the director's appointment or three years, whichever is longer, without submitting himself or herself for re-elections; and
- directors appointed to fill casual vacancies or as additions to the Board do not hold office (without re-election) past the next annual general meeting.

Pursuant to the Kore Potash UK Articles, at each annual general meeting, any director who was not appointed or reappointed at one of the preceding two annual general meetings shall retire from office. Kore Potash UK may re-elect the retiring director or elect some other person eligible for election at the meeting by ordinary resolution.

Whilst Kore Potash UK remains listed on ASX, the requirements of the ASX Listing Rules will also continue to apply.

The Company's constitution also provides that at every annual general meeting one-third of the directors must retire from office, as well as any other director (except a managing director) who has been in office for three years or more since that directors' last election or re-election. The Company's constitution provides that directors required to retire are those who have been longest in office since last being elected.

Directors' indemnity

The Corporations Act prohibits the indemnification of persons against the following specific liabilities incurred as an officer or auditor of the Company:

- owed to the Company or a related body corporate;
- for a pecuniary penalty order or a compensation order under the Corporations Act; or
- owed to someone other than the Company or a related body corporate and did not arise out of conduct in good faith.

Further, the Corporations Act prohibits an indemnity for legal costs incurred in defending an action for a liability incurred as an officer or auditor of the Company in specific

The Kore Potash UK Articles include a provision entitling every person who is or was a director or other officer of Kore Potash UK to be indemnified by Kore Potash UK against all costs, charges, expenses, losses and liabilities incurred by him or her from time to time in relation to the affairs of Kore Potash UK.

Under the UK Companies Act, any provision that purports to exempt a director from liability for negligence, default, breach of duty or trust in relation to a company is void and any provision where a company or an associated company (as defined in the UK Companies Act) is seeking to indemnify a director for such liability is also void. However, the UK Companies Act specifically allows for a company to

circumstances including where an officer is found to have a liability for which they could not be indemnified or found guilty in criminal proceedings, or where the grounds for a court order have been made out (in proceedings brought by the Australian Securities and Investments Commission or a liquidator).

Payments by the Company of insurance premiums which cover conduct involving a wilful breach of duty in relation to the Company or a breach of a director's statutory duty not to improperly use their position or improperly use information is also prohibited under the Corporations Act.

The Company's constitution provides that, except as may be prohibited by the Corporations Act, the act of every officer, auditor or agent of the Company shall be indemnified out of the property of the Company against any liability incurred as an officer, auditor or agent of the Company or any related corporation in respect of any act or omission.

Directors' liability

Under the Corporations Act, there is a general prohibition on a company or a related body corporate exempting officers from any liability incurred as an officer of the company.

purchase and maintain for a director of such company, insurance against any such liability.

Accordingly, the Kore Potash UK Articles provide the Kore Potash UK Board with the power to purchase and maintain insurance for, and for the benefit of, any persons who are or were at any time directors, officers or employees of Kore Potash UK or any associated company.

Corporate governance

ASX Corporate Governance Principles and Recommendations

The ASX Corporate Governance Council (**ASXCGC**) is an industry based body established to develop corporate governance recommendations for listed entities which reflect international best practice.

The Listing Rules require the Company to disclose the extent to which it has followed the recommendations of the ASXCGC. This disclosure is required annually, included in either the Company's annual report or in a separate report clearly labelled as the corporate governance report and given to the ASX at the same time as the annual report.

Where the Company has not followed all the Corporate Governance Principles and Recommendations, it must identify those that have not been followed and give reasons for not following them.

If the Company follows the Corporate Governance Principles and Recommendations, it will publish relevant corporate governance policies and procedures on its

Under the UK Companies Act, there is a general prohibition on a company exempting officers from any liability incurred as an officer of the company.

The UK Corporate Governance Code does not apply to Kore Potash UK (and this is the case even if it was a company listed on AIM, although Kore Potash UK may choose to comply with it voluntarily).

Whilst Kore Potash UK remains listed on ASX, the requirements of the ASX Listing Rules will also continue to apply.

website.

Trading Policy

The Listing Rules also require the Company to have and disclose a trading policy that, at a minimum, includes:

- its closed periods;
- trading restrictions that apply to key management personnel;
- any trading which is exempt from the trading policy;
- any exceptional circumstances in which key personnel may trade during a prohibited period without prior written clearance; and
- procedures for obtaining prior written clearance.

Insider trading

The Corporations Act prohibits any person who:

- possesses information that is not generally available, but if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Company's securities (Inside Information); and
- knew, or ought reasonably to have known, that the information was Inside Information,

from applying for, buying or selling those securities (or entering an agreement to do so) or procuring others to do so. The prohibition also extends to the communication of the information (or causing the information to be communicated) directly or indirectly to third parties if the person knew, or ought reasonably to have known, that the recipient would or would be likely to apply for, buy or sell the securities (or enter an agreement to do so), or procure others to do so.

This prohibition is subject to certain limited exceptions.

Not applicable for UK public company which is not listed on an EU regulated market.

The insider trading provisions of the Corporations Act will continue to apply to Kore Potash UK securities and Kore Potash UK CDIs provided that the jurisdictional requirements of section 1042B of the Corporations Act are satisfied.

Quorum of shareholders

The Company's constitution states that the quorum for a general meeting of the Company's shareholders is three shareholders present in person or by proxy, attorney or representative and entitled to vote.

Under the Kore Potash UK Articles, two members present in person or by representative (in the case of a corporate member) or by proxy and entitled to vote shall be a quorum for all purposes, including at a separate general meeting of the holders of any class of shares.

Annual meetings

Under the Corporations Act, the annual general meeting of the Company is required to be held at least once every calendar year and within five months after the end of each financial year.

The Kore Potash UK's Articles, in conjunction with the UK Companies Act, state that it shall hold an annual general meeting at least once in each calendar year and within six months following the end of its financial year.

Special/extraordinary meetings/general

Under the Corporations Act, a director may call a meeting of the Company's

The Kore Potash UK Articles provide that the Kore Potash UK Board may convene

meetings

members at any time. Also, the directors must call and arrange to hold an extraordinary general meeting on the request of members with at least 5% of the votes that may be cast at the general meeting.

The Corporations Act also allows members with at least 5% of the votes that may be cast at a general meeting to call an extraordinary general meeting.

The Court may also order a general meeting to be called if it is impracticable to call the meeting in any other way.

Notices of meetings

Under the Corporations Act, notice of a general meeting of the Company must be given to the Company's shareholders at least 28 days before the date of the proposed meeting. Notice of the meeting must also be given to each director and to the auditor of the Company.

A notice of meeting must specify:

- the date, time and place of the meeting;
- the general nature of the business to be transacted at the meeting;
- any proposed resolutions and if a special resolution is to be proposed, set out an intention to propose the special resolution and state the resolution;
- the right of members to appoint a proxy, whether or not the proxy needs to be a member of the Company, and that a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise;
- a place and fax number for the purposes of receipt of proxy appointments and proxy appointment authorities and may specify an electronic address and other electronic means for such lodgements; and
- in the case of an annual general meeting, inform members that the resolution relating to the adoption of the remuneration report will be put at the general meeting.

The Company's constitution provides that if notice is given by post, service of the notice is deemed to have been effected three days after posting.

general meetings of shareholders.

Under the UK Companies Act, one or more shareholders representing at least 5% of the paid up capital of Kore Potash UK carrying voting rights have the right to requisition the holding of a general meeting.

On the requisition of members, the directors must call the meeting requested by the shareholders within 21 days from the date on which they became subject to the requirement and the meeting must be held not more than 28 days after the date of the notice convening the meeting.

Pursuant to the Kore Potash UK Articles, the Kore Potash UK Board may call any general meeting within 21 days from the date on which they became subject to the requirement and the meeting must be held not more than 28 days after the date of the notice convening the meeting. Notice of any general meeting must be given to:

- each eligible shareholder of Kore Potash UK;
- each director of Kore Potash UK;
- any legal representative of Kore Potash UK entitled to any share of any incapacitated shareholders; and
- any auditor of Kore Potash UK.

The shareholders of Kore Potash UK may requisition a general meeting where the shareholders have at least 5% of the votes that may be cast at the general meeting.

Under the UK Companies Act, notice of a meeting must specify:

- the time, date and place of the meeting;
- the general nature of the business to be dealt with at the meeting;
- the full text of each special resolution and the intention to propose such a resolution as a special resolution; and
- a statement of a shareholder's right under the UK Companies Act to appoint a proxy and any more extensive rights conferred by the articles to appoint more than one proxy.
- in the case of an annual general meeting ("AGM"), the notice must state that the meeting is an AGM.

The Kore Potash UK Articles provide that any notice or other document to be sent or supplied to or by Kore Potash UK pursuant to the Kore Potash UK Articles shall be in writing and may be sent or supplied in any way in which the Companies Act provides for documents or information to be sent or supplied by or to Kore Potash UK for the purposes of the

Companies Act, including, in the case of notices and other documents supplied by Kore Potash UK, by means of a website. If a notice is sent by Kore Potash UK by post, first-class mail must (where available) be used in the case of an address within the United Kingdom or Australia, and airmail in any other case.

Business at annual meetings

Under the Corporations Act, the business of an annual general meeting may include any of the following, even if not referred to in the notice of meeting:

- consideration of the annual financial report, directors' report (including remuneration report) and auditor's report;
- advisory (non-binding) resolution to adopt the remuneration report, with the new rule that if 25% or more of the shareholders vote against its adoption in 2 consecutive years, a resolution to spill the board is put to shareholders at that second meeting ("two strikes rule");
- election of directors;
- appointment of the auditor; and fixing the auditor's remuneration.

The UK Companies Act does not specify what business must be transacted at an annual general meeting, nor are there any restrictions on business. Usually the meeting is used for matters which must be dealt with each financial year, such as the re-election of directors, fixing the remuneration of auditors and consideration of the annual accounts, directors' report and auditors' report.

Although there is no equivalent to the "two strikes rules" under the Australian regime, matters typically dealt with at the annual general meeting such as the re-election of directors and the fixing of their remuneration must be passed, unless the articles state otherwise, by a majority of the shareholders voting on a show of hands or on a poll.

Resolutions at general meetings

A resolution at a general meeting is to be passed by a majority of votes cast by those present and voting, unless the Corporations Act or the Company's constitution provides otherwise.

A resolution put to the vote at a members' meeting must be decided on a show of hands unless a poll is demanded in accordance with the Company's constitution either before or on the declaration of the result of the vote on a show of hands.

The Company must not count any votes on a resolution purported to be cast by those members that are not permitted to vote (under the Corporations Act or the ASX Listing Rules) on the resolution (or whose votes are to be disregarded) and the relevant notice of meeting states that voting restriction.

Under the UK Companies Act, a resolution at a general meeting can either be passed as an ordinary resolution or a special resolution (discussed in further detail below). Ordinary resolutions are passed by simple majority on either a show of hands or poll.

Whilst Kore Potash UK remains listed on ASX, the requirements of the ASX Listing Rules will also continue to apply.

Special resolutions

Under the Corporations Act, a special resolution must be a resolution that is passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Approval by special resolution of shareholders is required for actions such as modifying or repealing the Company's constitution, changing the Company's name or type, selectively reducing or buying back capital (in

Under the UK Companies Act, a special resolution is a resolution passed by a majority of not less than 75% cast by members entitled to vote on the resolution.

The UK Companies Act provides that certain matters require a special resolution, including any amendments to the articles of association of a company, change of name of a company, re-registration of a public company as a private company, reduction of the notice

some circumstances), providing financial assistance in connection with the acquisition of shares in the Company, and undertaking a voluntary winding up of the Company.

required for a general meeting of a traded company from 21 days to 14 days, the disapplication of statutory pre-emption rights: directors acting under general authorisation; the reduction of share capital and certain matters in relation to takeovers.

Public companies are not permitted to fund a buy-back of shares out of capital or to provide financial assistance in connection with the acquisition of shares in a company.

Derivative actions

Under the Corporations Act, a derivative action may be instituted by a shareholder, former shareholder or person entitled to be registered as a shareholder of the Company (or a related body corporate), or an officer or former officer of the Company. In all cases, leave of the court is required.

Such leave will be granted if:

- it is probable that the Company will not itself bring the proceedings or properly take responsibility for them (or for the steps in them);
- the applicant is acting in good faith;
- it is in the best interests of the Company that the applicant be granted leave;
- if the applicant is applying for leave to bring the proceedings, there is a serious question to be tried; and
- either:
 - at least 14 days before making the application, the applicant gave written notice to the Company of the intention to apply for leave and of the reasons for applying; or
 - it is otherwise appropriate for the court to grant leave.

Under the UK Companies Act, a derivative action may be instituted by a shareholder of Kore Potash UK. Leave of the court is required. When considering whether to grant such leave, the court will consider:

- whether the applicant is acting in good faith;
- the importance a person acting in accordance with the statutory duty to promote the success of the company would attach to continuing it;
- where the cause of action arises from an act/omission which has already occurred or not, whether it is likely it could be authorised before/ratified after;
- whether the company has decided not to pursue a claim; and
- whether the act/omission gives rise to a cause of action that the shareholder could pursue in his or her own right, rather than on the company's behalf.

Relief from oppression

Under the Corporations Act, any shareholder of the Company can apply for an order from the court in circumstances where the conduct of the Company's affairs, any actual or proposed act or omission or a resolution or proposed resolution is either:

- contrary to the interests of shareholders as a whole; or
- oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholders in that capacity or any other capacity.

Former shareholders can also bring an action if it relates to the

Under the UK Companies Act, a shareholder may apply to the court by petition for an order against unfair prejudice on the ground that the company's affairs are being or have been conducted in a manner that is unfairly prejudicial to the interests of the shareholders generally or of some part of its shareholders or that an actual or proposed act or omission of the company is or would be so prejudicial.

There are limited circumstances under English law where a former shareholder can bring a claim to wind-up a company if a court is of the opinion that to do so is just and equitable.

circumstances in which they ceased to be a shareholder.

The court may make any order that it considers appropriate in relation to the circumstances and the Company including, among other things, an order that the Company be wound up, that the Company's existing constitution be modified or repealed, or that a person is required to do a specified act.

Inspection of books

Under the Corporations Act, a shareholder of the Company must obtain a court order to obtain access to the Company's books. A person authorised to inspect books may make copies of those books unless the court orders otherwise. The court may make this order only if it is satisfied that the applicant is acting in good faith and that the inspection is to be made for a proper purpose.

However, the applicant is not permitted to disclose information obtained during such an inspection (other than to the extent the disclosure is to ASIC).

Outside of these provisions, shareholders also have a right under the Corporations Act to inspect and get copies of the Company's statutory registers.

The Company's statutory registers include:

- register of members;
 - if the Company issues options over unissued shares or interests, register of option holders; and
- if the Company issues debentures, a register of debenture holders.

Under the UK Companies Act, a shareholder of Kore Potash UK is entitled to inspect, without charge, the register of members, records of resolutions, and copies of director's service contracts.

Takeovers

The Corporations Act restricts the acquisition by any person of a "relevant interest" in issued "voting shares" in the Company under a transaction where, because of the transaction, that person or someone else's "voting power" in the Company increases from 20% or below to more than 20% or, where the person's voting power was already above 20% and below 90%, increases in any way at all) subject to a number of exceptions detailed in the Corporations Act.

The concepts of "relevant interests", "issued voting shares" and "voting power" are discussed under the Corporations Act and are quite complex. The key concept of "relevant interest" is very widely defined and generally extends to a holder of the securities or a person

The law on takeovers is dealt with under the UK Companies Act and the Takeover Code (**Code**).

The Code rules are administered by a body of representatives of financial institutions and professional bodies to ensure fair and equal treatment of all shareholders in relation to takeovers.

The Code applies, amongst others, to all offers for public and certain private companies and Societas Europaea (and, where appropriate, companies created by charter or under statute) which have their registered offices in the UK, the Channel Islands or the Isle of Man and which are considered by the Panel to have their central place of management and control in the UK, the Channel Islands or the Isle of Man. This is known as the "residency test".

The Code includes 38 detailed rules as

either directly or indirectly having a power to vote (or control the vote) or dispose (or control the disposal) of the securities.

Certain exceptions to this general takeover prohibition are set out in the Corporations Act. For example:

- an acquisition resulting from a scheme undertaken in accordance with the Corporations Act and approved by the court;
- an acquisition that results from the acceptance of an offer under a takeover bid;
- an acquisition approved previously by a resolution passed at a general meeting of the company in which the acquisition is made;
- an acquisition by a person whose voting power was at least 19% in the 6 months prior to the acquisition where that person's voting power is increased by no more than 3%; and
- an acquisition that results from a pro rata rights issue made on the same terms to all members that satisfies certain other conditions.

In this respect, any takeover bid made for the Company must be on the same terms for all shareholders, subject to minor exceptions, and must comply with the timetable, disclosure and other requirements set out in the Corporations Act.

The purpose of these provisions is to attempt to ensure that shareholders in the target company have a reasonable and equal opportunity to share in any premium for control and that they are given reasonable time and enough information to assess the merits of the proposal.

The Corporations Act prohibits pro-rata takeover bids but permits companies to adopt constitutional amendments to require shareholder approval before a proportional partial bid can proceed. The provisions in the Company's constitution relating to approval of proportional takeovers have lapsed.

well as six general principles, which are essentially statements of standards of commercial behaviour. The most important of these general principles is that all shareholders of the same class must be treated equally in relation to takeovers.

There are two principal mechanisms to effect a takeover in the UK:

- a contractual offer to all of a target company's shareholders to acquire their shares; and
- a court approved scheme of arrangement, which is a statutory mechanism involving a shareholder vote and court approval, under which 100% of the target company's share capital is acquired by the bidder.

A mandatory cash offer, or offer with a cash alternative, must be made where a person, together with its concert parties, either:

- acquires an interest in voting shares (including options, derivatives and agreements to purchase) resulting in an aggregate holding of 30% or more of the target company's voting rights; or
- increases the aggregate percentage interest it has in target company voting shares when it is already interested in not less than 30%, but more than 50%, of the target company's voting rights;

however, a mandatory offer will not be required under this rule where control of the offeree company is acquired as a result of a voluntary offer made in accordance with the Code to all the holders of voting equity share capital and other transferable securities carrying voting rights.

In the context of a UK takeover offer, where a bidder obtains acceptances of at least 90% of the shares it is offering to buy in the target company (which is not the same as 90% of the total issued share capital) and acceptances of at least 90% of the voting rights carried by the shares it is offering to buy, it can require the remaining non-accepting shareholders to sell their shares on the terms of the offer by following certain procedures set out in the UK Companies Act 2006.

When a person (which includes any persons acting in concert with him) is interested in shares which in the aggregate carry less than 30% of the voting rights of a company, he may not acquire an interest in any other shares carrying voting rights in that company which, when aggregated with the shares in which he is already interested, would carry 30% or more of the voting rights and

when a person is interested in shares which in the aggregate carry 30% or more of the voting rights of a company but does not hold shares which carry more than 50% of the voting rights, he may not acquire an interest in any other shares carrying voting rights in that company.

Certain exceptions to this general prohibition are set out in the Code, for example, the restrictions do not apply to an acquisition of an interest in shares carrying voting rights in a company by a person:

- at any time from a single shareholder if it is the only such acquisition within any period of 7 days. This exception will not apply when the person has announced a firm intention to make an offer and there is no pre-condition to which the making of an offer is subject; or
- immediately before the person announces a firm intention to make an offer (whether or not there is any pre-condition to which the making of an offer is subject), provided that the offer will be publicly recommended by, or the acquisition is made with the agreement of, the board of the offeree company and the acquisition is conditional upon the announcement of the offer; or
- after the person has announced a firm intention to make an offer provided that, at the time of the acquisition, there is no pre-condition to which the making of an offer is subject and:
 - (i) the acquisition is made with the agreement of the board of the offeree company; or
 - (ii) that offer or any competing offer has been publicly recommended by the board of the offeree company, even if such recommendation is subsequently withdrawn; or
 - (iii) the first closing date of that offer or of any competing offer has passed; or
 - (iv) that offer is unconditional in all respects; or
 - (v) if the acquisition is by way of acceptance of the offer.

Substantial shareholders

Under the Corporations Act, any shareholder who acquires (alone or with associates) a relevant interest in 5% or more of a company's shares must disclose that fact by lodging an

UK companies are now required to hold and maintain a register of people with significant control (**PSC Register**). The PSC Register is primarily aimed at identifying and listing individuals with

ASIC Form 603 "Notice of Initial Substantial Shareholder" with the Company and the ASX.

This lodgement requirement also extends to a shareholder making a takeover bid even if the initial holding is below 5% a person must give notice to a company if they begin to have or cease to have a substantial holding in a company or their substantial holding changes by 1%.

significant control over a UK company (whether directly or indirectly) and whether those individuals are based in the UK or overseas.

In order to be considered a person with significant control, an individual must meet one or more of the following five conditions:

- The individual directly or indirectly holds more than 25 percent of the shares;
- The individual directly or indirectly holds more than 25 percent of the voting rights;
- The individual directly or indirectly holds the right to appoint or remove the majority of directors (defined as the directors holding the majority of the voting rights);
- The individual otherwise has the right to exercise, or actually exercises, significant influence or control over the company; or
- The individual has the right to exercise, or actually exercises, significant influence or control over the activities of a trust or firm, which itself satisfies one or more of the first four conditions.

Note, the PSC Register rules do not apply to UK listed companies (as they are already subject to the Financial Conduct Authority's Disclosure and Transparency Rules).

As part of Kore Potash UK's listing on ASX, it may be required to undertake to notify ASX when it becomes aware of a matter that would otherwise have had to be disclosed by a shareholder under the substantial shareholder regime in the Corporations Act.

Under the Kore Potash UK Articles, the directors have power in the name and on behalf of the company to present a petition to the court for the company to be wound up or placed in administration.

Winding up

The members of a solvent company may decide to wind up the company under the Corporations Act. A special resolution is required.

The Company's constitution provides that a liquidator may, with the sanction of a special resolution of the Company:

- divide the property of the Company among the members in kind; and/or
- vest the whole of any part of the property in trustees on those trusts for the benefit of the contributories as the liquidator thinks fit.

The Corporations Act provides that in a voluntary winding up, subject to provisions as to preferential payments, the property of a company must, on its winding up, be applied in satisfaction of its liabilities equally

and, subject to that application, must, unless the company's constitution otherwise provides, be distributed among the members according to their rights and interests in the company.

Restricted securities and mandatory lock-up periods

The ASX Listing Rules impose restrictions on certain securities, usually issued as part of an entity's listing on ASX, that are issued to seed capitalists, vendors of classified assets, promoters, professionals and consultants and persons under an employee incentive scheme, who were involved with the entity prior to its admission to the ASX (**restricted securities**). The restricted securities are placed in escrow for a specific period (usually ranging from 12 to 24 months).

This prevents the transfer of effective ownership or control of the restricted securities. The ASX considers that the delay allows the value of assets or services sold to an entity to become more apparent, and for the market price of the entity's securities to adjust before the vendor receives full consideration.

Under the AIM rules, where a company's main activity is a business which has not been independent and revenue earning for at least two years prior to admission to AIM, that company must ensure that all related parties and applicable employees as at the date of admission agree not to dispose of any interest in the shares of the company for a period of one year following admission (**Lock-In Period**). Related parties include substantial shareholders, being any person who holds any legal or beneficial interest directly or indirectly in 10% or more of the shares or voting rights of the company, directors or an associate of a key shareholder or director.

Any shareholder therefore holding 10% or more on the date on which Kore Potash UK is admitted to AIM will be required to enter into a lock-up for the Lock-In Period. The rule will not apply:

- in the event of an intervening court order;
 - the death of a party who has been subject to the Lock-In Period rule; or
 - in respect of an acceptance of a takeover offer for the AIM company which is open to all of its shareholders.
-

Annexure C – Summary of CDIs

Definitions

Capitalised terms used in this Annexure and not otherwise defined have the same meanings as set out in the Glossary of the Scheme Booklet.

Introduction

In order for Kore Potash UK Shares to trade electronically on the ASX, Kore Potash UK intends to participate in the electronic transfer system known as CHESSE operated by ASX Settlement.

CHESSE cannot be used directly for the transfer of securities of companies domiciled in certain foreign jurisdictions, such as the United Kingdom. Accordingly, to enable Kore Potash UK Shares to be cleared and settled electronically through CHESSE, depositary interests called CHESSE Depositary Interests, or CDIs, are issued.

CDIs confer the beneficial ownership in foreign securities such as Kore Potash UK Shares on the CDI holder, with the legal title to such shares being held by an Australian depositary entity. Kore Potash UK will appoint CDN to act as its Australian depositary.

A summary of the rights and entitlements of CDI holders in Kore Potash UK and CDI holders generally is set out below.

Further information about CDIs is available from the ASX, in *ASX Guidance Note 5 – CHESSE Depositary Interests (CDIs)*, any stockbroker or the Company's Share Registry.

Overview of CDIs

A CDI is a financial product quoted on the ASX. Holders of CDIs will have a beneficial interest in the underlying security of a foreign company; the legal title is held by the depositary. The use of CDIs facilitates investors to trade in foreign securities by trading the relevant CDIs on the ASX.

CDI: Share ratio

Each CDI will represent an interest in one Kore Potash UK Share.

Shareholder entitlements

The ASX Settlement Operating Rules have the force of law by virtue of the Corporations Act. These rules grant CDI holders the right to receive any dividends and other entitlements which attach to Kore Potash UK Shares.

Despite legal title to Kore Potash UK Shares being vested in CDN, the ASX Settlement Operating Rules provide that CDI holders are to receive all direct economic benefits and other entitlements in relation to the underlying Kore Potash UK Shares (such as the right to receive the same dividends and entitlement to participate in rights issues and bonus issues).

Evidence of ownership

Each CDI holder will receive a holding statement which sets out the number of CDIs held by the CDI holder and the reference number of the holding. These holding statements will be provided to a holder when a holding is first established and where there is a change in the holdings of CDIs.

Kore Potash UK will operate a certificated register of shares in the United Kingdom and Australia and an uncertificated issuer sponsored sub-register of CDIs and an uncertificated CHESSE sub-register of CDIs in Australia. Kore Potash UK's issuer sponsored sub-register of CDIs and certificated Australian share register will be maintained by Computershare Investor Services Pty Limited, and the UK share register will be maintained by Computershare Investor Services PLC. The certificated share register is the register of legal title (and the Australian share register will reflect legal ownership by CDN of Kore Potash UK Shares underlying the CDIs) and the two uncertificated sub-registers combined will make up the register of beneficial title of Kore Potash UK Shares underlying the CDIs.

Voting

CDI holders are able to attend and vote at Kore Potash UK general meetings. Under the ASX Listing Rules, Kore Potash UK as an issuer of CDIs, must allow CDI holders to attend any meeting of the holders of the underlying securities unless relevant the United Kingdom laws at the time of the meeting prevents CDI holders from attending those meetings.

In order to vote at such meetings, CDI holders have the following options:

- instructing CDN, as the legal owner, to vote Kore Potash UK Shares underlying their CDIs in a particular manner. A CDI voting instruction form will be sent to CDI holders together with each notice of meeting and the instruction form must be completed and returned to Kore Potash UK's Australian registry prior to the meeting;
- informing Kore Potash UK that they wish to nominate themselves or another person to be appointed as CDN's proxy for the purposes of attending and voting the shares underlying their CDIs at the general meeting; or
- converting their CDIs into a holding of Kore Potash UK Shares and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on the ASX it would be necessary to convert Kore Potash UK Shares back to CDIs). The conversion must be done prior to the record date for the meeting. See below for further information regarding the conversion process.

As holders of CDIs will not appear on Kore Potash UK's share register as the legal holders of Kore Potash UK Shares, they will not be entitled to vote at Kore Potash UK shareholder meetings unless one of the above steps is undertaken.

Proxy forms, CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI holders by Kore Potash UK.

Cessation of trading in Shares

Suspension of trading on the ASX in the Company's Shares is expected to occur from the close of trading on the date on which the Company lodges the Court order approving the Scheme with ASIC (being the Effective Date). This date will therefore be the last day for trading the Shares prior to the re-domiciliation under the Scheme.

Deferred settlement trading of CDIs representing Kore Potash UK Shares will commence on the ASX on the trading day after trading of the Shares is suspended. CDIs are expected to commence trading on the ASX on a normal T+2 settlement basis on the Business Day following the despatch of issuer sponsored holding statements and CHES confirmation advices, which is expected to occur on the Business Day following the Implementation Date.

On a date to be determined by Kore Potash UK, the Company will apply for termination of the official listing of its Shares on the ASX.

Trading in CDIs on the ASX on implementation of the Proposed Transaction

On the day after the Effective Date, trading in CDIs will commence initially on a deferred settlement basis and, after that, is expected to commence on a normal T+2 settlement basis on or about the Business Day following the despatch of holding statements for CDIs issued under the Scheme.

Former Shareholders trading on a deferred settlement basis and before the issue of holding statements in respect of their CDIs do so at their own risk. The proceeds from sale of securities sold on a deferred settlement basis will not be received until after the deferred settlement period has ended.

Former Shareholders will be issued with the corresponding CDI holding statements or CHES confirmation advices within 5 Business Days after the Implementation Date by pre-paid post at their respective addresses as shown in the Register.

Local and international trading in CDIs

CDI holders who wish to trade their CDIs will be transferring the beneficial interest in their Kore Potash UK Shares rather than the legal title. The transfer will be settled electronically by delivery of the relevant CDI holdings through CHESS.

In other respects, trading in CDIs is essentially the same as trading in other CHESS approved securities, such as shares in an Australian company.

Converting from a CDI holding to a direct holding of Kore Potash UK Shares

CDI holders who wish to convert their ASX listed CDIs to Kore Potash UK Shares can do so by instructing Kore Potash UK's Australian Registry either:

- directly in the case of CDIs on the issuer sponsored sub-register operated by Kore Potash UK. CDI holders will be provided with a form entitled "CDI Cancellation: Australia to United Kingdom Share Register" for completion and return to the Australian Registry; or
- through their 'sponsoring participant' (usually a broker) in the case of CDIs which are sponsored on the CHESS sub register. In this case, your sponsoring broker will arrange for completion of the relevant form and its return to the Australian Registry.

Kore Potash UK's Australian Registry will then arrange for the transfer of Kore Potash UK Shares from CDN to the former CDI holder and issue to the former CDI holder a corresponding share certificate. This will cause Kore Potash UK Shares to be registered in the name of the holder on Kore Potash UK share register and trading on the ASX will no longer be possible.

It is expected that this process will be completed by the next business day, provided that the Registry is in receipt of a duly completed and valid removal request form. However, no guarantee can be given about the time for this conversion to take place.

The Registry will not charge an individual security holder a fee for transferring CDI holdings into Kore Potash UK Shares (although a fee will be payable by market participants).

A holder of Kore Potash UK Shares will not be able to trade those shares on the ASX.

Converting from a direct holding of Kore Potash UK Shares to a CDI holding

If holders of Kore Potash UK Shares wish to convert their holdings to CDIs, they can do so by contacting the UK Registry. The UK Registry will not charge a fee to a shareholder seeking to convert Kore Potash UK Shares to CDIs (although a fee will be payable by market participants).

In this instance, underlying Kore Potash UK Shares will be transferred to CDN and a holding statement for the CDIs will be issued to the relevant security holder. No trading in Kore Potash UK CDIs on the ASX can take place until this transfer process is complete.

Communication with CDI holders

CDI holders will receive all notices and company announcements (such as annual reports) that shareholders are entitled to receive from Kore Potash UK.

Takeovers

If a takeover bid or similar transaction is made in relation to Kore Potash UK Shares of which CDN is the registered holder then, under the ASX Settlement Operating Rules, CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI holder.

Rights on liquidation or winding up

In the event of Kore Potash UK's liquidation, dissolution or winding up, a CDI holder will be entitled to the same economic benefit on their CDIs as Kore Potash UK Shareholders.

Fees

A CDI holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Kore Potash UK Shares.

Further information

For further information in relation to CDIs and the matters referred to above, please refer to the ASX website www.asx.com.au or contact your stockbroker or Kore Potash UK's Registry at the details provided below:

Computershare Investor Services Limited

Post:

GPO Box 2975
Melbourne VIC 3001
Australia

Phone:

1300 850 505 (within Australia)

+61 (0)3 9415 4000 (outside Australia)

Annexure D – Scheme of Arrangement

Kore Potash Limited

The holders of ordinary shares in Kore Potash Limited

Scheme of Arrangement

Pursuant to section 411 of the Corporations Act

Contents

1	Interpretation	1
1.1	Definitions	1
1.2	Construction	3
1.3	Headings	5
2	Preliminary	5
2.1	The Company	5
2.2	Kore Potash UK	5
2.3	Summary of the Scheme	5
2.4	Scheme Implementation Agreement	5
2.5	Deed Poll	6
3	Conditions	6
3.1	Conditions precedent to the Scheme	6
3.2	Certificate	6
3.3	Termination of Scheme Implementation Agreement	6
3.4	End Date	7
4	Implementation of the Scheme	7
4.1	Lodgement of Scheme Order	7
4.2	Provision of Scheme Consideration	7
4.3	Existing Kore Potash UK securities	7
4.4	Transfer of Scheme Shares	7
5	Scheme Consideration	8
5.1	Entitlement to Scheme Consideration	8
5.2	Provision of Scheme Consideration	8
5.3	Ineligible Foreign Shareholders	9
5.4	Joint holders	10
6	Quotation of CDIs	11
7	Scheme Participants	11
7.1	Appointment of Kore Potash UK as sole proxy	11
7.2	Appointment of the Company as sole attorney and agent	12
7.3	Scheme Participant's consent	12
7.4	Warranties by Scheme Participants	12
7.5	Title to Scheme Shares	13
7.6	Scheme alterations and conditions	13
8	Dealings in Shares	13
8.1	Determination of Scheme Participants	13
8.2	Maintenance of Register	14
8.3	Information to be made available to Kore Potash UK	14
8.4	No disposal after Close of Trading	14

9	Quotation of Shares	14
<hr/>		
10	Notices	15
<hr/>		
10.1	General	15
10.2	Communications by post	15
10.3	Communications by email	15
10.4	After hours communications	15
10.5	Accidental omission to give notice	15
11	General	15
<hr/>		
11.1	The Company and Scheme Participants bound	15
11.2	Further assurances	16
11.3	Alterations and conditions	16
11.4	Costs	16
11.5	Governing law and jurisdiction	16
11.6	No liability when acting in good faith	16

Date

Parties

Kore Potash Limited ACN 108 066 422 of Level 3, 88 William Street, Perth, Western Australia (**Company**)

The holders of ordinary shares in Company as at the Record Date

Agreed terms

1 Interpretation

1.1 Definitions

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532.

ASX Settlement Operating Rules means the settlement rules of the settlement facility provided by ASX Settlement.

Business Day means a day that is each of the following:

- (a) a Business Day within the meaning given to that term in the ASX Listing Rules; and
- (b) a day that banks are open for business in Perth, Western Australia.

CDI means a CHESS depositary interest representing a unit of beneficial ownership in a Kore Potash UK Share registered in the name of CDN and CDIs means a number of them.

CDI Register has the meaning given to that term in the ASX Settlement Operating Rules.

CDN means CHESS Depositary Nominees Pty Ltd ACN 071 346 506.

CHESS means the Clearing House Electronic Subregister System, which facilitates electronic security transfer in Australia, operated by ASX Settlement.

Close of Trading means the close of normal trading on ASX on the Effective Date.

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

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act agreed in writing by the parties.

Deed Poll means a deed poll to be executed by Kore Potash UK in favour of the Scheme Participants, under which Kore Potash UK covenants in favour of each Scheme Participant to perform its obligations under this document and the Scheme.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the Scheme Order.

Effective Date means the date on which the Scheme becomes Effective.

End Date means 1 March 2018 or such later date as Kore Potash UK and the Company agree in writing.

GST has the meaning given to that term in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

Implementation Date means the fifth Business Day following the Record Date, or such other date as ordered by the Court or agreed between the Company and Kore Potash UK.

Ineligible Foreign Shareholder means a Scheme Participant whose registered address (as shown in the Register as at the Record Date) is in a jurisdiction other than Australia, Chile (where there are less than 50 Shareholders), China (where the Shareholder is a (i) "qualified domestic institutional investor" or (ii) sovereign wealth fund or quasi-government investment fund), the Democratic Republic of the Congo, the Republic of Congo, Mauritius, New Zealand, Oman, Seychelles, Singapore, South Africa, Switzerland, the United States, the United Kingdom or any other jurisdiction in respect of which Kore Potash UK reasonably believes that it is not prohibited and not unduly onerous or impractical to implement the Scheme and to issue Kore Potash UK CDIs to a Shareholder with a registered address in such jurisdiction.

Kore Potash UK means Kore Potash plc, a public limited company incorporated in England and Wales under the UK Companies Act with registered number 10933682.

Kore Potash UK Register means the register of members of Kore Potash UK maintained by or on behalf of Kore Potash UK, and **Kore Potash UK Registry** has a corresponding meaning.

Kore Potash UK Share means an ordinary share in the capital of Kore Potash UK.

Record Date means 7.00pm (Sydney time) on the fifth Business Day following the Effective Date or such other date and time as the parties agree.

Redeemable Shares means the 50,000 redeemable shares of £1.00 each in the capital of Kore Potash UK.

Register means the register of members of Company maintained by or on behalf of the Company in accordance with the Corporations Act and **Registry** has a corresponding meaning.

Registered Address means, in relation to a Shareholder, the address shown in the Register as at the Record Date.

Sale Facility Agent means the appropriately licensed agent appointed by Kore Potash UK to administer the facility under which CDIs that Ineligible Foreign Shareholders would otherwise have become entitled under the Scheme are sold in accordance with the Scheme.

Scheme means the proposed scheme of arrangement between the Company and Scheme Participants under Part 5.1 of the Corporations Act in the form set out in Annexure A of this document which, if implemented, will give effect to the proposed Scheme between Kore Potash UK and the Company, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Kore Potash UK and the Company.

Scheme Consideration means in respect of each Scheme Share held by a Scheme Participant, one Kore Potash UK Share in the form of a CDI.

Scheme Implementation Agreement means the scheme implementation agreement dated 30 August 2017 between the Company and Kore Potash UK.

Scheme Meeting means the meeting ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme.

Scheme Order means the order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in relation to the Scheme.

Scheme Participant means each holder of Scheme Shares as at the Record Date.

Scheme Shares means all the Shares on issue on the Record Date.

Scheme Transfer means, for each Scheme Participant, a proper instrument of transfer of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

Second Court Date means the first day on which an application made to the Court for the Scheme Order is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.

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

Shareholder means each person who is registered in the Register as the holder of a Share.

Subscriber Share means the one ordinary share of US\$0.001 in the capital of Kore Potash UK.

UK Companies Act means the UK Companies Act 2006, as amended.

1.2 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;

- (b) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (c) 'includes' means includes without limitation;
- (d) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;
- (e) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (f) unless the context otherwise provides, a reference to:
 - (i) a holder includes a joint holder;
 - (ii) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (iii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
 - (iv) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
 - (v) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
 - (vi) a right includes a benefit, remedy, discretion or power;
 - (vii) time is to local time in Perth, Australia;
 - (viii) '\$' or 'dollars' is a reference to Australian currency;
 - (ix) '£' is a reference to United Kingdom currency;
 - (x) 'US\$' is a reference to United States currency;
 - (xi) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;
 - (xii) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;
 - (xiii) this document includes all schedules and annexures to it; and
 - (xiv) a clause, party, schedule, exhibit or annexure is a reference to a clause, party, schedule, exhibit or annexure, as the case may be, of this document;
- (g) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and

- (h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

1.3 Headings

Headings do not affect the interpretation of this document.

2 Preliminary

2.1 The Company

- (a) The Company is a public company incorporated in Australia and registered in Western Australia, having its registered office at Level 3, 88 William Street, Perth, Western Australia.
- (b) The Company is a public company limited by shares under section 112(1) of the Corporations Act.
- (c) The Company is admitted to the official list of ASX and its Shares are quoted on the official list of ASX.
- (d) As at the date of the Scheme Implementation Agreement:
 - (i) 768,158,142 Shares were on issue;
 - (ii) 58,191,226 unquoted options which may convert into Shares were on issue; and
 - (iii) 48,077,728 performance based securities which may convert into Shares were on issue.

2.2 Kore Potash UK

Kore Potash UK is a public limited company incorporated in the United Kingdom, having its registered office at 25 Moorgate, London, United Kingdom, EC2R 6AY.

2.3 Summary of the Scheme

If the Scheme becomes Effective, then:

- (a) Kore Potash UK will provide all of the Scheme Consideration to each Scheme Participant in accordance with the terms of the Scheme; and
- (b) the Company will enter the name and address of Kore Potash UK in the Register as the holder of the Scheme Shares transferred to Kore Potash UK in accordance with the terms of the Scheme.

2.4 Scheme Implementation Agreement

Kore Potash UK and the Company have entered into the Scheme Implementation Agreement which sets out the agreed terms of the Scheme and respective obligations in respect of it.

2.5 Deed Poll

Kore Potash UK has executed the Deed Poll in favour of Scheme Participants pursuant to which it has covenanted to perform its obligations under the Scheme.

3 Conditions

3.1 Conditions precedent to the Scheme

The Scheme is conditional on:

- (a) as at 8.00am on the Second Court Date, neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with their terms;
- (b) all of the conditions precedent in **Schedule 1** of the Scheme Implementation Agreement having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement (other than the condition precedent in **item 2 of Schedule 1** of that agreement relating to court approval of the Scheme), as at 8.00am on the Second Court Date;
- (c) the Court having approved the Scheme, with or without modification, pursuant to section 411(4)(b) of the Corporations Act; and
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act as are acceptable to Kore Potash UK and the Company being satisfied.

3.2 Certificate

- (a) On the Second Court Date, the Company will provide, and will procure Kore Potash UK to provide, to the Court a certificate confirming whether or not all of the conditions precedent set out in **clause 3** of the Scheme Implementation Agreement (other than in relation to this Scheme being approved by the Court pursuant to section 411(4)(b) of the Corporations Act) have been satisfied or waived in accordance with the terms of this document.
- (b) The giving of a certificate by each of the Company and Kore Potash UK in accordance with **clause 3.2(a)** will, in the absence of manifest error, be conclusive evidence of the matters referred to in the certificate.

3.3 Termination of Scheme Implementation Agreement

Without limiting rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before 8.00am on the Second Court Date, the Company and Kore Potash UK are each released from:

- (a) any further obligation to take steps to implement the Scheme; and
- (b) any liability with respect to the Scheme,

provided that the Company and Kore Potash UK retain the rights they have against each other in respect of any prior breach of the Scheme Implementation Agreement.

3.4 End Date

The Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

4 Implementation of the Scheme

4.1 Lodgement of Scheme Order

On or before 5.00pm (Perth time) on the first Business Day after the day on which the Scheme Order is made, the Company must lodge with ASIC an office copy of the Scheme Order in accordance with section 411(10) of the Corporations Act.

4.2 Provision of Scheme Consideration

On the Implementation Date, in consideration for the transfer to Kore Potash UK of all of the Scheme Shares, the Company will procure that Kore Potash UK will provide, and Kore Potash UK must provide, the Scheme Consideration in accordance with **clause 5**.

4.3 Existing Kore Potash UK securities

- (a) Following completion of the Scheme and subject to compliance with the UK Companies Act, Kore Potash UK will redeem the Redeemable Shares as soon as reasonably practicable after becoming legally able to do so. Upon any such redemption, the Redeemable Shares will be cancelled and Kore Potash UK will pay to the holder thereof the amount paid up on the Redeemable Shares.
- (b) Subject to compliance with the UK Companies Act, as soon as practicable following the gifting of the Subscriber Share to a nominee of Kore Potash UK, Kore Potash UK will cancel the Subscriber Share and diminish the amount of its share capital by the nominal value of the Subscriber Share.

4.4 Transfer of Scheme Shares

- (a) On the Implementation Date, in consideration for and subject to Kore Potash UK complying with **clause 5**, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at that date, will be transferred to Kore Potash UK without the need for any further acts by any Scheme Participant by:
 - (i) the Company delivering to Kore Potash UK a duly completed Scheme Transfer executed by the Company as attorney for the Scheme Participants for execution by Kore Potash UK;

- (ii) Kore Potash UK duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to the Company; and
 - (iii) to the extent applicable, the Company effecting a valid transfer of the Scheme Shares under section 1074D of the Corporations Act.
- (b) As soon as practicable after receipt by the Company of the Scheme Transfer duly executed by Kore Potash UK as transferee pursuant to **clause 4.4(a)(ii)**, the Company must register Kore Potash UK in the Register as the holder of all of the Scheme Shares.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

- (a) On the Implementation Date, in consideration for the transfer to Kore Potash UK of the Scheme Shares, Kore Potash UK will:
 - (i) issue to each Scheme Participant who is not an Ineligible Foreign Shareholder one CDI for each Scheme Share held by it in accordance with **clause 5.2**; and
 - (ii) in respect of Ineligible Foreign Shareholders, issue to or otherwise make available for sale by a Sale Facility Agent, the total number of CDIs (if any) to which Ineligible Foreign Shareholders would otherwise have been entitled to under **clause 5.1(a)(i)** (if they were eligible Scheme Participants) in accordance with **clause 5.3**.
- (b) The new Kore Potash UK Shares to be issued under this Scheme will be validly issued, fully paid, free from any mortgage, charge, lien, encumbrance or other security interest and will, upon their issue, rank equally in all respects with all other Kore Potash UK Shares then on issue.
- (c) Any fractional entitlement of a Scheme Participant to a part of a CDI will be rounded up or down to the nearest whole number of CDIs (rounded up if the fractional entitlement is equal to or greater than one half, and rounded down if the fractional entitlement is less than one half).

5.2 Provision of Scheme Consideration

Subject to **clause 5.3**, the obligation of the Company under **clause 4.2** to procure Kore Potash UK to provide the Scheme Consideration to a Scheme Participant will be satisfied by the Company procuring that Kore Potash UK:

- (a) allots and issues the new Kore Potash UK Shares to CDN, to be held on trust for the Scheme Participant, in accordance with this Scheme;
- (b) enters in the Kore Potash UK Register the name and address of CDN and the number of new Kore Potash UK Shares issued to it in accordance with the Scheme, and dispatches, or procures the dispatch, of a share certificate representing the total number of Kore Potash UK

Shares issued to CDN under the Scheme by pre-paid post to the address of CDN;

- (c) does everything reasonably necessary to procure CDN to issue the number of CDIs to such Scheme Participants in accordance with this Scheme and:
 - (i) in the case of Scheme Participants who hold their Scheme Shares on the CHESSE subregister, procuring that the CDIs are held on that register and procuring the issue of an allotment advice that sets out the number of CDIs allotted (it being acknowledged that, at the end of the month of allotment, ASX Settlement (acting on behalf of Kore Potash UK) will provide a CDI holding statement which confirms the number of CDIs held on the CHESSE subregister);
 - (ii) in the case of Scheme Participants who hold their Scheme Shares on the issuer-sponsored subregister, procuring that the CDIs are held on that register and procuring the issue of a CDI holding statement to those Scheme Participants; and
 - (iii) records in the CDI Register each Scheme Participant who is to receive CDIs under this Scheme.

5.3 Ineligible Foreign Shareholders

- (a) The right to receive Scheme Consideration will not be available to an Ineligible Foreign Shareholder.
- (b) The CDIs that, but for **clause 5.3(a)**, would have been issued to an Ineligible Foreign Shareholder will not be issued to the relevant Scheme Participant but will instead be issued to the Sale Facility Agent and the following provisions of this **clause 5.3** will apply.
- (c) In respect of Scheme Shares held by Ineligible Foreign Shareholders on the Record Date, the Company will use its best endeavours to procure that Kore Potash UK causes the Sale Facility Agent to:
 - (i) as soon as reasonably practicable after the Implementation Date sell, pursuant to the sale facility to be operated by or on behalf of the Sale Facility Agent for the benefit of the Ineligible Foreign Shareholders, all CDIs issued to the Sale Facility Agent under **clause 5.3(b)**;
 - (ii) account to each Ineligible Foreign Shareholder for the net proceeds of sale of the CDIs issued to the Sale Facility Agent in respect of that Ineligible Foreign Shareholder (but calculated on an averaged basis so that all Ineligible Foreign Shareholders receive the same price per CDI after deduction of any applicable brokerage, taxes and charges), at the Ineligible Foreign Shareholder's risk and in full satisfaction of the Ineligible Foreign Shareholder's rights under the Scheme; and

- (iii) remit to the Ineligible Foreign Shareholder the net proceeds of sale in respect of the Ineligible Foreign Shareholder's entitlement under this **clause 5.3**, such proceeds to be remitted by either (in the absolute discretion of the Sale Facility Agent):
 - (A) where an Ineligible Foreign Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the Registry to receive dividend payments from the Company by electronic funds transfer to an Australian bank account nominated by the Ineligible Foreign Shareholder, paying the relevant amount in Australian currency by electronic means in accordance with that election; or
 - (B) otherwise, whether or not the Ineligible Foreign Shareholder has made an election referred to in **clause 5.3(c)(iii)(A)**, dispatching by mail to the Ineligible Foreign Shareholder's Registered Address a cheque drawn on a financial institution for the relevant amount in Australian currency, such cheque being drawn in the name of the Ineligible Foreign Shareholder.
- (d) Any cash amount payable to an Ineligible Foreign Shareholder by the Sale Facility Agent will be rounded down to the nearest whole cent.
- (e) Any interest earned on the proceeds of sale of any CDIs following sale by the Sale Facility Agent will be paid to and retained by Kore Potash UK.
- (f) Any amount payable to a Scheme Participant will be reduced by the amount of any withholding or other tax which the Company or Kore Potash UK believes, based on professional advice, is required by any taxation or other law to be withheld in respect of such amount and payment of such amount to the relevant taxation or other authority within any required statutory period will fully and finally discharge the Company's and Kore Potash UK's obligations in respect of such amount (although the Company must procure Kore Potash UK on request, or if required by law, to provide a receipt or other evidence of such payment to each affected Scheme Participant).
- (g) None of Kore Potash UK, the Company or the Sale Facility Agent gives any assurance as to the price that will be achieved for the sale of CDIs described in **clause 5.3(c)(i)**.
- (h) Each Ineligible Foreign Shareholder appoints the Company as its agent to receive on its behalf any financial services guide or any other notice which may be given to that Ineligible Foreign Shareholder.

5.4 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any uncertificated holding statements for CDIs to be issued to Scheme Participants will be issued in the names of the joint holders; and

- (b) any cheque required to be paid to Scheme Participants will be payable to the joint holders,

and will be forwarded to the holder whose name appears first in the Register as at the Record Date.

6 Quotation of CDIs

The Company must use its best endeavours to procure that Kore Potash UK procures that the CDIs to be issued pursuant to the Scheme are quoted on ASX:

- (a) initially on a deferred settlement basis on and from the Business Day after the Effective Date (or, if the CDIs are subject to a trading halt on that day, on the first Business Day after the trading halt has ended); and
- (b) on an ordinary settlement basis on and from the Business Day after the Implementation Date.

7 Scheme Participants

7.1 Appointment of Kore Potash UK as sole proxy

- (a) From the Effective Date until the Company registers Kore Potash UK as the holder of all the Scheme Shares in the Register, each Scheme Participant:
 - (i) is deemed to have irrevocably appointed Kore Potash UK as its attorney and agent (and directed Kore Potash UK in such capacity) to appoint such officer or agent nominated by Kore Potash UK to be its sole proxy and, where applicable, corporate representative, to attend shareholders' meetings of the Company, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders' resolution, whether in person, by proxy or by corporate representative, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy, attorney or by corporate representative (other than pursuant to this **clause 7.1(a)(i)**);
 - (ii) undertakes not to attend or vote at any such meetings or sign any such resolutions, whether in person, by proxy, attorney or by corporate representative, other than under this **clause 7.1**;
 - (iii) must take all other actions in the capacity of the registered holder of Scheme Shares as Kore Potash UK directs; and
 - (iv) acknowledges and agrees that in exercising the powers referred to in this **clause 7.1**, Kore Potash UK and each of the directors, officers and secretaries of Kore Potash UK may act in the best interests of Kore Potash UK as the intended registered holder of the Scheme Shares.

7.2 Appointment of the Company as sole attorney and agent

Each Scheme Participant, without the need for any further act, irrevocably appoints the Company and each of the directors and officers of Company, jointly and severally, as the Scheme Participant's attorney and agent for the purpose of executing any document necessary or expedient to give effect to the Scheme (including executing a Scheme Transfer and any instrument appointing Kore Potash UK as sole proxy for or, where applicable, corporate representative of each Scheme Participant as contemplated by **clause 7.1**) or doing any other act necessary or desirable to give full effect to the Scheme and the transactions contemplated by it.

7.3 Scheme Participant's consent

Each Scheme Participant:

- (a) consents to the Company doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of the Scheme and the Company, as agent of each Scheme Participant, may sub-delegate its functions under this **clause 7.3** to any of its directors and officers, severally;
- (b) agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares to Kore Potash UK, in accordance with the Scheme;
- (c) agrees to become a holder of any CDIs to which they become entitled under the Scheme and a member of Kore Potash UK, and to be bound by the articles of association of Kore Potash UK (as amended from time to time), and that its holdings of the CDIs will be registered with the same name and Registered Address as its holding of the Scheme Shares; and
- (d) except where prohibited by law, any binding instruction or notification between a Scheme Participant and the Company relating to the Scheme Shares at the Record Date (including any instructions relating to payment of dividends or to communications from the Company) will from the Record Date be deemed to be a similarly binding instruction or notification to, and accepted by, Kore Potash UK in respect of the new CDIs issued to the Scheme Participant until that instruction or notification is revoked or amended in writing addressed to Kore Potash UK at the Kore Potash UK Registry. Any such instructions or notifications accepted by Kore Potash UK will apply to and in respect of CDIs issued as part of the Scheme Consideration only to the extent that they are not inconsistent with the other provisions of the Scheme.

7.4 Warranties by Scheme Participants

- (a) To the extent permitted by law, the Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Kore Potash UK under this Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.

- (b) Each Scheme Shareholder is deemed to have warranted to the Company, and appointed and authorised the Company as its attorney and agent to warrant to Kore Potash UK, that all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Kore Potash UK under this Scheme will, at the date of transfer, be fully paid and free from mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise, and that they have full power and capacity to sell and transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Kore Potash UK under this Scheme.

7.5 Title to Scheme Shares

From the time of issue of the Scheme Consideration to the Scheme Participants in accordance with **clause 5** and pending registration by the Company of Kore Potash UK in the Register as the holder of all of the Scheme Shares, Kore Potash UK will be beneficially entitled to all of the Scheme Shares transferred to it under the Scheme.

7.6 Scheme alterations and conditions

If the Court proposes to approve the Scheme subject to any alterations or conditions under section 411(6) of the Corporations Act, the Company may, by its counsel or solicitors, and with the consent of Kore Potash UK, consent to those alterations or conditions on behalf of all persons concerned, including, for the avoidance of doubt, all Scheme Participants.

8 Dealings in Shares

8.1 Determination of Scheme Participants

- (a) For the purpose of establishing the persons who are the Scheme Participants, dealings in Scheme Shares will only be recognised if:
 - (i) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Register as the holder of the relevant Scheme Shares at the Record Date; and
 - (ii) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received at or before the Record Date at the place where the Register is kept.
- (b) The Company must register registrable transmission applications or transfers of the kind referred to in **clause 8.1(a)(ii)** on or before the Record Date.
- (c) The Company will not accept for registration or recognise for any purpose any transmission applications or transfers in respect of Scheme Shares received after the Record Date (other than a transfer to Kore Potash UK in accordance with the Scheme and any subsequent transfer by Kore Potash UK, or its successors in title).

- (d) If the Scheme becomes Effective, a holder of Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any Shares or any interest in them after the Effective Date and any such disposal will be void and of no legal effect whatsoever (other than a transfer to Kore Potash UK in accordance with the Scheme and any subsequent transfers by Kore Potash UK, or its successors in title).

8.2 Maintenance of Register

- (a) For the purpose of determining entitlements to the Scheme Consideration, the Company will, until the Scheme Consideration has been provided, maintain the Register in accordance with the provisions of this **clause 8** and the Register in this form will solely determine entitlements to the Scheme Consideration.
- (b) All certificates and holding statements for Scheme Shares (other than holding statements in favour of Kore Potash UK and its successors in title after the Implementation Date) will cease to have any effect from the Record Date as documents of title in respect of those Scheme Shares. Subject to provision of the Scheme Consideration by Kore Potash UK and registration of the transfer to Kore Potash UK of the Scheme Shares contemplated by **clause 4.2**, after the Record Date, each entry current at that date on the Register relating to Scheme Shares will cease to be of any effect other than as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

8.3 Information to be made available to Kore Potash UK

The Company will procure that, as soon as reasonably practicable after the Record Date, and in any event, within three Business Days after the Record Date, details of the names, Registered Addresses and holdings of Scheme Shares of every Scheme Participant as shown in the Register as at the Record Date are made available to Kore Potash UK in such form as Kore Potash UK or the Kore Potash UK Registry reasonably requires.

8.4 No disposal after Close of Trading

No Shareholder will dispose of or purport to agree to dispose of any Shares or any interest therein after the Close of Trading. Any dealings in Shares after Close of Trading will not be recognised by the Registry.

9 Quotation of Shares

The Company will apply to ASX for:

- (a) suspension of trading in Shares on ASX with effect from the Close of Trading; and
- (b) on a date to be determined by Kore Potash UK, termination of the official quotation of Shares on ASX and the removal of Company from the official list of ASX.

10 Notices

10.1 General

Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.

10.2 Communications by post

Subject to **clause 10.4**, where a Notice referred to in this document is sent by post to the Company, it will not be deemed to have been received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at the Company's registered office or at the Registry.

10.3 Communications by email

Subject to **clause 10.4**, a Notice is given if sent by email, when delivery confirmation is received by the sender which records the time that the email was delivered to the addressee's email address (unless the sender receives a delivery failure notification indicating that the email has not been delivered to the addressee).

10.4 After hours communications

If a Notice is given:

- (a) after 5.00pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

10.5 Accidental omission to give notice

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

11 General

11.1 The Company and Scheme Participants bound

The Scheme binds the Company and all Scheme Participants (including Scheme Participants who do not attend the Scheme Meeting, do not vote at that meeting or vote against the Scheme) and will, for all purposes, to the extent of any inconsistencies and permitted by law, have effect notwithstanding any provision in the constitution of the Company.

11.2 Further assurances

Subject to **clause 11.3**, the Company will execute all documents and do all acts and things (on its own behalf and on behalf of each Shareholder) necessary or expedient for the implementation of, and performance of its obligations under, the Scheme.

11.3 Alterations and conditions

The Company may, with the consent of Kore Potash UK, by its counsel consent on behalf of all Scheme Participants to any modifications or conditions which the Court thinks fit to impose, provided that in no circumstances will the Company be obliged to do so.

11.4 Costs

Any costs, and any stamp duty and any related fines, interest or penalties, which are payable on or in respect of this document or on any document referred to in this document will be paid as provided for in the Scheme Implementation Agreement. For the avoidance of doubt, the Scheme Participants do not have to pay any stamp duty, related fines, interest or penalties which are payable on or in respect of this document or any document referred to in this document.

11.5 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

11.6 No liability when acting in good faith

Neither the Company nor Kore Potash UK nor any director, officer or secretary of any of those companies will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Annexure E – Deed Poll

Execution version

Kore Potash plc

Deed Poll

Contents

1	Interpretation	1
1.1	Definitions	1
1.2	Construction	1
1.3	Headings	2
1.4	Nature of this deed poll	2
2	Conditions	2
2.1	Conditions to obligations	2
2.2	Termination	2
2.3	Consequences of termination	2
3	Certificate in relation to Scheme conditions	2
4	Scheme Consideration	3
4.1	Performance of obligations generally	3
4.2	Provision of Scheme Consideration	3
4.3	Existing Kore Potash UK securities	4
4.4	Joint holders	4
5	Quotation of CDIs	5
6	Representations and warranties	5
7	Continuing obligations	5
8	Notices	6
8.1	General	6
8.2	How to give a Notice	6
8.3	Particulars for delivery of notices	6
8.4	Communications by post	6
8.5	Communications by email	6
8.6	After hours communications	6
8.7	Process service	7
9	General	7
9.1	Stamp duty	7
9.2	Waiver	7
9.3	Cumulative rights	7
9.4	Amendment	7
9.5	Assignment	8
9.6	Severability	8
9.7	Further assurances	8
9.8	Governing law and jurisdiction	8
	Execution	9

Date 14 September 2017

By

Kore Potash plc of 25 Moorgate, London, United Kingdom, EC2R 6AY (**Kore Potash UK**)

in favour of each Scheme Participant.

Background

- A Kore Potash UK and the Company have entered into the Scheme Implementation Agreement.
 - B Under the Scheme Implementation Agreement, Kore Potash UK agreed, subject to the satisfaction or waiver of certain conditions, to do all things necessary or desirable on its part to implement the Scheme, including providing the Scheme Consideration in accordance with the Scheme.
 - C Kore Potash UK is entering into this document for the purpose of covenanting in favour of Scheme Participants to perform its obligations under the Scheme.
-

Declarations

1 Interpretation

1.1 Definitions

In this document:

- (a) **Scheme** means the scheme of arrangement under section 411 of the Corporations Act between the Company and the Scheme Participants, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by the Company and Kore Potash UK; and
- (b) words and phrases defined in the Scheme have the same meaning in this document unless the context requires otherwise.

1.2 Construction

The rules specified in **clause 1.2** of the Scheme apply in interpreting or construing this document, unless the context requires otherwise.

1.3 Headings

Headings do not affect the interpretation of this document.

1.4 Nature of this deed poll

Kore Potash UK acknowledges that:

- (a) this document may be relied on and enforced by any Scheme Participant in accordance with its terms, even though the Scheme Participants are not party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints the Company and any of the Company's directors and officers as its agent and attorney, inter alia, to enforce this document against Kore Potash UK.

2 Conditions

2.1 Conditions to obligations

The obligations of Kore Potash UK in respect of the Scheme pursuant to this document are subject to the Scheme becoming Effective.

2.2 Termination

If:

- (a) the Scheme Implementation Agreement is terminated in accordance with its terms; or
- (b) the Scheme does not become Effective on or before the End Date,

Kore Potash UK's obligations under this document will automatically terminate, unless Kore Potash UK and the Company otherwise agree in writing in accordance with the Scheme Implementation Agreement.

2.3 Consequences of termination

If this document is terminated under **clause 2.2** then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) Kore Potash UK is released from its obligations to further perform this document, except those obligations which by their nature survive termination; and
- (b) each Scheme Participant retains any rights, power or remedies it has against Kore Potash UK in respect of any breach of this document by Kore Potash UK which occurred before termination of this document.

3 Certificate in relation to Scheme conditions

- (a) Kore Potash UK must provide to the Court a certificate which is authorised by the board of Kore Potash UK and signed by at least one director of Kore Potash UK (or such other evidence as the Court may

request) confirming whether or not all of the conditions precedent set out in **clause 3** of the Scheme have been satisfied or waived, subject to the terms of the Scheme Implementation Agreement, as at 8.00am on the Second Court Date.

- (b) The giving of a certificate by Kore Potash UK in accordance with **clause 3(a)** will, in the absence of manifest error, be conclusive evidence of the matters referred to in the certificate.

4 Scheme Consideration

4.1 Performance of obligations generally

Subject to **clause 2**, Kore Potash UK must comply with its obligations under the Scheme Implementation Agreement to provide the Scheme Consideration to each Scheme Participant and must do all things necessary or desirable on its part to implement the Scheme.

4.2 Provision of Scheme Consideration

- (a) Subject to **clause 2**, in consideration of the transfer of each Scheme Share to Kore Potash UK, on the Implementation Date, Kore Potash UK must provide the Scheme Consideration to each Scheme Participant (other than an Ineligible Foreign Shareholder) in accordance with the Scheme.
- (b) The obligation of Kore Potash UK to provide the Scheme Consideration to a Scheme Participant will be satisfied by Kore Potash UK:
 - (i) allotting and issuing the new Kore Potash UK Shares to CDN, to be held on trust for the Scheme Participant, in accordance with the Scheme;
 - (ii) entering in the Kore Potash UK Register the name and address of CDN and the number of new Kore Potash UK Shares issued to it in accordance with the Scheme, and dispatching, or procuring the dispatch, of a share certificate representing the total number of Kore Potash UK Shares issued to CDN under the Scheme by pre-paid post to the address of CDN;
 - (iii) doing everything reasonably necessary to procure CDN to issue the CDIs to Scheme Participants (other than an Ineligible Foreign Shareholder) in accordance with this Scheme and:
 - (A) in the case of Scheme Participants (other than an Ineligible Foreign Shareholder) who hold their Scheme Shares on the CHESSE subregister, procuring that the CDIs are held on that register and procuring the issue of an allotment advice that sets out the number of CDIs allotted (it being acknowledged that, at the end of the month of allotment, ASX Settlement (acting on behalf of Kore Potash UK) will provide a CDI holding statement which confirms the number of CDIs held on the CHESSE subregister);

- (B) in the case of Scheme Participants (other than an Ineligible Foreign Shareholder) who hold their Scheme Shares on the issuer-sponsored subregister, procuring that the CDIs are held on that register and procuring the issue of a CDI holding statement to those Scheme Participants; and
 - (C) recording in the CDI Register each Scheme Participant who is to receive CDIs under the Scheme.
- (c) On the Implementation Date, the Company must execute the Scheme Transfer as contemplated by **clause 4.4** of the Scheme effecting the transfer of the Scheme Shares from the Scheme Participants to Kore Potash UK and must deliver the executed Scheme Transfer to the Company for registration.
- (d) Kore Potash UK must procure the Sale Facility Agent to sell any CDIs issued to it and remit the proceeds to the relevant Scheme Participants, in accordance with the Scheme.

4.3 Existing Kore Potash UK securities

- (a) Following completion of the Scheme and subject to compliance with the UK Companies Act, Kore Potash UK will redeem the Redeemable Shares as soon as reasonably practicable after becoming legally able to do so. Upon any such redemption, the Redeemable Shares will be cancelled and Kore Potash UK will pay to the holder thereof the amount paid up on the Redeemable Shares.
- (b) Subject to compliance with the UK Companies Act, as soon as practicable following the gifting of the Subscriber Share to a nominee of Kore Potash UK, Kore Potash UK will cancel the Subscriber Share and diminish the amount of its share capital by the nominal value of the Subscriber Share.

4.4 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any uncertificated holding statements for CDIs to be issued to Scheme Participants will be issued in the names of the joint holders; and
- (b) any cheque required to be paid to Scheme Participants will be payable to the joint holders,

and will be forwarded to the holder whose name appears first in the Register as at the Record Date.

5 Quotation of CDIs

Kore Potash UK must use its best endeavours to procure that the CDIs to be issued pursuant to the Scheme will be quoted on ASX:

- (a) initially on a deferred settlement basis on and from the Business Day after the Effective Date (or, if the CDIs are subject to a trading halt on that day, on the first Business Day after the trading halt has ended); and
- (b) on an ordinary settlement basis on and from the Business Day after the Implementation Date.

6 Representations and warranties

Kore Potash UK represents and warrants that:

- (a) it is a company validly existing under the laws of England and Wales;
- (b) it has the corporate power to enter into and perform its obligations under this document and to carry out the transactions contemplated by this document;
- (c) it has taken all necessary corporate action to authorise the entry into this document and has taken or will take all necessary corporate action to authorise the performance of this document and to carry out the transactions contemplated by this document;
- (d) this document is a valid and binding obligation enforceable in accordance with its terms subject to any necessary stamping;
- (e) this document does not conflict with, or result in the breach of or default under, any provision of the articles of association of Kore Potash UK, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound; and
- (f) the Kore Potash UK Shares to be issued pursuant to the Scheme will be validly issued, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest and will rank equally in all respects with all other Kore Potash UK Shares then on issue.

7 Continuing obligations

This document is irrevocable and, subject to **clause 2**, remains in full force and effect until:

- (a) Kore Potash UK has completely performed its obligations under this document; or
- (b) this document is terminated in accordance with **clause 2**, whichever comes first.

8 Notices

8.1 General

Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made to Kore Potash UK under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.

8.2 How to give a Notice

A Notice must be given to Kore Potash UK by being:

- (a) personally delivered;
- (b) left at Kore Potash UK's current delivery address for notices;
- (c) sent to Kore Potash UK's current postal address for notices by pre-paid ordinary mail or, if the address is outside Australia, by pre-paid airmail; or
- (d) sent by email to Kore Potash UK's current email address for notices.

8.3 Particulars for delivery of notices

The particulars for delivery of Notices to Kore Potash UK are:

Address: 25 Moorgate, London, United Kingdom, EC2R 6AY

Email: sbennett@korepotash.com

Attention: Sean Bennett

copy to Christian Owen, Corrs Chambers Westgarth, Level 6, 123 St Georges Terrace, Perth, WA. 6000

8.4 Communications by post

Subject to **clause 8.6**, a Notice is given if posted:

- (a) within Australia to an Australian postal address, three Business Days after posting; or
- (b) outside of Australia to an Australian postal address or within Australia to an address outside of Australia, ten Business Days after posting.

8.5 Communications by email

Subject to **clause 8.6**, a Notice is given if sent by email, when delivery confirmation is received by the sender which records the time that the email was delivered to the addressee's email address (unless the sender receives a delivery failure notification indicating that the email has not been delivered to the addressee).

8.6 After hours communications

If a Notice is given:

- (a) after 5.00pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

8.7 Process service

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this document may be served by any method contemplated by this **clause 8** or in accordance with any applicable law.

9 General

9.1 Stamp duty

Kore Potash UK will:

- (a) pay all stamp duties and any related fines, interest and penalties in respect of or in connection with this document, the performance of this document and each transaction effected by or made or any instrument executed under this document or the Scheme, including the transfer of Scheme Shares under the Scheme; and
- (b) indemnify each Scheme Participant on demand against any liability arising from its failure to comply with **clause 9.1(a)**.

9.2 Waiver

Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this document by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other rights, power or remedy provided by law or under this document. A waiver is not valid or binding on the person granting that waiver unless made in writing.

9.3 Cumulative rights

The rights, powers and remedies of Kore Potash UK and of each Scheme Participant under this document are cumulative and do not exclude any other rights, powers or remedies provided by law or equity independently of this document.

9.4 Amendment

A provision of this document may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by the Company; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by the Company and is approved by the Court,

in which event Kore Potash UK must enter into a further deed poll in favour of the Scheme Participants giving effect to that amendment.

9.5 Assignment

The rights and obligations of Kore Potash UK and of each Scheme Participant under this document are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity and no person may attempt, or purport, to do so without the prior written consent of Kore Potash UK and the Company.

9.6 Severability

If the whole or any part of a provision of this document is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this document has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This **clause 9.6** has no effect if the severance alters the basic nature of this document or is contrary to public policy.

9.7 Further assurances

Kore Potash UK will execute all documents and do all acts and things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient for the implementation of, and performance of its obligations under this document.

9.8 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia, and any courts which have jurisdiction to hear appeals from any of those courts, and waives any right to object to any proceedings being brought in those courts.

Execution

Executed as a deed poll

Executed by Kore Potash plc)


.....
Company Secretary/Director

S. O. BENNETT
.....
Name of Company Secretary/Director
(print)


.....
Director

P. A. HATHORN
.....
Name of Director (print)

Annexure F – Notice of Scheme Meeting

Kore Potash Limited ACN 108 066 422

Notice of meeting

Notice is hereby given that, by an order of the Federal Court of Australia pursuant to section 411(1) of the *Corporations Act 2001* (Cth), a meeting of ordinary shareholders of Kore Potash Limited will be held at Level 6, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia on 27 October 2017 at 11.00am (Perth time).

Business of meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a Scheme of Arrangement (with or without modification) to be made between the Company and the Company's Shareholders.

Resolution

The Scheme Meeting will be asked to consider, and, if thought fit, to pass the following resolution:

“That pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement (the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part) is agreed to (with or without modification as approved by the Federal Court of Australia).”

By order of the board of Kore Potash Limited

Company Secretary

Dated 21 September 2017

Explanatory notes

Material accompanying this notice

This notice of meeting and the Scheme Resolution should be read in conjunction with the booklet of which this notice forms part (**Scheme Booklet**). Terms used in this notice, unless otherwise defined, have the same meaning as set out in the glossary in Section 11 of this Scheme Booklet.

A copy of the Scheme of Arrangement is contained in Annexure D to this Scheme Booklet.

A Proxy Form (Scheme Meeting) also accompanies this notice.

Voting

Your vote is important. For the Scheme to proceed, it is necessary that the requisite majority of Shareholders vote in favour of the Scheme.

The Directors unanimously recommend that you vote in favour of the Scheme Resolution. They each intend to vote all Shares held or controlled by them in favour of the Scheme Resolution.

Majorities required

In accordance with section 411(4)(a) of the Corporations Act, for the Scheme of Arrangement to be Effective, the Scheme Resolution must be passed by:

- unless the court orders otherwise, a majority in number of holders of ordinary shares present and voting (either in person or by proxy); and
- at least 75% of the votes cast on the resolution.

Quorum

A quorum for a meeting of Shareholders is 3 or more members present at the meeting who are entitled to vote on a resolution at the meeting as at 7.00pm (Sydney time) on 25 October 2017 (in person, by proxy or representative).

Court approval

In accordance with section 411(4)(b) of the Corporations Act, to become Effective, the Scheme of Arrangement must be approved by the order of the Court. If the Scheme Resolution set out in this notice is agreed to by the required majorities set out above and the Conditions Precedent set out in the Scheme of Arrangement are satisfied or waived, the Company will apply to the Court for the necessary orders to give effect to the Scheme of Arrangement.

Determination of entitlement to attend and vote

The Court has ordered that, for the purposes of the Scheme Meeting, Shares will be taken to be held by the persons who are registered as members at 7.00pm (Sydney time) on 25 October 2017. Accordingly, registrable transmission applications to transfers registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

How to vote

If you are a Shareholder entitled to attend and vote at the Scheme Meeting, you may vote by:

- attending the Scheme Meeting in person;
 - appointing an attorney to vote on your behalf;
-

- appointing a proxy to attend on your behalf; or
- in the case of a corporation which is a Shareholder, by appointing an authorised corporate representative to attend on its behalf.

Voting at the Scheme Meeting will occur by poll

All persons attending the Scheme Meeting are asked to arrive at least 30 minutes prior to the time the Scheme Meeting is to commence, so that either their shareholding may be checked against the Register, their power of attorney or appointment as corporate representative can be verified (as the case may be), and their attendance noted.

Jointly held securities

If the Shares are jointly held, each of the joint shareholders is entitled to vote. However, if more than one shareholder votes in respect of jointly held Shares, only the vote of the shareholder whose name appears first on the Register will be counted.

Voting in person

To vote in person at the Scheme Meeting, you must attend the Scheme Meeting to be held at Level 6, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia on 27 October 2017. The Scheme Meeting will commence at 11.00am (Perth time).

A Shareholder who wishes to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting and given a voting card on disclosure at the point of entry to the meeting of their name and address.

Voting by proxy

A Shareholder entitled to attend and vote at the meeting is also entitled to appoint a proxy to vote on their behalf. The Proxy Form (Scheme Meeting) is enclosed with this Scheme Booklet. If you are entitled to cast 2 or more votes at the meeting, you may appoint not more than 2 proxies to attend and act for you at the Scheme Meeting. A proxy need not be a Shareholder. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half of your votes.

If you do not instruct your proxy on how to vote, your proxy may vote as he or she sees fit at the Scheme Meeting.

A proxy will be admitted to the Scheme Meeting and given a voting card on providing at the point of entry to the Scheme Meeting written evidence of their name.

The sending of a Proxy Form (Scheme Meeting) will not preclude a Shareholder from attending in person and voting at the Scheme Meeting if the Shareholder is entitled to attend and vote.

Please refer to the enclosed Proxy Form (Scheme Meeting) for instructions on completion and lodgement. A reply paid envelope is enclosed for shareholders who wish to post back their Proxy Form (Scheme Meeting). Please note that Proxy Forms (Scheme Meeting) must be received by the Registry by no later than 11.00am (Perth time) on 25 October 2017.

Voting by attorney

Powers of attorney must be received by the Registry, at the registered office of the Registry, by no later than 11.00am (Perth time) on 25 October 2017 (or if the meeting is adjourned, at least 48 hours before the resumption of the meeting in relation to the resumed part of the Scheme Meeting).

An attorney will be admitted to the Scheme Meeting and given a voting card on providing at the point of entry of the Scheme Meeting written evidence of their appointment, their name and the identity of their appointer.

The sending of a power of attorney will not preclude a Shareholder from attending in person and voting at the Scheme Meeting if the Shareholder is entitled to attend and vote.

Voting by corporate representative

To vote at the Scheme Meeting (other than by proxy or attorney), a corporation that is a Shareholder must appoint a person to act as its representative. The appointment must comply with section 250D of the Corporations Act.

An authorised corporate representative will be admitted to the Scheme Meeting and given a voting card on providing at the point of entry to the Scheme Meeting written evidence of their appointment including any authority under which it is signed, their name and address and the identity of their appointer.

Lodgement of proxies and queries

Proxy Forms (Scheme Meeting), powers of attorney and authorities should be sent to:

By mail	to the Registry using the enclosed reply paid envelope, or if you are outside of Australia or do not use the reply paid envelope, to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
Online	at www.investorvote.com.au
By mobile	scan the QR Code on your proxy form and follow the prompts
Custodian Voting	for Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions
By fax	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)

Annexure G – Notice of General Meeting

Kore Potash Limited ACN 108 066 422

Notice of meeting

Notice is hereby given that a general meeting of the ordinary shareholders of Kore Potash Limited will be held at Level 6, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia on 27 October 2017 at 11.30am (Perth time).

Business of meeting

The purpose of the General Meeting is to consider and, if thought fit, to pass the resolution set out below.

To enable you to make an informed voting decision, further information on the resolution below is set out in the explanatory statement for the General Meeting in Section 10 of the Scheme Booklet.

Resolution

The General Meeting will be asked to consider, and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1, Shareholders approve the issue and allotment of shares in the capital of Kore Potash plc to raise up to US\$20 million on and subject to the terms set out in Section 10 of the Scheme Booklet accompanying this notice of General Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by:

- a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- an associate of that person.

However, the Company need not disregard a vote 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.

By order of the board of Kore Potash Limited

Company Secretary

Dated 21 September 2017

Explanatory notes

Material accompanying this notice

This notice of General Meeting should be read in conjunction with the explanatory statement set out in Section 10 of the booklet of which this notice forms part (**Scheme Booklet**). Terms used in this notice, unless otherwise defined, have the same meaning as set out in the glossary in Section 11 of the Scheme Booklet.

A Proxy Form (General Meeting) also accompanies this notice.

Majorities required

The resolution must be passed at the General Meeting by at least 50% of the votes cast by Shareholders entitled to vote on the resolution.

Quorum

A quorum for a meeting of Shareholders is 3 or more members present at the meeting who are entitled to vote on a resolution at the meeting as at 7.00pm (Sydney time) on 25 October 2017 (in person, by proxy or representative).

Determination of entitlement to attend and vote

The Board has determined that for the purposes of the General Meeting, Shares will be taken to be held by persons who are registered as members at 7.00pm (Sydney time) on 25 October 2017. Accordingly, registrable transmission applications to transfers registered after this time will be disregarded in determining entitlements to vote at the General Meeting.

How to vote

If you are a Shareholder entitled to attend and vote at the General Meeting, you may vote by:

- attending the General Meeting in person;
- appointing an attorney to vote on your behalf;
- appointing a proxy to attend on your behalf; or
- in the case of a corporation which is a Shareholder, by appointing an authorised corporate representative to attend on its behalf.

Voting at the General Meeting will occur by poll

All persons attending the General Meeting are asked to arrive at least 30 minutes prior to the time the General Meeting is to commence, so that either their shareholding may be checked against the Register, their power of attorney or appointment as corporate representative can be verified (as the case may be), and their attendance noted.

Jointly held securities

If the Shares are jointly held, each of the joint shareholders is entitled to vote. However, if more than one Shareholder votes in respect of jointly held Shares, only the vote of the Shareholder whose name appears first on the Register will be counted.

Voting in person

To vote in person at the General Meeting, you must attend the General Meeting to be held at Level 6, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia on 27 October 2017. The General Meeting will commence at 11.30am (Perth time).

A Shareholder who wishes to attend and vote at the General Meeting in person will be admitted to the General Meeting and given a voting card on disclosure at the point of entry to the meeting of their name and address.

Voting by proxy

A Shareholder entitled to attend and vote at the meeting is also entitled to appoint a proxy to vote on their behalf. The Proxy Form (General Meeting) is enclosed with this Scheme Booklet. If you are entitled to cast 2 or more votes at the General Meeting, you may appoint not more than 2 proxies to attend and act for you at the General Meeting. A proxy need not be a Shareholder. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half of your votes.

If you do not instruct your proxy on how to vote, your proxy may vote as he or she sees fit at the General Meeting.

A proxy will be admitted to the General Meeting and given a voting card on providing at the point of entry to the General Meeting written evidence of their name.

The sending of a Proxy Form (General Meeting) will not preclude a Shareholder from attending in person and voting at the General Meeting if the Shareholder is entitled to attend and vote.

Please refer to the enclosed Proxy Form (General Meeting) for instructions on completion and lodgement. A reply paid envelope is enclosed for shareholders who wish to post back their Proxy Form (General Meeting). Please note that Proxy Forms (General Meeting) must be received by the Registry by no later than 11.30am (Perth time) on 25 October 2017.

Voting by attorney

Powers of attorney must be received by the Registry, at the registered office of the Registry, by no later than 11.30am (Perth time) on 25 October 2017 (or if the meeting is adjourned, at least 48 hours before the resumption of the meeting in relation to the resumed part of the General Meeting).

An attorney will be admitted to the General Meeting and given a voting card on providing at the point of entry of the General Meeting written evidence of their appointment, their name and the identity of their appointer.

The sending of a power of attorney will not preclude a Shareholder from attending in person and voting at the General Meeting if the Shareholder is entitled to attend and vote.

Voting by corporate representative

To vote at the General Meeting (other than by proxy or attorney), a corporation that is a Shareholder must appoint a person to act as its representative. The appointment must comply with section 250D of the Corporations Act.

An authorised corporate representative will be admitted to the General Meeting and given a voting card on providing at the point of entry to the General Meeting written evidence of their appointment including any authority under which it is signed, their name and address and the identity of their appointer.

Lodgement of proxies and queries

Proxy Forms (General Meeting), powers of attorney and authorities should be sent to:

By mail	to the Registry using the enclosed reply paid envelope, or if you are outside of Australia or do not use the reply paid envelope, to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
Online	at www.investorvote.com.au
By mobile	scan the QR Code on your proxy form and follow the prompts
Custodian Voting	for Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions
By fax	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)

Corporate Directory

Directors

Mr David Andrew Hathorn – Non-Executive Chairman

Mr Sean Bennett – Managing Director

Mr Leonard Vun Chee Math – Non-Executive Director

Mr Jonathan Trollip – Non-Executive Director

Timothy Keating – Non-Executive Director

Mr Pablo Altimiras – Non-Executive Director

Joint Company Secretary

Lawrence Davidson and Henko Vos

Registered Address

Level 3, 88 William Street
Perth WA 6000

Postal Address

Level 3, 88 William Street
Perth WA 6000

Legal Adviser (Australia)

Corrs Chambers Westgarth
Level 6, Brookfield Place Tower 2
123 St Georges Terrace
Perth WA 6000

Legal Adviser (United Kingdom)

Greenberg Traurig, LLP
The Shard, Level 8
32 London Bridge Street
London SE1 9SG, United Kingdom

Tax Adviser

Deloitte Tax Services Pty Ltd
Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000

Auditors

Deloitte Touche Tohmatsu
Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000

Share Registry

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Australia

