



CI RESOURCES LIMITED
ANNUAL GENERAL MEETING
28th NOVEMBER 2014 @ 9.00AM

Chairman's Introduction and Welcome

Good morning ladies and gentlemen and welcome to the 2014 Annual General Meeting of CI Resources Limited.

My name is David Somerville and I am the Chairman of CI Resources Limited.

Before we commence with the formal business of this meeting, I would like to take this opportunity to introduce you to my fellow directors:

- Adrian Gurgone
- Tee Lip Sin
- Tee Lip Jen
- Dato' Kamaruddin bin Mohammed

I would also like to introduce Ms Elizabeth Lee, our company secretary and Mr Russell Curtin, our Audit partner at Ernst & Young, the company's auditor, who is in attendance in the room to answer any queries shareholders may wish to address.

The company secretary has advised me that a quorum is present and I therefore declare the meeting open.

Chairman's address and presentation

I am now pleased to present to you today, the Chairman's Address to the shareholders of CI Resources Limited.

I intend to present my address in two components.

Firstly, in respect to the Financial Year reports for 30 June 2014.

Secondly, in respect to the post balance date Takeover Offer made by CI Resources Limited for all shares of Phosphate Resources Limited (PRL).

Financial Year End as at 30 June 2014

2014 was another strong year for CI Resources and its subsidiary – Phosphate Resources Ltd.

For the year ended 30 June 2014, the net profit after tax attributable to members of the Company was AUD\$11.24m. This equated to an earnings per share of 15.42 cents. This was another excellent result for the Company based upon continued strong performance from the operations of PRL.

PRL group consolidated net profit after tax of \$18.9m included \$16.1m profit attributed to the phosphate mining operations on Christmas Island and \$2.0m profit being achieved from palm oil plantation and milling operations in the Malaysian Peninsula.

As advised by the Chairman of PRL, Mr Clive Brown, PRL has again produced a strong performance despite a softening of demand in the phosphate rock and palm oil markets.

The Managing Director of PRL, Mr Lai Ah Hong, in his Managing Directors Report to Shareholders, reported the reduction in result from 2013 was due to a combination of factors, including a general weakening of demand from our main phosphate markets, an imposed refurbishment shutdown, and generally lower palm oil prices. Mr Lai confirmed that market pressure has continued for PRL's main markets of Malaysia and Indonesia, from Middle Eastern, North American and South American producers.

PRL's subsidiary, CK Plantations achieved profit after tax of \$2.0 million, against a period of weak CPO prices, and CI Maintenance Services continued to perform strongly.

During the year, The Board of CI Resources implemented an Investment Committee chaired by Dato' Kamaruddin bin Mohammed. The mandate for this Committee was to consider investment options for the Company.

The first of these actions was to implement a Takeover for all the shares of Phosphate Resources Limited.

Takeover Offer

I am very pleased to advise shareholders that the Takeover Offer (or merger on Equivalent Terms), initiated by the Board of CI Resources with the full support of the Board of PRL, on the 23rd October 2014 has been a resounding success.

As at the close of the Offer, yesterday the acceptance of the Offer was 98.73%. The Company will now engage in the Compulsory Acquisition of the remaining shares, which will see PRL become a 100% subsidiary of CI Resources Limited.

This is an outstanding achievement and I commend the Board of CI Resources and the Board of PRL in this achievement.

This is a terrific result for all shareholders.

For the long standing shareholders of PRL, this provides a recognition of value of their shares at a price of \$35 per share, and provides a liquidity option for shareholders through this ASX listing.

For existing CI shareholders, the Takeover creates a larger capitalised company with improved access to capital with the opportunity to enhance shareholder value.

And for the Company, its Board and Management, the new entity provides a simplified ownership and management structure and a strong platform for growth in the Company and the investment options being considered going forward.

At this time, I think it is important to recognise the efforts of the Board and staff of PRL over the establishment, growth and evolution of the company over the past 24 years, to this culmination as an ASX Listed Company, with an exciting platform for growth in the future.

Established in 1989, the original shareholders of PRL were the employees who through the Union of Christmas Island Workers (UCIW) fought to have the mine re-opened.

And the President of the UCIW at that time was of course none other than the current Managing Director, Mr Lai Ah Hong.

Through the last 24 years, PRL has been in many trials and tribulations, facing substantial financial insecurity and battled with the Federal Government for its existence and longevity of its mining lease. Of course last year the Company secured a further 21-year mining lease which has provided the basis for the Company to continue the mining life and operations for the future.

In 2002, CI Resources acquired its initial shareholding in PRL to support the Company in the face of an adverse takeover bid.

In 2005, the Company faced another financial crisis, when again Mr Lai Ah Hong was responsible for restructuring the Company and introducing the Prosper Group and the Tee family as shareholders of CI Resources Ltd. The Prosper Group and the Tee family remain substantial shareholders and supporters of the Company, with representatives of the family including Tee Lip Sin, Tee Lip Jen and Dato' Kamaruddin bin Mohamed serving as Directors on both Boards of CI Resources and PRL.

Now, I know that the Chairman of PRL, Mr Clive Brown intends to thank all Board and Management members of PRL in his address to shareholders, so I do not wish to pre-empt his communication, but wish to recognise, from the Board and shareholders of CI Resources, both past and present, the contributions made by the leaders of the Company, Mr Lai Ah Hong, Mr Clive Brown and Board and the Management team of PRL.

Under the restructured company, the new Board, including Mr Lai Ah Hong and Mr Clive Brown and the Executive Management Team, CI Resources will have the platform and opportunity to propel the Company towards a new future, a new vision and future growth opportunities.

Closing

As Chairman of CI Resources, I would again like to firstly thank the Board of CI Resources for their efforts over the year, the Investment Committee of CI Resources, and to recognise and thank the Board, Management and Staff of PRL for their strong performance over the journey and in the future.

This concludes my Chairman's Address.