



**ABN 31 108 066 422**

# **Notice of Annual General Meeting Proxy Form and Explanatory Statement**

**Date of Meeting**

31 May 2017

**Time of Meeting**

12h30 (AWST)

**Place of Meeting**

Level 3, 88 William Street, Perth, Western Australia

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.  
If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor  
or other professional adviser without delay.*

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## **Notice of Annual General Meeting**

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**NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF KORE POTASH LIMITED ABN 31 108 066 422 (“K2P”/ THE “COMPANY”) WILL BE HELD AT LEVEL 3, 88 WILLIAM STREET, PERTH, WESTERN AUSTRALIA ON WEDNESDAY 31 MAY 2017, AT 12H30 (AWST).**

### **AGENDA**

#### **BUSINESS**

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

#### **ANNUAL REPORT**

To receive and consider the annual financial report of the Company and the reports of the Directors and the Auditors for the financial year ended 31 December 2016.

#### **Resolution 1 - Adoption of Remuneration Report**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*“That, the remuneration report forming part of the Company’s 2016 Annual Report, be adopted.”*

#### **Resolution 2 - Re-election of Mr Jonathan Trollip as a Director**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*“That, Mr Jonathan Trollip, who retires in accordance with the Constitution of the Company, and being eligible, offers himself for re-election, be elected as a Director.”*

#### **Resolution 3 – Re-election of Mr Timothy Keating as a Director**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*“That, Mr Timothy Keating, having been appointed as a director on 15 November 2016 and who, in accordance with Rule 11.12 of the Constitution of the Company retires at the end of this meeting and who, being eligible to be re-elected as a Director of the Company, and having consented to act, be and is hereby re-elected as a Director of the Company”.*

**Resolution 4 – Re-election of Mr Pablo Altimiras as a Director**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*“That, Mr Pablo Altimiras, having been appointed as a director on 15 November 2016 and who, in accordance with Rule 11.12 of the Constitution of the Company retires at the end of this meeting and who, being eligible to be re-elected as a Director of the Company, and having consented to act, be and is hereby re-elected as a Director of the Company”.*

**Resolution 5 – Ratification of prior issue of Shares and free attaching Unlisted Options to professional and sophisticated investors**

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 7.4 and for all other purposes, Shareholders ratify the issue of 19,048,650 Shares at an issue price of A\$0.20 per Share with 2,900,000 free attaching Unlisted Options on the terms and conditions set out in the Explanatory Statement."*

**Resolution 6 – Ratification of prior issue of Shares and free attaching Unlisted Options to Summit**

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 7.4 and for all other purposes, Shareholders ratify the issue of 26,504,000 Shares at an issue price of A\$0.25 per Share with 5,000,000 free attaching Unlisted Options on the terms and conditions set out in the Explanatory Statement."*

**Resolution 7 – Approval for the grant of 660,000 Performance Rights to Mr Sean Bennett**

To consider and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:-

*“That for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 660,000 Performance Rights to Mr Sean Bennett, a Director, under the Kore Potash Limited Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting.”*

**BY ORDER OF THE BOARD**

**HENKO VOS**  
**Joint Company Secretary**  
Dated 27 April 2017

## **VOTING EXCLUSIONS**

### **Resolution 1**

In accordance with the Corporations Act (2001) (Corporations Act), the Company will disregard:-

- (a) any votes cast (in any capacity) on Resolution 1 by or on behalf of
  - (i) a member of the Key Management Personnel listed in the Remuneration Report (KMP); or
  - (ii) a KMP's Closely Related Party; and
- (b) any votes cast as a proxy on Resolution 1 by any other person who is a member of the KMP at the date of the meeting, or by a Closely Related Party of any such person.

Closely Related Party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by the KMP. However the Company need not disregard a vote cast on Resolution 1 if it is cast:

- (a) by any person referred to above as proxy for a person entitled to vote on the Resolution, in accordance with a direction in the proxy appointment specifying how the proxy is to vote on the Resolution; or
- (b) by the person chairing the meeting as proxy for a person entitled to vote on the Resolution where the proxy appointment does not specify the way the proxy is to vote on the Resolution and expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company.

Please read the information under the heading 'Chairman as proxy' which deals with the Chairman's voting of undirected proxies on Resolution 1.

If you are a member of the KMP or a Closely Related Party of any such member, you may be held liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company will disregard.

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

### **Resolutions 5 and 6**

The Company will disregard any votes cast on Resolution 5 and 6 by a person who participated in the issue and any associates of those persons. The Company need not disregard a vote if it is cast by a person as a 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.

### **Resolutions 7**

The Company will disregard any votes on Resolution 7 cast by or on behalf of the following persons:

A director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates. The Company will also disregard any votes cast on Resolution 7 by a member of the KMP or their Closely Related Parties as proxy for another person where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the proxy form to vote as the proxy decides will not be excluded.

However, the Company need not disregard a vote if:

- a) 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
- b) 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.

## **ENTITLEMENT TO ATTEND AND VOTE**

You will be entitled to attend and vote at the Annual General Meeting if you are registered as a Shareholder of the Company as at 17h00 (AWST) on 29 May 2017. This is because, in accordance with the Corporations Regulations 2001 (Cth), the Board of Directors has determined that the Shares on issue at that time will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

## **HOW TO VOTE**

### **Voting in person**

Shareholders who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting if possible, so that their holding may be checked against the Company's register of members and attendances recorded.

### **Corporate representatives**

A body corporate, which is a Shareholder or which has been appointed as a proxy, may appoint an individual to act as its corporate representative at the meeting in accordance with section 250D of the Corporations Act. The appropriate appointment document must be produced prior to admission. A form of the certificate can be obtained from the Company's registered office.

### **Voting by proxy**

A Shareholder who is entitled to attend and cast a vote at the meeting may appoint a proxy. A proxy need not be a Shareholder and may be an individual or body corporate. If a body corporate is appointed as a proxy it must appoint a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the meeting (see above).

A Shareholder who is entitled to cast two or more votes may appoint two proxies to attend the meeting and vote on their behalf and may specify the proportion or a number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions). If you wish to appoint a second proxy, you may copy the enclosed proxy form or obtain a form from the Company's registered office.

To be effective for the scheduled meeting a proxy appointment (and any power of attorney or other authority under which it is signed or otherwise authenticated, or a certified copy of that authority) must be received at an address or fax number below no later than 12h30 (AWST) Monday 29 May 2017, being at least 48 hours before the time of the meeting. Any proxy appointment received after that time will not be valid for the scheduled meeting.

<b>In person</b>  <u>Registered Office</u> Level 3, 88 William Street Perth, Western Australia 6000	<b>By mail</b>  GPO Box 2570, Perth, Western Australia 6001	<b>By email</b>  henko.vos@nexiaperth.com.au  <b>By fax</b>  (08) 9463 2499
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For further information concerning the appointment of proxies and the ways in which proxy appointments may be submitted, please refer to the enclosed proxy form.

### **Voting by attorney**

A Shareholder may appoint an attorney to attend and vote on their behalf. For an appointment to be effective for the meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at one of the addresses listed above for the receipt of proxy appointments at least 48 hours prior to the commencement of the meeting.

### **Chairman as proxy**

If you appoint a proxy, the Company encourages you to consider directing them how to vote by marking the appropriate box on each of the proposed Resolutions.

If a Shareholder entitled to vote on a Resolution appoints the Chairman of the meeting as their proxy (or the Chairman becomes their proxy by default) and the Shareholder does not direct the Chairman how to vote on the Resolution:-

- The Chairman intends to vote in favour of the Resolution, as proxy for that Shareholder on a poll; and
- For Resolution 1, the Shareholder will have given the Chairman express authority to vote as the Shareholder's proxy on the relevant resolution even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company and even though the Chairman is a member of the KMP, unless the Shareholder expressly indicates to the contrary in the proxy appointment.

If you do not want to put the Chairman of the meeting in the position to cast your votes in favour of any of the proposed Resolutions, you should complete the appropriate box on the proxy form, directing your proxy to vote against, or to abstain from voting, on the resolution.

### **Other members of KMP as proxy**

If a Shareholder appoints a Director (other than the Chairman of the meeting) or another member of KMP (or a Closely Related Party of any such person) as their proxy and does not direct the proxy how to vote on Resolution 1 by marking the 'For', 'Against' or 'Abstain' box opposite the relevant Resolution on the proxy appointment, the proxy will not be able to exercise the Shareholder's proxy and vote on their behalf on the relevant Resolution.

## **QUESTIONS FROM SHAREHOLDERS**

The Chairman of the meeting will allow a reasonable opportunity for Shareholders at the meeting to ask questions about and make comments on the management of the Company and on the Financial Report, the Directors' Report (including the Remuneration Report) and the Auditor's Report (Reports), as well as each of the Resolutions to be considered at the meeting.

A representative of the Company's auditor will attend the meeting. During the meeting's consideration of the Reports, the Chairman of the meeting will allow a reasonable opportunity for Shareholders at the meeting to ask the auditor's representative questions relevant to the:-

- Conduct of the audit;
- Preparation and content of the Auditor's Report for the financial year ended 31 December 2016;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements contained in the Financial Report for that year; and
- Independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to the Company's auditor if the question is relevant to the content of the Auditor's Report or the conduct of the audit.

If you wish to submit a question in advance of the meeting, you may do so by sending your question to one of the addresses or facsimile number above by no later than 17 May 2017. The Company and the auditor will attempt to respond to as many of the more frequently asked questions as possible. Due to the large number of questions that may be received, the Company and the auditor will not be replying on an individual basis.

## EXPLANATORY STATEMENT

This Explanatory Statement is for the information of members of KORE POTASH LIMITED (the Company) in connection with Resolutions to be considered at the Annual General Meeting of the Company to be held on Wednesday 31 May 2017 at 12h30 (AWST). If members are in doubt as to how they should vote, they should seek advice from their professional advisors before voting.

### Ordinary Business

#### Annual Financial Report

The Annual Report 2016 (including the financial statement, Directors' report and Auditor's report for the financial year ended 31 December 2016) is available for review by Shareholders at [www.korepotash.com](http://www.korepotash.com) and will be tabled at the Meeting.

Whilst there is no requirement for Shareholders to approve the Annual Report, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report for the financial year ended 31 December 2016;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

#### Resolution 1 – Adoption of Remuneration Report

The Board submits its Remuneration Report for the year ended 31 December 2016 to Shareholders for consideration and adoption by way of a non-binding resolution.

The Remuneration Report is included in the 2016 Annual Report. The report:

- explains the Company's remuneration principles relating to the nature and amount of the remuneration of directors, senior managers and other group executives of the Company;
- discusses the relationship between such principles and the Company's performance; and
- sets out remuneration details for each director and for each relevant executive of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The vote on the Remuneration Report is advisory only and will not bind the Company, however the Board places importance on the outcome of the vote and will take it into account when considering the Company's remuneration policy.

The Corporations Act now provides for a 'two strikes rule' in relation to voting on the Remuneration Report. This rule would apply if, at two consecutive Annual General Meetings, the resolution for adoption of the Remuneration Report were to receive a 'no' vote of 25% or more of the votes cast on the resolution. In that case, a further resolution (a 'spill resolution') would be required to be put to Shareholders at the second of those Annual General Meetings. If passed, the spill resolution would require an extraordinary general meeting of the Company (a 'spill meeting') to be held within 90 days of the second Annual General Meeting, for the purpose of considering the election of Directors. At the spill meeting, the directors (other than the Managing Director) who were in office at the date of approval by the Board of the most recent Directors' Report would cease to hold office, unless re-elected at the meeting. For any spill resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it.

In addition, if comments are made on the Remuneration Report at an Annual General Meeting and 25% or more of the votes cast on Resolution 1 are against the adoption of the Remuneration Report, the Company's

Remuneration Report for the subsequent financial year will be required to include an explanation of the Board's proposed action in response to those comments or, if no action is proposed, the Board's reasons for this.

At the Company's 2015 Annual General Meeting, 96.2% of the votes cast on the resolution for adoption of the Remuneration Report were in favour of the resolution and no comments were made on the Remuneration Report at that meeting.

During this item, Shareholders will be provided with a reasonable opportunity to ask questions about and make comments on the Remuneration Report.

Please read the information under the heading 'Chairman as proxy' which deals with the Chairman's voting of undirected proxies on this Resolution.

A voting exclusion applies to this item of business, as set out in the Notice of Meeting under the heading "Voting Exclusions".

### **Resolution 2 – Re-election of Mr Jonathan Trollip as a Director**

Clause 11.3 of the Constitution requires that one third of the Directors in office (other than a Managing Director) must retire by rotation at each Annual General Meeting of the Company. Clause 11.4 of the Constitution provides that a retiring Director is eligible for re-election.

Mr Trollip therefore retires at the forthcoming Annual General Meeting in accordance with the Constitution and being eligible, has offered himself for re-election at the meeting.

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.

### **Directors' recommendation**

The Board of Directors, excluding Mr Trollip, recommend that Shareholders vote in favour of Resolution 2.

### **Resolutions 3 & 4 – Re-election of Mr Timothy Keating and Mr Pablo Altimiras as a Director**

Resolutions 3 & 4 seeks approval of Shareholders to the election of Mr Timothy Keating and Mr Pablo Altimiras respectively, as Directors. Rule 11.12 of the Constitution of the Company and ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity.

Mr Keating and Mr Altimiras were appointed as Directors on 15 November 2016 under subscription agreements ('Subscription Agreements') entered into between the Company and State General Reserve Fund ('SGRF') and Sociedad Quimica y Minera de Chile S.A ('SQM') respectively (see the Company's notice of meeting dated 21 September 2016, a copy of which can be obtained from [www.asx.com.au](http://www.asx.com.au) for a summary of the material terms of the Subscription Agreements).

Messrs Keating and Altimiras therefore retire effective at the end of the Annual General Meeting in accordance with the Constitution, and being eligible, have offered themselves for re-election.

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

Prior to Madini, he was CEO of African Nickel Limited (2010-2013), where he grew the business through various transactions and fund raisings. He 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.

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

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

### **Directors' recommendation**

The Board of Directors, excluding Mr Keating, recommend that Shareholders vote in favour of Resolution 3.

The Board of Directors, excluding Mr Altimiras, recommend that Shareholders vote in favour of Resolution 4.

The Company will, in the event Shareholders do not approve the resolutions and in accordance with the Subscription Agreements, consult and co-operate with the relevant investor in respect of the appointment of an alternative nominee.

### **Resolution 5 – Ratification of prior issue of shares and free attaching unlisted options to professional and sophisticated investors**

On 1 September 2016 the Company announced to ASX that it had arranged a US\$50m placement, at A\$0.20 per Share with one free attaching Unlisted Option with a A\$0.30 exercise price for every US\$1 subscribed for, with three global significant strategic investors, namely Sociedad Quimica y Minera de Chile S.A ('SQM'), the State General Reserve Fund of Oman ('SGRF') and Summit Investments PCC ('Summit'). The US\$50m allocation comprised an investment of US\$20m each by SQM and SGRF and US\$10m by Summit. The Company obtained shareholder approval for the placement at a General Meeting held on 20 October 2016.

On 11 November 2016 the Company announced that it had, in conjunction with Summit, sought mechanisms to allow existing shareholders to participate in the aforementioned placement on the same terms as the three strategic investors. The Company consequently raised US\$5m through a private placement to certain existing shareholders, issuing 32,842,500 Shares and 5,000,000 free attaching Unlisted Options in total, resulting in a corresponding reduction in the amount required to be raised from Summit.

All conversions was done at an exchange rate of US\$0.7612088:A\$1.

The US\$5m private placement included the issue of 13,137,000 Shares and 2,000,000 free attaching Unlisted Options to the Company's Chairman, Mr David Hathorn (for an investment of US\$2m) and 656,850 Shares and 100,000 free attaching Unlisted Options to the Company's Managing Director, Mr Sean Bennett (for an investment of US\$100,000). Separate shareholder approvals was obtained for the issues to Messrs Hathorn and Bennett at the Company's General Meeting held on 20 October 2016 (13,793,850 Shares and 2,100,000 Unlisted Options in total).

The Company relied upon its then existing 15% capacity under Listing Rule 7.1 for the issue of the remaining 19,048,650 Shares and 2,900,000 free attaching Unlisted Options under the private placement to existing shareholders (calculated as 32,842,500 less 13,793,850 and 5,000,000 less 2,100,000 respectively).

Resolutions 5 seek the ratification of the abovementioned Share and Unlisted Option issues under the private placement to existing shareholders.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1 or the 10% threshold set by Listing Rule 7.1A (as the case may be). The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further shares up to 15% of the issued capital of the Company under Listing Rule 7.1 and up to a further 10% of the issued capital of the Company under Listing Rule 7.1A (as the case may be) without requiring Shareholder approval.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 19,048,650 Shares and 2,900,000 free attaching Unlisted Options under the private placement ("Ratification"), which were issued on 15 November 2016. By ratifying this issue (and the ratification contemplated under Resolution 6), the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. The Company confirms that the issue of the Shares and the free attaching Unlisted Options did not breach ASX Listing Rule 7.1 or ASX Listing Rule 7.1A.

#### **Technical Information Required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) a total of 19,048,650 Shares and 2,900,000 free attaching Unlisted Options exercisable at A\$.30 on or before 15 November 2019;
- (b) the issue price per Share was A\$.20 with one free attaching Unlisted Option for every US\$1 subscribed for;
- (c) the shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as, and ranking equally (from the date of their issue) with, the Company's existing Shares.

The unlisted options have the same terms and conditions as an existing class of unlisted options, being Unlisted Options exercisable at A\$.30 with an expiry date of 15 November 2019;

- (d) the Shares and free attaching Unlisted Options were issued to existing sophisticated and institutional shareholders on 15 November 2016. The placees were not Related Parties of the Company;
- (e) the funds raised from the issue of the 19,048,650 Shares and 2,900,000 free attaching Unlisted Options of A\$3,809,730 (US\$2.9m) forms part of the overall US\$50m fund raising completed in ASX announcements dated 1 September 2016 and 11 November 2016. Funds raised will be used for the Definitive Feasibility Study at the Kola Sylvinitic Project, drilling at Dougou Extension and for general working capital purposes; and
- (f) a voting exclusion applies to this item of business, as set out in the Notice of Meeting under the heading "Voting Exclusions".

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote in favour of Resolution 5.

## **Resolution 6 – Ratification of prior issue of shares and free attaching unlisted options to Summit**

As noted in the explanatory statement detailing the background to Resolution 5, the Company previously obtained shareholder approval (refer the General Meeting held on 20 October 2016) for the issue of Shares to Summit Investments PCC ('Summit') for a proposed placement by them of US\$10m at A\$0.20 per Share (with one free attaching Unlisted Option for every US\$1 invested). Subsequent to that approval, the proposed amount of US\$10m was reduced to US\$5m to allow certain current shareholders the opportunity to participate in the then proposed placement on the same terms and conditions as that afforded to SQM, SGRF and Summit.

On 27 April 2017, the Company issued 26,504,000 Shares at A\$0.25 per Share to raise US\$5m from Summit. The Company also issued 5,000,000 free attaching Unlisted Options representing one Unlisted Option for every US\$1 invested. These Unlisted Options have an exercise price of A0.30 and an expiry date of 15 November 2019.

All conversions was done at an exchange rate of US\$0.75460:A\$1.

The Company relied upon its existing 15% capacity under Listing Rule 7.1 for the issue of the 26,504,000 Shares and 5,000,000 free attaching Unlisted Options under the private placement to Summit. Resolutions 6 seek the ratification of the aforementioned Share and Unlisted Option issues under the private placement to Summit.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1 or the 10% threshold set by Listing Rule 7.1A (as the case may be). The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further shares up to 15% of the issued capital of the Company under Listing Rule 7.1 and up to a further 10% of the issued capital of the Company under Listing Rule 7.1A ( as the case may be) without requiring Shareholder approval.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 26,504,000 Shares and 5,000,000 free attaching Unlisted Options under the private placement ('Ratification'), which were issued on 27 April 2017. By ratifying this issue (and the ratification contemplated under Resolution 5), the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. The Company confirms that the issue of the Shares and the free attaching Unlisted Options did not breach ASX Listing Rule 7.1 or ASX Listing Rule 7.1A.

### **Technical Information Required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) a total of 26,504,000 Shares and 5,000,000 free attaching Unlisted Options exercisable at A\$0.30 on or before 15 November 2019;
- (b) the issue price per Share was A\$0.25 with one free attaching Unlisted Option for every US\$1 subscribed for;
- (c) the shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as, and ranking equally (from the date of their issue) with, the Company's existing Shares.

The unlisted options have the same terms and conditions as an existing class of unlisted options, being Unlisted Options exercisable at A\$0.30 with an expiry date of 15 November 2019;

- (d) the Shares and free attaching Unlisted Options were issued to two nominee entities of Summit Investments PCC ('Summit') on 27 April 2017. The placees were not Related Parties of the Company;

- (e) the funds raised from the issue of the 26,504,000 Shares and 5,000,000 free attaching Unlisted Options of A\$6,626,000 (US\$5,0m) forms part of the overall US\$50m fund raising contemplated in ASX announcements dated 1 September 2016 and 11 November 2016. Funds raised will be use for the Definitive Feasibility Study at the Kola Sylvinite Project, drilling at Dougou Extension and for general working capital purposes; and
- (f) a voting exclusion applies to this item of business, as set out in the Notice of Meeting under the heading "Voting Exclusions".

## **Directors' recommendation**

The Board of Directors recommend that Shareholders vote in favour of Resolution 6.

## **Resolutions 7 – Approval for the grant of 660,000 Performance Rights to Mr Sean Bennett**

### **Background**

Resolution 7 seek Shareholder approval for the issue of 660,000 Performance Rights to the Company's Managing Director, Mr Sean Bennett.

In determining each Director's remuneration package, including the proposed issue of Performance Rights under the Plan, the Board considered the scope of the role of each Director, the business challenges facing the Company and market practice for the remuneration of officers in positions of similar responsibility.

### *Chapter 2E of the Corporations Act*

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- the giving of the financial benefit falls within one of the exceptions to the provision; or
- prior shareholder approval is obtained to the giving of the financial benefit.

Related party is widely defined under the Corporations Act, and includes directors of a company.

Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

Mr Sean Bennett is a Director, and therefore a related party of the Company, and the issue of the securities to him or his nominees constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

### *Listing Rule 10.14*

Listing Rule 10.14 provides that a listed company must not issue securities under an employee incentive scheme to a director of the company without Shareholder approval.

Shareholder approval is therefore being sought pursuant to Chapter 2E of the Corporations Act and Listing Rule 10.14. If Shareholder approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

The Performance Rights will be issued subject to the Company's Performance Rights Plan Rules (the Plan was approved by the Company's shareholders on 11 March 2015). Refer to Annexure A for the summary of the Plan Rules.

The Board of Directors, with Mr Sean Bennett abstaining, agreed to grant Mr Sean Bennett, subject to obtaining the relevant shareholder approval, 660,000 Performance Rights in lieu of a cash bonus for services rendered and performance milestones achieved since his appointment and to date.

### *Vesting of Performance Rights*

The Performance Rights issued allows Mr Bennett the opportunity to convert one Performance Right into one Ordinary Share upon the completion of two years of continuous service with the Company from the date of issue. The strategy aims to reward Mr Bennett for his performance whilst reserving the Company's cash reserves.

Performance Rights will vest in full (without any lock up requirements) should there be a change in control event which results in a person acquiring a relevant interest in more than 50% of the Shares in the Company.

### *Information required by the Corporations Act*

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of the resolution:

(a) *The related party to whom Resolution 7 would permit the benefit to be given*

Mr Sean Bennett, the Company's Managing Director.

(b) *The nature of the financial benefit*

The proposed financial benefits to be given are the issue of 660,000 Performance Rights to Mr Sean Bennett upon the completion of two years of continuous service with the Company from the date of issue, with each Performance Right converting into one Ordinary Share in the Company.

(c) *Reasons for giving the benefit*

The Board, independent of Mr Bennett, have determined to issue 660,000 Performance Rights to Mr Bennett in lieu of a cash bonus for services rendered and performance milestones achieved since his appointment and to date. By issuing the Performance Rights the Company will reserve its cash funds.

(d) *Mr Sean Bennett's existing relevant interest*

Mr Bennett currently holds the following relevant interest in the Company's securities

<b>Class</b>	<b>Number held</b>	<b>Directly / Indirectly held</b>
Ordinary Shares	1,173,100	Directly
Ordinary Shares	546,250	Indirectly
Performance Rights	7,437,500	Directly
Unlisted Options (exercisable at A\$0.30 on or before 15 November 2019)	100,000	Directly

(e) *Total remuneration package*

As the Managing Director, Mr Bennett is being remunerated with US\$300,000 per annum.

(f) *Dilution*

The Company's issued share capital will not change as a result of the issue of 660,000 Performance Rights to Mr Bennett. However should all of the Performance Rights vest upon reaching the two year service condition, a total of 660,000 Shares will be issued which represents 0.09% of current total shares on issued (760,298,530).

(g) *Valuation of the financial benefit to be given*

The Performance Rights to be issued to Mr Bennett has been valued by internal management (who, it is considered, have sufficient qualifications, expertise and experience to conduct such a valuation) based on a valuation methodology using a Binomial pricing model, which is a widely used and recognized model. The acceptance of this model is due to its derivation being grounded in economic theory.

The value of a Performance Right calculated using a Binomial pricing model is a function of a number of variables. The assessment of the estimated value of the Performance Rights has been prepared applying the following assumptions:

Assumptions	NED Rights
Valuation date	26 April 2017
Spot price	\$0.16
Exercise price	Nil
Performance period	2 years
Expiry date	2 years
Expected future volatility	78%
Vesting schedule	Completion of a two year continuous service condition
Risk free rate	1.81%
Dividend yield	0%

Management's internal valuation has calculated the value of each Performance Right at an average value per right of A\$0.16 or A\$105,600 in total for all 660,000 Performance Rights.

(h) *Other Information*

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass the Resolution.

*Information required by the Listing Rules*

In compliance with the information requirements of ASX Listing Rule 10.15, Shareholders are advised of the following information:

(a) *Nature of relationship between allottee and the Company*

The Performance Rights are proposed to be issued to Mr Bennett. Mr Bennett is the Managing Director of the Company and, as such, is a related party of the Company.

(b) *Details of the maximum number of securities that may be issued*

The maximum number of Performance Rights that may be acquired by Mr Bennett under Resolution 7 is 660,000. Upon the successful completion of a two year continuous service condition, Mr Bennett will be able to convert each Performance Right into one ordinary share in the Company. This resolution does not address any other security issue.

(c) *Issue price*

The 660,000 Performance Rights will be issued for nil cash consideration.

(d) *Eligible participants under the Plan*

Persons eligible to participate in the Plan are full time or part-time employees or executive or non-executive directors of the Company or a Related Body Corporate of the Company, being Messrs David Hathorn, Sean Bennett, Jonathan Trollip, Leonard Math, Tim Keating and Pablo Altimiras.

(e) *Terms of any loan*

The Company will not be providing a loan in connection with Mr Bennet's acquisition of Performance Rights under the Plan.

(f) *Voting exclusion statement*

A voting exclusion statement for Resolution 7 is included in the Notice of General Meeting preceding this Explanatory Statement.

(g) *Previous issues under the Plan*

Since the approval of the Company's Performance Right Plan by shareholders on 11 March 2015, the following Performance Rights have been granted:

<b>Names</b>	<b>Relationship</b>	<b>Number Issued</b>	<b>Number Vested</b>	<b>Number Lapsed</b>	<b>Balance on Issue</b>
Thomas Borman	Director (Previous)	4,500,000	1,500,000	3,000,000	-
Michael Golding	Director (Previous)	3,000,000	1,000,000	2,000,000	-
John Sanders	Director (Previous)	3,000,000	1,000,000	2,000,000	-
David Hathorn	Director (Current)	13,000,000	1,000,000	-	12,000,000
Sean Bennett	Director (Current)	8,500,000	1,062,500	-	7,437,500
Jonathan Trollip	Director (Current)	2,000,000	-	-	2,000,000
Leonard Math	Director (Current)	1,000,000	-	-	1,000,000
<b>Sub-total</b>		<b>35,000,000</b>	<b>5,562,500</b>	<b>7,000,000</b>	<b>22,437,500</b>
Other employees and executives		12,998,270	3,568,810	-	9,429,460
<b>Total</b>		<b>47,998,270</b>	<b>9,131,310</b>	<b>7,000,000</b>	<b>31,866,960</b>

(h) *Issue date*

The Company will issue the Performance Rights under Resolution 7 as soon as practical after receiving the relevant shareholder approvals and in any event on a date no later than 12 months after the date of this Annual General Meeting.

(i) *Valuation of the Performance Rights*

Management's internal valuation has calculated the value of each Performance Right at an average value per right of A\$0.16 or A\$105,600 in total for all 660,000 Performance Rights. The pricing methodology is set out earlier in the Explanatory Statement to Resolution 7.

***Directors' recommendation***

The Board of Directors, with Mr Bennett abstaining, recommend that Shareholders vote in favour of Resolution 7 as the Company will receive the benefits outlined above and the grant of Performance Rights will allow the Company to preserve cash to advance the Definitive Feasibility Study at the Kola Sylvinitic Project, drilling at Dougou Extension and for general working capital purposes.

Mr Bennett declines to make a recommendation to Shareholders in relation to Resolution 7 as he has a material personal interest in the outcome of Resolution 7.

## Annexure A

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### KORE POTASH LIMITED PERFORMANCE RIGHTS PLAN RULES

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The Plan is administered by the Board in accordance with the Plan rules and the Plan operates as follows:-

(a) Plan Administration

The Board may administer the Plan in accordance with the Plan rules and otherwise as it determines from time to time in its absolute discretion. The Board may delegate their powers under the Plan.

(b) Eligibility

Persons eligible to participate in the Plan are full time or part time employees or executive or non-executive directors of the Company or a Related Body Corporate of the Company. There are currently approximately 14 Eligible Persons who may participate in the Plan.

The Board may, from time to time in its absolute discretion, issue or cause to be issued, offers on behalf of the Company to Eligible Persons. No issues of securities under the Plan may be made to Directors unless Shareholders have approved the issue at a general meeting.

(c) Performance Rights

The Board may invite Eligible executives to participate in the Plan and be issued Performance Rights that upon vesting entitle the holder to subscribe for Shares in respect of the vested Performance Rights.

A Performance Right does not confer on a participant the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.

Performance Rights will not give any right to participate in dividends or any voting rights until Shares are issued or transferred to a Participant pursuant to the exercise of vested Performance Rights.

(d) Grant of Performance Rights

A participant will not pay anything for the grant of Performance Rights.

None of the Performance Rights will be listed for quotation on any stock exchange.

(e) Performance Conditions

The performance conditions applicable to any performance period relating to Performance Rights shall be determined by the Board in its absolute discretion from time to time.

In determining the Performance Conditions applicable to a Performance Right the Board may have regard to the Company's Remuneration Policy.

(f) Operation of the Plan

Offers to Eligible Persons will be in such form as the Board determines from time to time and will include relevant information including the number of Performance Rights which are capable of vesting if performance conditions are met, performance conditions, performance period, measurement date(s), expiry date etc.

Participation in the Plan requires the completed Application Form to be returned within the time period specified.

Eligible persons may nominate a nominee to be granted all the Performance Rights as specified in the Offer by notice in writing to the Board for the Board's approval. The Board has discretion to disallow that nominee, without providing a reason.

(g) Vesting of Performance Rights

A Performance Right will vest:-

- (i) following determination by the Board whether and to what extent the performance conditions applicable to the measurement date have been satisfied;
- (ii) if the Eligible Person retires, dies, becomes totally and permanently disabled or is made redundant, unless otherwise determined by the Board; or
- (iii) a change of control event occurs.

(h) Capital Events

If there are certain variations of the share capital of the Company including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital, a demerger or other distribution in specie, the Board may make such adjustments as it considers appropriate.

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## SCHEDULE 1 - DEFINITIONS

In this Notice and Explanatory Statement:

Associate	has the meaning given to it for the purposes of ASX Listing Rule 14.11.
ASX	means the Australian Securities Exchange.
Auditor's Report	means the auditor's report of the Company included in the Company's Annual Report.
AWST	means the Australian Western Standard Time.
Board	means the board of Directors.
Director	means a director of the Company.
Listing Rule	means the listing rules of the ASX.
Meeting	means the meeting convened by this Notice (as adjourned from time to time).
Notice	means this notice of meeting.
Ordinary Resolution	means a resolution that has been passed by at least 50% of the votes cast by shareholders entitled to vote on the resolution.
Proxy Form	means the proxy form attached to this Notice.
Remuneration Report	means the remuneration report of the Company included in the Directors' Report section of the Company's Annual Report.
Resolution	means a resolution set out in the Notice of Meeting.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a share in the Company.
Unlisted Options	means a free attaching unlisted options issued for every US\$1 subscribed for.

## PROXY FORM

### Shareholder Details

Name: .....

Address: .....

Contact Telephone No: .....

Contact Email Address: .....

Contact Name (if different from above): .....

### Step 1: Appointment of Proxy

I/We being a Shareholder/s of Kore Potash Limited and entitled to attend and vote hereby appoint

☐

The Chairman  
of the meeting  
(mark with an 'X')

**OR**

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Kore Potash Limited to be held at the Level 3, 88 William Street, Perth WA 6000 on 31 May 2017 at 12h30 (AWST) and at any adjournment of that meeting.

**Chairman authorised to exercise proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default) and am/are entitled to vote on the relevant Resolution, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in relation to Resolutions 1 and 7 (and any motion for amendment of, or any procedural motion relating to that resolution) even though that resolution (and any such motion) may be connected directly or indirectly with the remuneration of a member of the key management personnel for the Company, and even though the Chairman is a member of the key management personnel. If the Chairman of the Meeting is (or becomes) your proxy, you can direct the Chairman how to exercise your proxy on Resolution 1 and 7 by marking the appropriate box below.

**Chairman to vote undirected proxies in favour:** I/we acknowledge that the Chairman of the Meeting intends to vote undirected proxies in favour of each of the proposed Resolutions (to the extent permitted by law).

### Step 2: Voting directions to your proxy – please mark ☒ to indicate your directions

#### Special Business

Resolution 1	Adoption of Remuneration Report
Resolution 2	Re-election of Mr Jonathan Trollip
Resolution 3	Re-election of Mr Timothy Keating
Resolution 4	Re-election of Mr Pablo Altimiras
Resolution 5	Ratification of prior Issue of Shares and free attaching Unlisted Options to professional and sophisticated investors
Resolution 6	Ratification of prior Issue of Shares and free attaching Unlisted Options to Summit
Resolution 7	Approval for the grant of 660,000 Performance Rights to Mr Sean Bennett

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.  
Appointment of a second proxy (see instructions attached).

- If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

%

**PLEASE SIGN HERE**  
**be implemented**

**This section must be signed in accordance with the instructions attached to enable your directions to**

Individual or Shareholder 1

Sole Director and  
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

## How to complete this Proxy Form

### Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If shares are jointly held, please ensure the name and address of each joint Shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a Shareholder of the Company.

### Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company on 08 9463 2495 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

### Signing Instructions

You must sign this form as follows in the spaces provided:

- |                    |  |
|--------------------|--|
| Individual:        | where the holding is in one name, the holder must sign.  |
| Joint Holding:     | where the holding is in more than one name, all of the Shareholders should sign.   |
| Power of Attorney: | to sign under Power of Attorney, you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.   |
| Companies:         | where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. |

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate can be obtained from the Company's share registry.

### Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. i.e. no later than 12h30 (AWST) on 29 May 2017. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at Level 3, 88 William Street, Perth Western Australia 6000 or sent by facsimile to the registered office on (08) 9463 2499 or by email to the registered office on [henko.vos@nexasperth.com.au](mailto:henko.vos@nexasperth.com.au).