

8 June 2018



Memorandum of Understanding in relation to Acquisition of Kikata North and Mifumbi Copper-Cobalt Projects in the Democratic Republic of Congo sees Addition to Exploration and Development Portfolio

Kazakhstan Potash Corporation Limited (ASX:KPC, “KPC” or “the Company”) is pleased to announce that it has completed a Memorandum of Understanding (MoU) with La Société Katanga Copperbelt Mining SA (KCM) to acquire 51% (in Permits de Recherche PR757, PR760 and PR761) of the Kikata North and Mifumbi Copper-Cobalt Projects, located in the Democratic Republic of Congo (DRC). The key objective of the proposed acquisition is to develop the mineral resources in the project.

The Kikata North and Mifumbi Copper-Cobalt Projects complement KPC’s recent agreements, they being:

- Acquiring a 60% equity in Société MCC Resource SARL (MCC), a company registered in DRC (see ASX announcement 26 March 2018). MCC holds 100% of a Mining License 14068 (PE14068), which covers an area of 88 km², in the world class Lithium-Tantalum-Tin pegmatite region of Manono, DRC.
- An MoU signed with Mining Mineral Resources SARL (“MMR”) to acquire 51% of the Malemba Lithium Project, in the Malemba-Nkulu region of north-eastern Katanga Province, DRC (see ASX announcement 4 April 2018). The Malemba Lithium Project comprises of five (5) prospective licenses covering an area of 730 km². The Project is located approximately 600 km north of Lubumbashi city and approximately 90 km southwest of AVZ Minerals Limited (ASX: AVZ) Manono Lithium deposit.

The Kikata North and Mifumbi Copper-Cobalt Projects are a significant addition to KPC’s asset acquisition strategy and strengthen the exploration portfolio complimenting the Potash Projects in Kazakhstan.

Underexplored South Central African Copper Belt in DRC

Historically, Copper–Cobalt (Cu-Co) deposits have been discovered in the Lower Roan Group, Katanga Supergroup in the south Central African Copper Belt and in particular from the central carbonate-bearing stratigraphy, such as Likasi- Lubumbashi Trend (Figure 1).

The southern carbonate-bearing stratigraphy in the south Central African Copper Belt, where PR757, PR760 and PR761 tenements are located, is relatively underexplored but considered highly prospective for Cu-Co mineralization. Previous geochemical and geophysical exploration activities, conducted on the three permits over the last 20 years, has indicated the potential for Cu-Co mineralization at several locations within the tenements.

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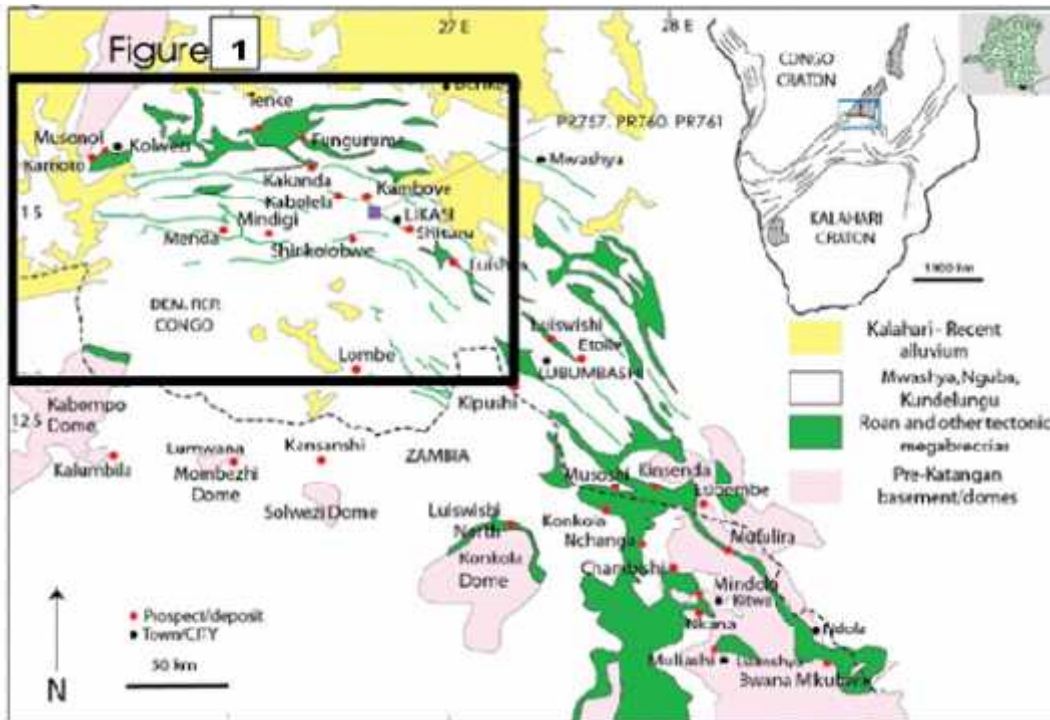


Figure 1: Distribution of the Roan Group which hosts a number of significant Copper Cobalt deposits in the DRC

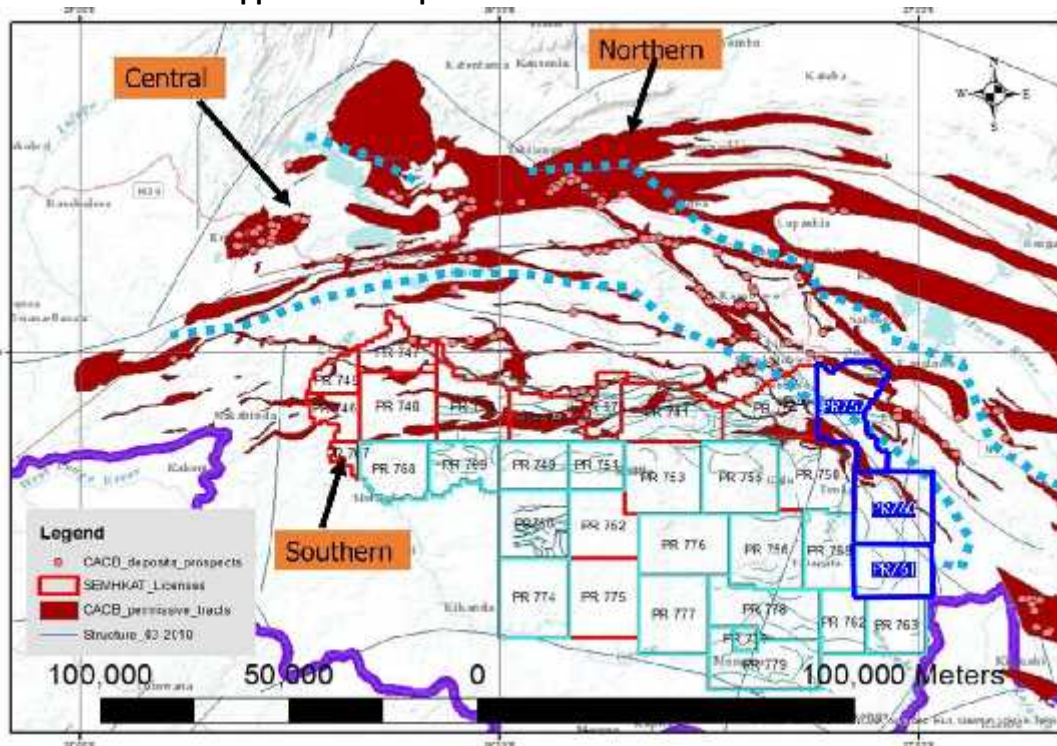


Figure 2: Location of Permits PR757, PR760 and PR761 which are situated along the South Central African Copper Belt

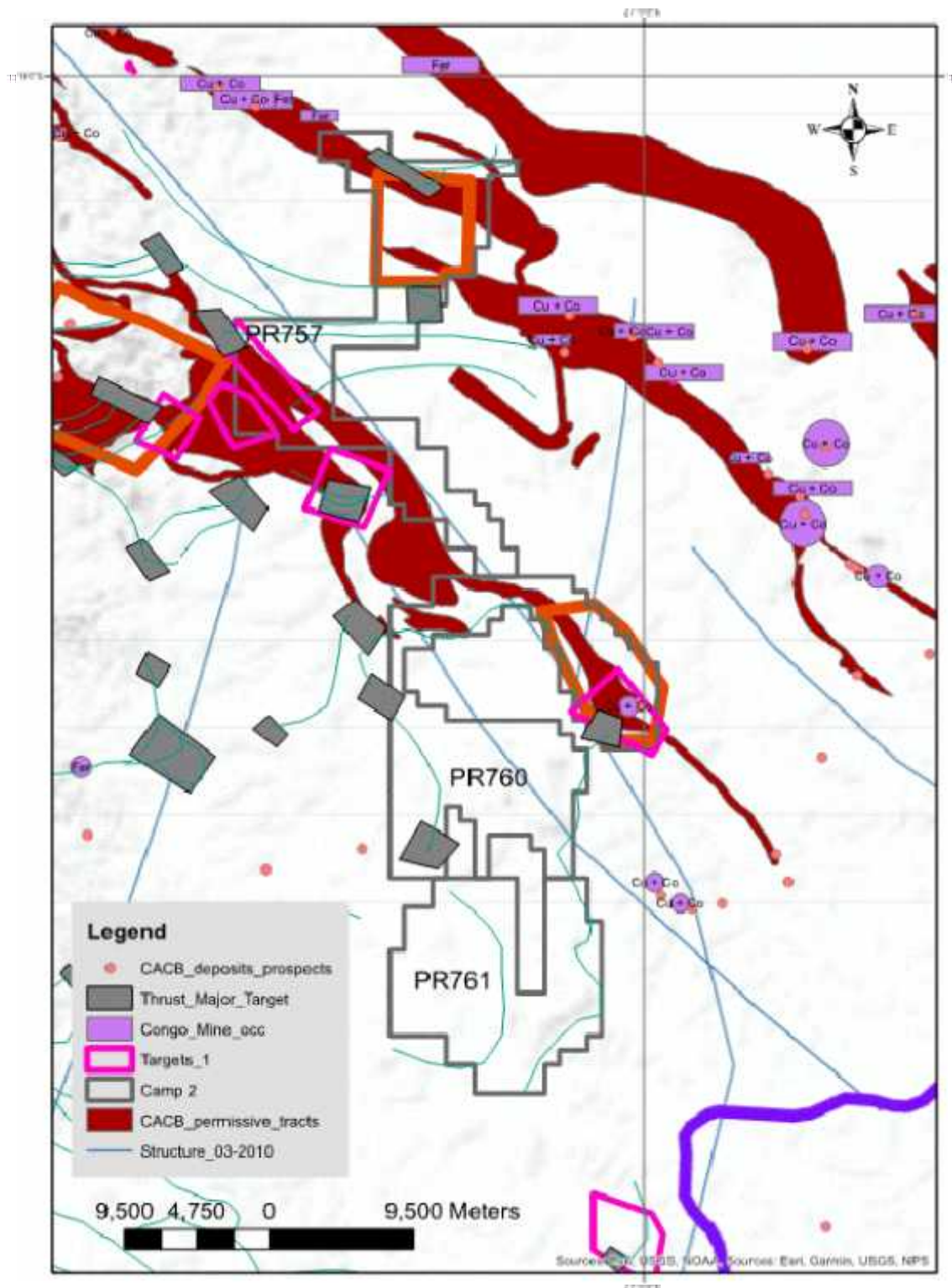


Figure 3: Simple Geology map of PR757, PR760 and PR761 and the surrounding Cu-Co prospects

Within PR 757 (the Kikata North Project), significant Cu occurrences are hosted by NW-SE-trending dolomitic shales and argillaceous siltstones which is an analogous geological setting to several large sediment-hosted strata-bounded Cu-Co deposits including; Luishia 6.9Mt @ 2.7% Cu and 0.8% Co, Kasongwe 5.27Mt @ 1.36% Cu and 0.03% Co and Kipoi North Likasi mine 7.54Mt @ 4.38% (Figures 1 and 2).

Moreover, previous soil sampling, within PR 757 has returned assay results of 200-400 ppm Cu anomalies, and artisanal mining activities are numerous along a 5-km MW-SE trending structure within the permit.

Permits PR760 and PR761 (the Mifumbi Project), are underlain by NW-SE-trending Roan Group, the host to large sediment-hosted copper deposits along structures to the west and east including; Lupoto 37.152Mt @ 2.63 % Cu and 0.088% Co and Sase 14.7 Mt @ 1.36 Cu and 0.02% Co (Figures 2 and 3). These are structurally-controlled replacement and vein type deposits.

A 1km by 400m reconnaissance soil sampling survey completed by SODIMICO during 1998-2001 returned a 2km long Cu anomaly of up to 233-266 ppm over several hundreds of meters. Trenching by Anmercosa in 2001 exposed a brecciated zone in contact with a mafic intrusion showed returned rock chips assays of up to 1.28% Cu and 0.18% Co.

The principle terms of the proposed agreement (as detailed in the MoU) for KPC to acquire 51% interest in Permits de Recherche PR757, PR760 and PR761 are:

- KPC finalising its technical diligence review to its satisfaction with 30 days after receiving all information from KCM;
- KPC obtaining all necessary regulatory and shareholder approvals as required;
- KPC will pay A\$1,000,000 to KCM by 31 July 2018;
- KPC will issue to KCM or their nominee, 50,000,000 ordinary shares at A\$0.06 per share;
- KPC will issue to KCM or their nominee Convertible Notes to the value of A\$5,000,000 for a 12 month period at \$0.10 per Convertible Note; and
- KPC will expend the necessary funds on the requisite exploration and development works.

FOR FURTHER INFORMATION

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