A COMPETENT PERSONS' REPORT ON CERTAIN MINERAL ASSETS OF KAZAKHSTAN POTASH CORPORATION

Prepared For

KAZAKHSTAN POTASH CORPORATION

Proposal Prepared by

srk consulting

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UK05762

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1 INTRODUCTION

1.1 Background

SRK Consulting (Kazakhstan) Limited ("**SRK**") is an associate company of the international group holding company, SRK Global Limited (the "SRK Group"). SRK has been commissioned by Kazakhstan Potash Corporation ("**KPC**", also referred to herein as the "**Company**") to prepare a Competent Persons Report ("**CPR**") on certain mineral assets (the "**Mineral Assets**") of the Company, pursuant the requirements of: section 716(2) of the Corporations Act 2001 (Cth); the Australian Securities & Investment Commission ("**ASIC**") regulatory guides and the ASX Listing Rules (specifically Chapter 5), which together with the Reporting Standard (defined below) comprise the "**Requirements**".

KPC is a public company, listed on the Australian Stock Exchange ("**ASX**", ticker ASX:KPC) which is focused on the development of a number of potash mineral assets located in the Republic of Kazakhstan ("**Kazakhstan**"). All Mineral Assets (Table 1-1) are held by a locally incorporated entity, Batys Kali LLP ("**Batys Kali**", a limited liability partnership) in which the Company has an effective equity interest of 95.0% (Figure 1-1), with the remaining 5.0% held by another locally incorporated entity, NC SEC Batys ("**NS Batys**").

The Mineral Assets (Figure 1-2; Figure 1-3) comprise a total land holding package of 867km^2 comprising the Zhilanskoye Potash Project ("**ZPP**") and the Chelkarskaya Potash Project ("**CPP**"). The Mineral Assets have been classified in accordance with the various international bench-marks, inter alia, the Valmin Code (2005) as defined below.

- Advanced Exploration Property ("**AEP**"): mineral assets for which only Mineral Resources have been declared; and
- Exploration Property ("**EP**"): mineral assets for which no Mineral Resources have been declared and an exploration programme has been sufficiently developed to support either disclosure of Exploration Targets in accordance with Clause 17 of the JORC Code and/or provision of further expenditure.

Table 1-1: Mineral Assets

Mineral Title	Holding Company	Location	Commodity	Development Status	Area (km^2)
Zhilyanskoye	Batys Kali	Aktobe Region	Potash	Advanced Exploration Property	88.0
Chelkarskaya	Batys Kali	West Kazakhstan Region	Potash	Exploration Property	779.0
Total					**867.0**

As at 12 November 2012, the Company reports the following in respect of the ZPP:

- Mineral Resources containing polyhalite mineralisation (51% of the tonnage quoted assuming %K to polyhalite conversion of 7.71) of:
  - Indicated Mineral Resources of 769.4Mt grading 8.17%K_2O, 6.79%K, 2.71%Mg, 14.69%Na, 38.26%SO_4 and 1.30%Insols,
  - Inferred Mineral Resources of 214.3Mt grading 7.32%K_2O, 6.08%K, 2.51%Mg, 16.27%Na, 35.58%SO_4 and 1.89%Insols,

- Sylvinite Mineral Resources comprising:
  - Indicated Mineral Resources of 65.1Mt grading 19.24%K_2O, 15.98%K, 0.21%Mg, 23.56%Na, 2.41%SO_4 and 1.81%Insols,
  - Inferred Mineral Resources of 54.8Mt grading 17.86%K_2O, 14.83%K, 0.25%Mg, 24.64%Na, 2.52%SO_4 and 2.03%Insols,

Historical exploration expenditures relating to the Mineral Assets, for the year ended 31 December 2012 and the 9-month period ended 30 September 2013, Batys Kali reported KZT (Kazakhstan Tenge) 1,298 million (US$8.7 million) and KZT224 million (US$1.5 million) respectively.

Total historical exploration expenditures for Mineral Assets to date (30 September 2013) are reported as KZT2,398 million (US$16.1 million) (ZPP – US$10.8 million; CPP – US$5.3 million).

The future exploration programme (the "Exploration Programme") as developed by the Company, comprises activities and associated expenditures for the three month period ending, 31 December 2013 and the period ended 31 December 2014. The total expenditure forecasted to be expended by the Company is estimated at US$4.09 million (A$4.42 million)

The regulatory authorities in Kazakhstan, require the completion of certain technical-economic submissions which inter alia include reporting in compliance with national reporting standards. For the Mineral Assets, both historical and current (notably August 2013 Techniko-Ekonomicheskoe Obosnovanie Konditsy (the "**2013 TEO Konditsy**") which translates as the Technical and Economic Justification of Conditions and considered equivalent to a Pre-Feasibility Study) submissions have been prepared and for the ZPP, are awaiting regulatory approval. To date the Company has not completed nor mandated any reconciliation against any reporting standard which has been mapped to the CRIRSCO (defined below) template. Furthermore, the latest technical-economic study,. This is a key milestone at which 'Reserves' are formally approved by the GKZ (State Commission on 'Mineral Reserves') and is a mandatory legal requirement in Kazakhstan. Similarly, technical studies focused on environmental matters, specifically the Otsenka Vozdeistviya na Okruzhayutchuyu Sredu ("**OVOS**" – equivalent to an Environmental Impact Assessment) are also required as part of the regulatory approval process.

The focus of this CPR is the presentation of Mineral Resources in accordance with the Reporting Standard (Section 1.2.1), accordingly and at the request of the Company, neither the 'reserves' reported in accordance with the national reporting standard, nor the content of the 2013 TEO Konditsy or any preliminary OVOS have been subject to independent validation nor verification by SRK. For the avoidance of doubt, any technical information, sourced from the 2013 TEO Konditsy, referenced in this CPR is provided for information only. Accordingly SRK cannot comment on whether the technical work reported in these documents provides any indication of the technical feasibility or economic viability of the ZPP.

In addition to the above, SRK has been informed that the Company has various interests in other mineral assets (specifically: the Western Australian Tenements comprising Gidgee, Jundee, Darlot, Braemore, and New England Well) "**Other Mineral Assets**") as at the Effective Date (defined below) of this CPR. For the avoidance of doubt and at the request of the Company the Other Mineral Assets have been expressly excluded from the scope of this CPR.

This CPR presents the following key technical information as at the Effective Date (defined below):

- Mineral Resources (the "**August 2013 Statements**") reported in accordance with the terms and definitions of the JORC Code (2012) (defined below); and
- Exploration Programmes associated with the future develop.

Certain units of measurements and technical terms defined in the JORC Code (defined below under Section 1.2.2) are defined in the glossaries at the end of this CPR.

1.2 Reporting Standard and Reliance

1.2.1 Reporting Standard

The reporting standard adopted for the reporting of Exploration results, Mineral Resources and the Exploration Programme for the Mineral Assets is that defined by the terms and definitions given in ***"The 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code") as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia"***. The JORC Code is an internationally recognised reporting code as defined by the Combined Reserves International Reporting Standards Committee ("**CRIRSCO**").

1.2.2 Reliance on SRK

The CPR is addressed to and may be relied upon by the Company for the purpose of authoring the CPR, specifically in respect of compliance with the Reporting Standards. Notwithstanding the above, SRK agrees that the CPR may be made available to the Company's various financial, legal and accounting advisors (the "**Advisors**") for information purposes only as well as the Company.

SRK is responsible for this CPR and for all of the technical information contained in the Prospectus and regulatory submissions/disclosures made by the Company in connection with the publication of the Prospectus that has been extracted directly from this CPR.

SRK confirms that the presentation of information contained elsewhere in the Prospectus which relates to information in the CPR is accurate, balanced and not inconsistent with the CPR.

SRK declares that it has taken all reasonable care to ensure that this CPR is to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import, subject to the above "**Limitations**".

SRK believes that its opinion must be considered as a whole and that selecting portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the opinions presented in this CPR. The preparation of a CPR is a complex process and does not lend itself to partial analysis or summary.

SRK has no obligation or undertaking to advise any person of any development in relation to the Mineral Assets which comes to its attention after the date of this CPR or to review, revise or update the CPR or opinion in respect of any such development occurring after date of this Technical Report.

1.3 Base Technical Information Date, Effective Date and Publication Date

The effective date of the CPR is 1 October 2013 (the "**Effective Date**"). The Mineral Resources and the Exploration Programme for the Mineral Assets have been prepared as at the Effective Date in reliance on:

- Technical information provided by the Company up to and including 30 September 2013 also assumed as the "**Base Technical Information Date**"; and
- Various public domain sourced information, specifically in respect of commodity prices and macroeconomics.

As advised by the Company, as at the publication date (06 January 2014) of this CPR (the "**Publication Date**"), no material change has occurred since the Effective Date. This includes, inter alia, no material change to the Mineral Resources and the Exploration Programme.

1.4 Verification and Validation

SRK, subject to the limitations as noted in Section 1.2.2, has conducted a detailed review (which specifically includes independent verification by means of re-calculation) and assessment of all material technical issues likely to influence the Mineral Resources and the Exploration Programme. Specifically, SRK completed the following:

- Inspection visits to the Mineral Assets during calendar 2012 and 2013;
- Enquiry of key project and head office personnel during calendar 2012 and Q3 2013 in respect of the following key items: Mineral Resources; and Exploration Programmes;
- An examination of historical information for the financial reporting periods ended 31 December 2009 through 31 December 2012 and for the nine month period ended 30 September 2013; and
- Generation of a Mineral Resource for the ZPP.

During the course of completing the above, the Company has provided technical data to SRK for the purpose of authoring the Mineral Resource as well as reviewing the Exploration Programme. In this respect SRK confirms that it has performed all necessary validation and verification procedures deemed necessary and/or appropriate by SRK in order to place an appropriate level of reliance on such technical information.

In presenting the technical information for the Mineral Assets, specifically the Mineral Resources (where relevant) and the Exploration Programmes, the following apply:

- Commodity long-term price ("**LTP**") assumptions as provided by the Company and relied upon for input to the reporting of Mineral Resources; and
- Macro-economic assumptions regarding consumer price inflation ("**CPI**") and exchange rates in respect.

1.5 Limitations, Reliance on Information, Declaration, Consent, Copyright and Cautionary Statements

1.5.1 Limitations

The Mineral Resources and Exploration Programme as reported herein are based on many factors, including in this case, data with respect to drilling and sampling. Mineral Resources are reported in accordance with the JORC Code and are subject to certain economic assumptions in order to assess their economic potential.

The Exploration Programme includes a number of forward looking statements. These forward looking statements are estimates and involve a number of risks and uncertainties that could cause actual results to differ materially.

The achievability of any projections associated with the Mineral Resources and the Exploration Programme as included in this CPR is neither warranted nor guaranteed by SRK. The projections as presented and discussed herein whilst derived by SRK, cannot be assured; and they are necessarily based on various technical and economic assumptions, many of which are beyond the control of the Company. Unless otherwise expressly stated all the opinions and conclusions expressed in this Technical Report are those of SRK.

The subject matter of this CPR is expressly limited to the Mineral Resources and Exploration Programmes relating to the Mineral Assets and reported in accordance with the JORC Code (2012). For the avoidance of doubt, SRK has not been mandated to review or opine upon

Any technical information sourced from technical submissions prepared in accordance with the requirements of the local regulatory authorities are presented for information purposes only, and have not been subject to independent validation or verification by SRK.

1.5.2 Reliance on Information

SRK has relied upon the accuracy and completeness of technical, financial and legal information and data furnished by the Company. The Company has confirmed in writing to SRK that, to its knowledge, the information provided by it (when provided) was complete and not incorrect or misleading in any material respect. SRK has no reason to believe that any material facts have been withheld.

Whilst SRK has exercised all due care in reviewing the supplied information, SRK does not accept responsibility for finding any errors or omissions contained therein and disclaims liability for any consequences of such errors or omissions.

SRK's assessment of the Mineral Resources and the Exploration Programme is based on information provided by the Company throughout the course of SRK's investigations, which in turn reflect various technical-economic conditions prevailing at the date of this report.

This CPR specifically excludes all aspects of legal issues, marketing, commercial and financing matters, insurance, land titles and usage agreements, and any other agreements and/or contracts that the Company may have entered into.

This CPR includes technical information, which requires subsequent calculations to derive subtotals, totals and weighted averages. Such calculations may involve a degree of rounding and consequently introduce an error. Where such errors occur, SRK does not consider them to be material.

1.5.3 Declaration

SRK will receive a fee for the preparation of this report in accordance with normal professional consulting practice. This fee is not dependent on the findings of this Technical Report and SRK will receive no other benefit for the preparation of this Technical Report. SRK does not have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Mineral Resources and the Exploration Programme for the Mineral Assets, opined upon by SRK and reported herein.

Neither SRK, the Competent Persons (as defined in accordance with the JORC Code and identified under Section 1.7, below) who are responsible for authoring this CPR, nor any Directors of SRK have at the date of this report, nor have had within the previous two years, any shareholding in the Company, the Mineral Assets or any other economic or beneficial interest (present or contingent) in any of the assets being reported on. SRK is not a group, holding or associated company of the Company. None of SRK's partners or officers are officers or proposed officers of any group, holding or associated company of the Company. Further, no Competent Person or Specialist involved in the preparation of this Technical Report is an officer, employee or proposed officer of the Company or any group, holding or associated company of the Company.

Consequently, SRK, the Competent Persons, Specialists and the Directors of SRK consider themselves to be independent of the Company, its directors and senior management.

In this CPR, SRK provides assurances to the Advisors and the Board of Directors of the Company, in compliance with the Reporting Standards that the Mineral Resources and the Exploration Programme are reasonable, given the information currently available.

1.5.4 Copyright

Copyright (and any other applicable intellectual property rights) in this document and any accompanying data or models which are created by SRK Consulting (Kazakhstan) Limited is reserved by SRK and is protected by international copyright and other laws. Copyright in any component parts of this document such as images is owned and reserved by the copyright owner so noted within the document.

1.5.5 Consent

In compliance with the Requirements, SRK has given and has not withdrawn its written consent to the inclusion in the Prospectus of this CPR as set out in the relevant section of the Prospectus and all of the information contained in the Prospectus which has been extracted directly from this CPR.

1.5.6 Disclaimers and Cautionary Statements for US Investors

This CPR uses the terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource”. U.S. investors and shareholders in the Company are advised that while such terms are recognised and permitted under JORC Code and Listing Rules, the U.S. Securities and Exchange Commission (“**SEC**”) does not recognise them and strictly prohibits companies from including such terms in SEC filings.

Accordingly U.S. investors and shareholders in the Company are cautioned not to assume that any unmodified part of the Mineral Resources in these categories will ever be converted into Ore Reserves as such term is used in this CPR.

1.6 Indemnities provided by the Company

The Company has provided the following indemnities to SRK:

- In the event that the Company discloses or distributes any SRK work product or other deliverable (including reports, results, analysis, opinion or similar) (the “**SRK Work Products**”) to any third party, the Company shall procure that such third party complies mutatis mutandis with various of the Company’s obligations to SRK that are contained in the engagement letter between the Company and SRK and unless otherwise agreed in writing by SRK, no such third party shall be entitled to place reliance upon any information, warranties or representations which may be contained within the SRK Work Products and the Company shall indemnify SRK against all and any claims, losses and costs which may be incurred by SRK arising from the breach by the Company of this obligation. This indemnity shall not apply in relation to the provision by the Company of drafts of this CPR to the Advisors and the relevant regulatory authorities (ASX, ASIC) and in relation to, or following, the public release of this CPR in the Prospectus; and
- In order to assist SRK in the preparation of this CPVR the Company may be required to receive and process information or documents containing personal information in relation to SRK’s project personnel. The Company has agreed to comply strictly with the provisions of the Data Protection Act 1998 of the United Kingdom (“**DPA 1998**”) and all regulations and statutory instruments arising from the DPA 1998, and the Company will indemnify and keep indemnified SRK in respect of all and any claims and costs caused by breaches of the DPA 1998.

1.7 Qualifications of Consultants and Competent Persons

SRK is an associate company of the international group holding company SRK Consulting (Global) Limited (the "**SRK Group**"). The SRK Group comprises over 1,600 staff, offering expertise in a wide range of resource engineering disciplines with 50 offices located on six continents. The SRK Group prides itself on its independence and objectivity in providing clients with resources and advice to assist them in making crucial judgment decisions. For SRK this is assured by the fact that it holds no equity in either client companies/subsidiaries or mineral assets.

SRK has a demonstrated track record in undertaking independent assessments of resources and reserves, project evaluations and audits, Mineral Experts' Reports, Competent Persons' Reports, Mineral Resource and Ore Reserve Compliance Audits, Independent Valuation Reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies and financial institutions worldwide. SRK has also worked with a large number of major international mining companies and their projects, providing mining industry consultancy service inputs. SRK also has specific experience in commissions of this nature.

This CPR has been prepared based on a technical and economic review by a team of six consultants sourced from the SRK Group's offices in the Kazakhstan and the United States over a one month period. These consultants are specialists in the fields of exploration, geology and resource estimation and classification. Mr Jerry Aiken undertook site visits to the Mineral Assets as follows: ZPP (2012 and Q2 2013); CPP (2011, 11-15 June 2012).

- Jerry Aiken, Member SME, BSc – geology and Mineral Resources;
- Sergey Volkov, MAIG, BSc– geology and Mineral Resources;
- Pavel Mukhin, FAIG, MEAGE, PhD, – geology;
- Tatyana Sokhonchuk, MSc, – geology;
- Nikolai Yenshin, BSc – project manager; and
- Anthony Thornton, C. Eng., MIMMM, BEng., – CPR review.

The Competent Person who has overall responsibility for the reporting of Mineral Resources, Exploration Results, Exploration Programme and the overall Competent Persons' Report is Mr Jerry Aiken, who is an Associate Senior Consultant of SRK Consulting, BSc and a Registered Member of the Society of Mining, Metallurgy and Exploration ("**SME**"), which is a Recognised Overseas Professional Organisation ("**ROPO**") included in the list promulgated by the ASX from time to time. Mr Jerry Aiken is an Associate Senior Consultant with over 45 years' experience in the mining industry and has been involved in the reporting of Mineral Resources on various properties internationally during the past five years.

Figure 1-1: Kazakhstan Potash Corporation: corporate structure

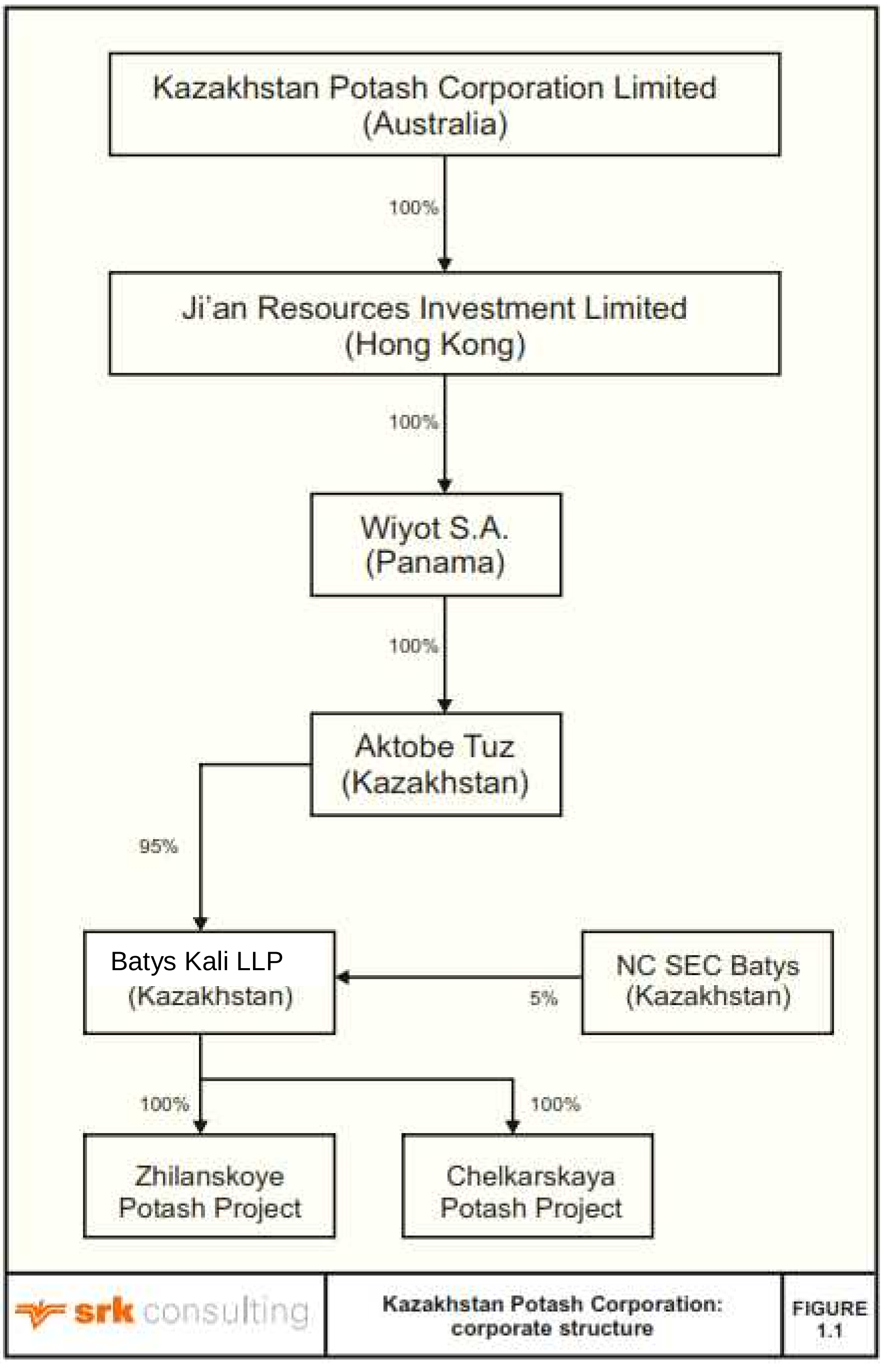
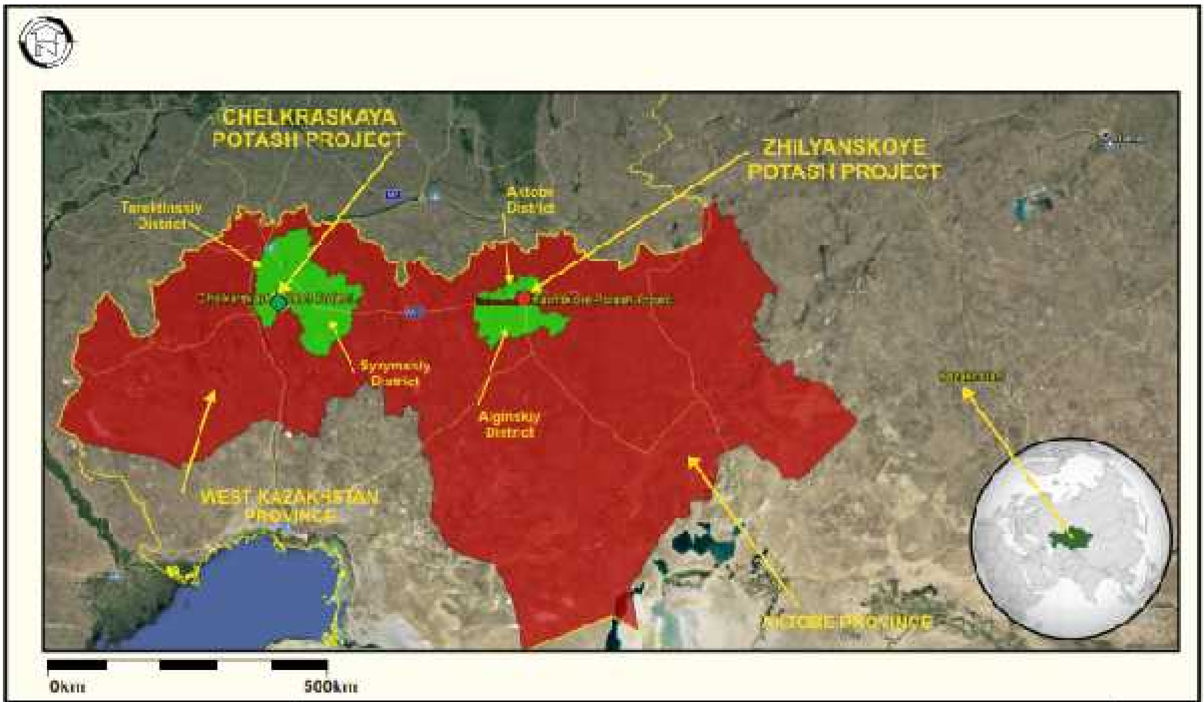


Figure 1-2: Mineral Assets: location of ZPP and CPP in Kazakhstan

Figure 1-3: Mineral Assets: location of the Mineral Assets in Aktobe Province and West Kazakhstan Province



ZPP: location of the Mineral Assets in Aktobe Province and West Kazakhstan Province

FIGURE 1.3

2 ZHILANSKOYE POTASH PROJECT

2.1 Introduction

This section summarises the geology of the Zhilyanskoye deposit, and describes the exploration that has been completed to date. The main phase of exploration for the deposit was during the Soviet era. Since acquisition, the Company has undertaken limited exploration, which is also described. A Mineral Resource Statement, presented in accordance with the terms and conditions of the JORC Code (2012) is currently declared for the deposit. This section summarises the methodology utilised by SRK to develop the Mineral Resource estimates.

Based on the information presented in this CPR, Table 1 of the JORC Code (2012) has been populated and is included in Appendix 1.1 of this CPR.

2.2 Project Location and Description

The ZPP is located in northwest Kazakhstan, approximately 7km to 15km southeast of Aktobe. The project area covers an area of approximately 88km². Administratively, the property is located within the Aktobe and Alga districts of Aktobe Province. The boundaries of the Property are defined by the coordinates in Table 2-1, and illustrated in Figure 2-1.

Table 2-1: Licence Coordinates for ZPP

Easting	Northing
N 50°19' 32.50"	E 57°16' 46.50"
N 50°19' 32.50"	E 57°20' 05.50"
N 50°07' 14.00"	E 57°27' 13.00"
N 50°07' 14.00"	E 57°23' 59.00"

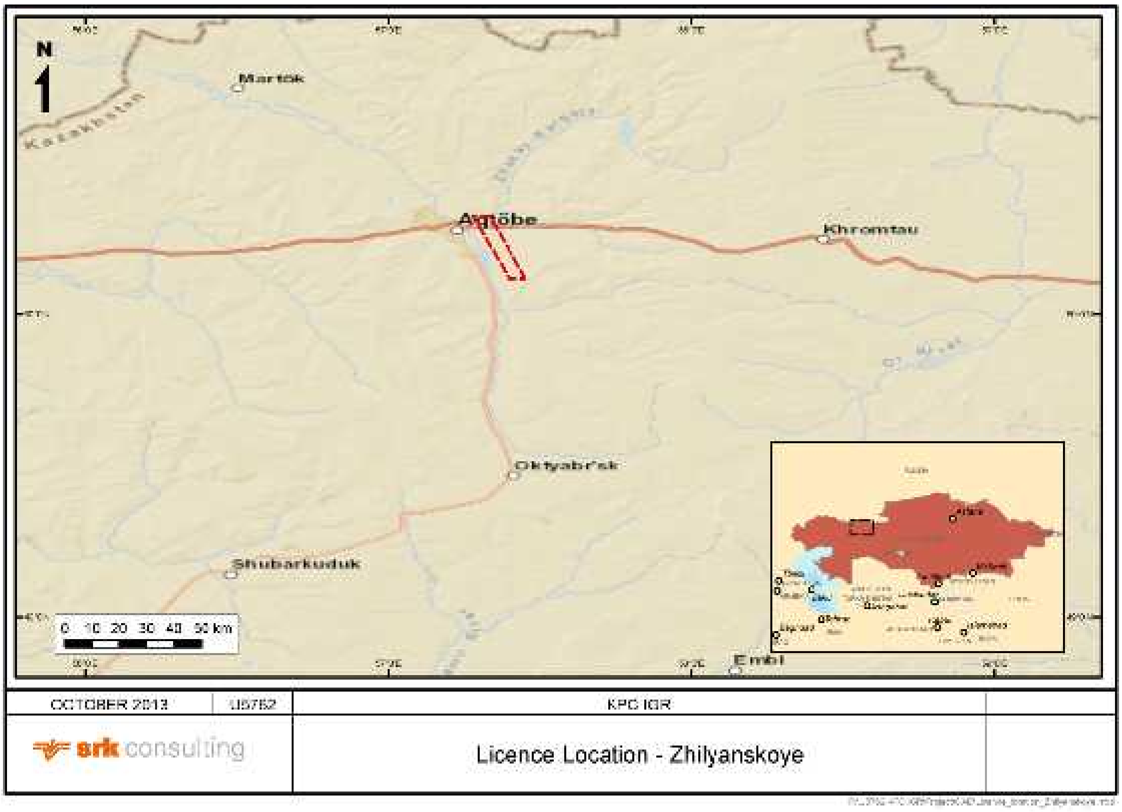


Figure 2-1: Mineral Assets: Location of the Zhilyanskoye potash deposit

Access to the ZPP is from Aktobe, which has an international airport that is serviced by several direct international flights from Antalya and Moscow. In addition, Aktobe maintains daily international rail service connections with Moscow (via Saratov), Bishkek, and Tashkent, as well as daily domestic service connections with Aktau, Atyrau, Almaty and Astana. Paved roads connect the city centre of Aktobe with the boundaries of the ZPP.

The climate in the Zhilianskoe area is continental with warm summers lasting approximately five months. The average day time temperature is more than 20°C in summer and -8.5°C in winter. Maximum snow cover in the winter is in February, with a thickness of 29 cm. Overall, the average day time temperature for the whole year is 4.9°C; with an average annual wind speed of 3.0km/s. The average annual humidity is 67%.

The northern part of the ZPP is characterised by a zone of forest-steppes and steppes, whereas the southern region consists of semi-desert and desert vegetation. The fauna of the region is relatively diverse with in excess of 29 species of mammals and 170 species of birds being identified in the Irgiz-Turgay Reserve, which is located 300km to the east of the ZPP.

The Aktobe region occupies a territory of more than 300,000km² and is located in the centre of the Eurasian continent. Geomorphologically, the ZPP area represents a hilly plain disrupted by ravines and low ridges. The absolute elevation of the relief varies between 220mto 300m above sea level. The largest water features in the area are the Ilek and Zhaksy-Kargala rivers.

The local population in the deposit area is mainly employed in agriculture and industry. Oil, associated petroleum gas, chrome ore and chrome concentrates are produced locally. Additionally, power generation as well as production of ferroalloys, chrome salt, sodium dichromate and concrete pre-engineered structures take place in the region, indicating that personnel with partly relevant experience for mining and processing can be found locally.

The area has access to electricity, via a network of high-voltage lines with electric potential ranging from 10.35kV to 220kV. The transformer substation is situated in Aktobe. The power is generated using natural gas, which is sourced from the Bukhara-Urals natural gas pipeline. Drinking water is sourced from artesian wells, whereas water for technical use is sourced from the Ilek and Zhaksy-Kargala rivers.

2.3 Geology

Potash mineralisation is loosely defined as being various mined and manufactured mineral salts that contain potassium in water-soluble form. The term potash therefore refers to both the raw material (i.e. the mineralisation) and the manufactured product. The mineralisation is further defined by the main potassium bearing mineral, such as sylvinite, carnalite or polyhalite.

The mineralisation is sub-divided into two main types, being sulphate and chloride. The sulphate mineralisation type is characterised by the presence of Mg and K-sulphate minerals. These minerals reflect the chemical composition of the seawater. The majority of known potash deposits are of the chloride type, which reflects the evaporation of seawater from the basin, and the inflow of CaCl2, through the ingression of meteoric waters.

The fertiliser products derived from the potash mineralisation is determined by the minerals present. Typically, chloride type potash produces Muriate of Potash ("**MOP**") fertiliser, whereas sulphate type produces a fertiliser product called Sulphate of Potash ("**SOP**"). The grade of potassium products are typically expressed in K_2O.

At Zhilyanskoye, the potash mineralisation consists of three main potassium bearing minerals, namely:

- Sylvinite, which has the chemical formula KCl;
- Carnalite, which has the chemical formula $KMgCl_3.6H_2O$; and

- Polyhalite, which has the chemical formula $K_2MgCa_2(SO_4)_4.2H_2O$

Rock units which contain polyhalite and halite ("**NaCl**") together are termed polyhalite mineralisation. Minor amounts of anhydrite, clays and dolomites may also occur, and report to the insoluble proportion of the assays. A rock which contains varying amounts of sylvinite and halite together is called sylvinite mineralisation. Minor amounts of anhydrite, clays and dolomites can also occur within the sylvinite mineralisation. Where a unit comprises carnalite with halite, it is termed carnalite mineralisation. Often, sylvinite and carnalite mineralisation types occur together, as sylvinite can be produced when carnalite reacts with water.

Carnalite is a primary evaporate mineral, which forms through direct precipation from evaporating fluids. The carnalite is then altered to sylvinite or polyhalite through the circulation of water of brine. Polyhalite can also be formed through direct precipation from water or brine. Deformation of the salt units is also common, which can also provide additional pathways for circulating fluids to increase the alteration of the primary evaporite minerals.

2.3.1 Regional geology

Regionally, the geology of the Zhilyanskoye deposit is hosted by the Ural marginal trough, which forms part of the Kungurian Basin. The Kungurian Basin occupies a huge area, which extends from Russia into western Kazakhstan. The basin sediments can be traced over 3,000 km from the Caspian Sea in the south to the Arctic Ocean in the north, and from the Volga River in the west to the Urals in the east. The Basin sediments occur as a belt, which is between 200 and 250 km wide. The lithologies within the basin are characterized by various types of sedimentation, related to the erosion of terrigenous material from the Palaeourals and to marked drops in sea-level. The latter formed isolated basins with restricted seawater circulation. Basinal areas were of higher salinity whereas, in shallow western parts of the basin, large amounts of fresh water came from the denuding Palaeourals. Brief ingressions of ocean waters from the north also took place. These factors combined with palaeo-geographical factors produced a complicated facies arrangement. Thick evaporite masses such as gypsum, anhydrite, halite and potash salts form complex intercalated structures with sandstones, conglomerates, mudstones, limestones and dolomites.

2.3.2 Local geology

The Zhilyanskoye deposit is hosted by Permian sediments, which form part of package of Permian, Triassic, Jurassic and Quaternary formations. The later formations, namely the Triassic and younger sediments, lie unconformably on the Permian sediments. The Quaternary sediments are associated with river valleys and ravines.

The Permian layer which hosts the Zhilyanskoye deposit is named the Kungur unit, which has been interpreted to form a narrow belt, orientated approximately north-south. The belt is approximately 1.2km to 2.2km wide, and has been mapped for a strike length of approximately 33km. The Kungur unit has a variable lithological composition, with two main suites identified, namely the lower salt bearing horizon, and the upper, sulphate-clastic bearing horizon. The upper layer is typically flat lying, with low dip angles. The salt layers in the lower unit are more deformed, due to internal salt tectonics, which has extensively remobilised the salt bearing mineralisation.

Potash mineralisation is hosted by the salt bearing layers of the lower Kungur unit. Five horizons have been identified within the Kungur unit, which are, from the top down:

- **Upper clastic, salt bearing horizon** – This unit consists of marl and anhydrite lenses, which are up to 15m thick. The mineralisation is medium to coarse grained and light grey in colour. The mineralisation is highly fractured, which are filled with cryptocrystalline anhydrite;

- **Upper productive horizon** – This is the main sylvinite mineralisation hosting unit within the Zhilyanskoye deposit. The horizon is dominated by sylvinite and sylvinite-carnalite salts, with minor sandstone, anhydrite, mudstone, and marl interbeds. The sandstone unit forms a marker horizon between upper and lower sylvinite layers. The mineralisation in this unit is typically fine grained, and occurs in layers up to 20m thick;
- **Sulphate salt bearing horizon** – This unit separates the upper and lower productive units. The unit varies in thickness between 350m in the northern part of the deposit, to 160m in the central part of the deposit. Towards the south, the unit pinches out, and the upper unit lies directly on the lower unit. The horizon consists of salts lenses of up to 20m thick, with mudstone, anhydrite, marl interbeds. The salts are pale pink to red in colour, due to the presence of iron oxides. The salts are fine to medium grained, and occasionally contaminated with clay minerals;
- **Lower productive horizon** – This is the main polyhalite mineralisation hosting unit within the Zhilyanskoye deposit. The horizon is dominated by polyhalite in the salt units, which are separated by anhydrite and marl interbeds. Three main polyhalite bearing bands are identified, based on the polyhalite content of the salt unit. The salts are typically medium to coarse grained, and are light grey to yellow in colour. The units are highly fractured, which are in-filled with bluish-grey to grey crytocrystaline anhydrite. Polyhalite is also located in networks of grains and intersections within the salt mineralisation. The salt bearing layers vary in thickness between 15m to 80m; and
- **Lower clastic salt bearing horizon** – This unit is rarely intersected by the drilling. The horizon is marked by alternating 10m to 20m thick beds of salt, mudstone, and sandstone. Occasionally, the salt beds can be up to 90m thick, particularly in the central part of the deposit. The salt crystals are typically coarse grained, and white to light grey in colour.

The sediments within the area of the Zhilyanskoye deposit are folded into an anticlinal structure, which is aligned approximately north-south. The fold axis has been traced for approximately 30km along strike, but its boundaries are not fully determined. The width of the defined unit is between 3.5km and 4.0km. The core of the fold is composed of Lower Permian conglomerates and sandstones, which crops out in the northern part of the deposit. The plunge of the fold means that the core sediments occur at depths of between 200m and 400m in the south. The limbs of the fold dip at approximately 20° towards the east, and at approximately 25° to 45° towards the west.

The western limb is also heavily affected by the salt tectonics, which has resulted in second order anticlinal folding. The second order fold affects the sediments hosting the potash mineralisation. A geological map of the Zhilyanskoye area is illustrated in Figure 2-2.

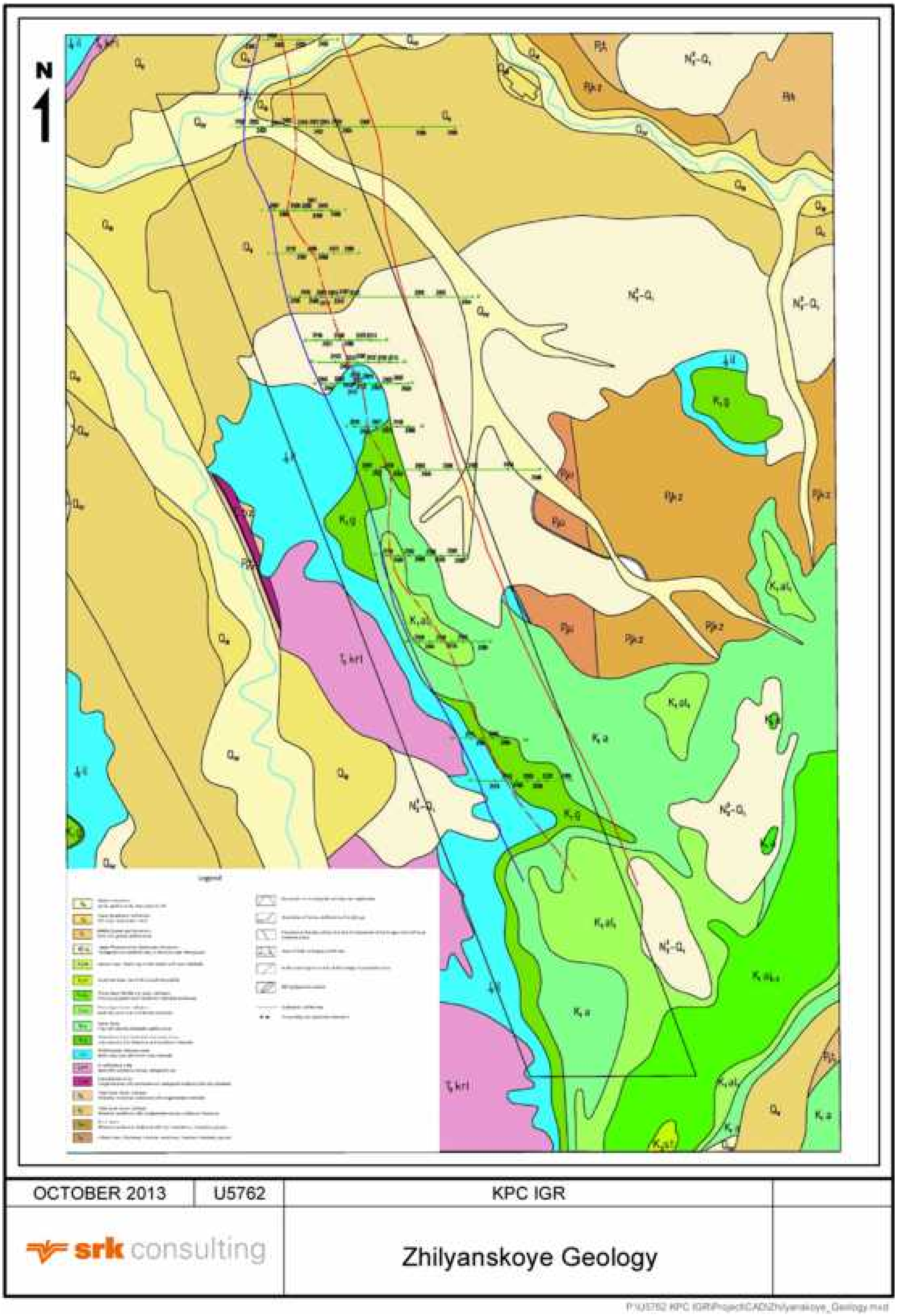


Figure 2-2: Mineral Assets: Geological map of the Chelkarskoye potash deposit

2.3.3 Deposit geology

The two potash bearing horizons within the Kungur unit can be traced for the full length of the anticlinal structure. The upper horizon is dominated by sylvinite, whereas the lower is dominated by polyhalite.

The upper sylvinite horizon is separated from the underlying polyhalite unit by thick clastic and salt interbeds. The true thickness of the sylvinite unit is approximately 120m in the north of the deposit, which thins slightly to between 90m and 105m in the central part of the deposit. Towards the south, the unit thickens to between 129m and 176m.

Mineralisation within the upper horizon is in the form of sylvinite and sylvinite-carnalite tabular lenses, which have been folded into antiformal structures. The sylvinite lenses are only preserved in the limbs of the second order fold. The sylvinite-carnalite lenses are more laterally restricted than the sylvinite lenses, meaning that significantly less drill hole intersections exist for this mineralisation style. The units typically occur between 200 and 650 m below the surface.

The modelled sylvinite wireframes extend for 12,540m along strike, which is orientated north – south. The limbs of the modelled units dip at 45° towards the east, and at 50° towards the west. The thickness of the modelled units varies between 5 m at the termination of the limbs, to 140m in the fold hinge.

The lower, polyhalite rich horizon is divided into northern and southern occurrences. The northern mineralisation is generally thicker than the southern area. The polyhalite units also contain variable amounts of halite, which occurs as a network of intergrowing polyhalite and halite crystals. This has the effect of significantly reducing the K_2O grade, and increasing the NaCl content. The proportion of polyhalite within the mineralisation is entirely governed by the amount of halite present. The mineralisation is typically grey to light grey in colour. The mineralisation is difficult to differentiate from the underlying anhydrite.

The modelled polyhalite wireframes extend for 16,088m along strike, which is orientated north – south. The limbs of the modelled units dip at 35° towards the east, and at 40° towards the west. The thickness of the modelled units varies between 5m on the limbs, to 35m in the fold hinge. The majority of the mineralisation occurs in the modelled hinge zones, with little lateral extend to the fold hinges. The units typically occur between 200m and 650m below the surface.

2.4 Mineral Resource Estimation and Classification

2.4.1 Exploration history

Exploration at the Zhilyanskoye deposit began in 1936, and continued until 1957, by Soviet era geological surveys. Exploration included geophysics, mapping, and later, diamond and open hole drilling. The deposit was first identified in 1951, when evaporate minerals, such as sylvinite and carnalite were intersected at a depth of 525 m below surface.

The main phase of historical exploration for the Zhilyanskoye deposit was between 1952 and 1959. This phase of exploration included drilling, which identified that the mineralisation with localised within the axial folds and eastern limb of the Zhilyanskaya structure. The western limb of the structure was intersected by a fault, which restricts the lateral extents of the mineralisation. This phase of drilling also included topographic surveys of the area. This also included the survey of the collars of the drill holes.

Subsequently, three holes were drilled between 1982 and 1984, for metallurgical testing.

The most recent phase of drilling was conducted by the Company during 2012. This included the drilling of 10 additional holes, with the aim of twinning some of the historical drilling, and improving the confidence in the geological and grade continuity.

2.4.2 Quality and quantity of data

Drilling

During the historical phase of drilling, a total of 136 vertical drill holes of between 450 and 850 m deep were completed. The cutting agent for the drill hole is reported to be pobedit, a tungsten carbide alloy. The drill hole diameter varied between 168mm to 150mm, which reduced to 92mm at the hole termination. Core recovery is reported as being high, typically between greater than 95% for the mineralised intersections. According to the contemporaneous surveying records, the drill hole depths were recorded every 150m to 250m, but no down hole surveying was completed. The collars were surveyed using a theodolite. All of the holes were drilled using specialist drilling fluids, to ensure that the evaporate minerals were not dissolved during core extraction.

In 2012, 10 vertical holes were drilled. In the overburden, the holes were drilled using an open hole method, with core extracted in the mineralised intersection. The open holes were lined with casing, to minimise the inflow of water. Drilling was completed using hard alloy bits. The core extracted from the mineralised intervals was either HQ or NQ. The drill holes were surveyed at 20 m intervals down the hole, using an inclinometer. Down hole surveys were only recorded below the casing, which was at an average depth of 320m below surface. During down hole surveying, only the deviation from the anticipated dip angle was reported. Azimuth measurements were not routinely taken, but were recorded when the drill hole dip deviation exceeded 3°. The collars were surveyed using a total station. Core recovery was reported as being greater than 90% for the mineralised intersects.

Of the 10 holes drilled at Zhilyanskoye during 2012, four were completed as twinned holes, to provide a direct comparison with the historical drilling. The holes were typically drilled within 50 m of the original hole to enable direct comparisons to be made. The remainder were aimed at increasing the drill hole drilling density, improving the confidence in the geological and grade continuity, and for the collection of metallurgical samples. After drilling of the hole was completed, the holes were surveyed using down hole geophysical methods. The holes were surveyed for temperature, natural gamma, neutron gamma, caliper logging, flowmeter logging, and drill hole inclination.

Four of the 10 holes drilled in the 2012 campaign were aimed at twinning existing historical holes. Comparing two of the new drill holes to the historical holes shows an apparent vertical displacement of between 20m and 30m. SRK considered that this could be a result of the lack of surveys in the historical drilling, resulting in a perceived offset, when compared to the 2012 drilling. For the remaining 2012 twinned holes, the plots of the twinned holes show good reproducibility between the historical and 2012 grade profiles.

The drilling statistics, as sourced from the Mineral Resource estimation database are included in Table 2-2. The drilling was completed on 17 sections, spaced approximately 1km apart. Infill drilling has reduced the section spacing to 500m in the central portion of the deposit. On section, the drill holes are approximately 200m apart. However, the majority of drill holes on section do not intersect the mineralisation, due to the relatively short down-dip extensions of the mineralisation.

Table 2-2: Drilling statistics for the ZPP

Campaign	Number of drill holes	Total drilling meters (m)	Number of K assay samples	Percentage of K assay samples per campaign
Historical	120	75,899	4,478	87%
2012	10	6,184	652	13%
Total	**130**	**82,083**	**5,130**	**-**

Sampling and assaying

Core from the historical sampling was marked up to reflect the rock types encountered. Waste bands of less than 5cm thick were included in the potash layers. The marked up layers varied in thickness between 0.1m and 3.0m, with an average thickness of 1.5m. Samples were taken from each layer by drilling holes into the core, using a 12mm diameter bit, and the fine grained material collected for assay. For each 12mm hole, approximately 200g to 220g per sample meter was recovered. For an average sample length of 1.5m, the average sample mass was 300g to 375g. In addition to the drilling method, half core duplicates were also taken for comparison. A total of 41 samples were taken, which comprised 0.7% of the sample database.

For the primary samples, the 300g to 375g sample was divided using cone and quartering to produce a sub-sample of between 120g and 150g. All samples were analysed at the Aktyubinsk chemical laboratory in West Kazakhstan. The samples were analysed using wet chemistry methods to determine the K, Na, Mg, Ca, Cl, SO_4, insoluble residue ("**Insol**"), hygroscopic moisture, and Loss on Ignition ("**LOI**").

During the 2012 drilling campaign, the core was geologically and geotechnically logged at the drill site, before being photographed. The core was then sealed into boxes and transported to the core storage facility for sampling. The core was marked up to reflect lithological boundaries, with a minimum sample length of 0.5m and a maximum sample length of 5m. The average sample length was 2m. The core was sawn in half to derive the samples for assays. Half core duplicates were also analysed, to provide a field duplicate. A total of 64 half core samples were analysed, which equates to 9.4% of the total sample database.

A typical 2m length half core sample weighed approximately 9.6kg after sawing. The half core samples were processed by crushing to 2mm, before being split to 0.8kg. The sub-sample was then pulverised to 0.07mm, and splitting to 0.3kg. The 0.3kg sub-sample was then split into the primary and laboratory duplicate, which weighted approximately 150g. The samples were analysed at the LLC Aktyubinsk geological laboratory in Aktobe. This laboratory holds an accreditation through the relevant Kazakh authorities.

Depending on the composition of the samples, water or hydrochloric acid was used to dissolve the material for analysis. For soluble salts such as halite, carnallite and sylvite, 1g of sample was dissolved in 150ml to 200ml of hot distilled water, which was continuously stirred for 1 hour. In the case of complete dissolution, the sample was filtered into a 500ml volumetric flask, and the filter washed with hot water. The filters were then burnt in crucibles at a temperature of 900°C for 1 hour. The remaining material represents the insoluble content of the sample.

For the non-soluble salts, such as polyhalite, anhydrite, borate and gypsum, 2 solutions were prepared. Chloride and B_2O_3 were analysed from an aqueous solution, whereas the other components (SO_4^{2-}, Ca^{2+}, Mg^{2+}, K^+ and Na^+) from a hydrochloric solution. Approximately 1g of sample was dissolved in 150ml of 5% hydrochloric acid and boiled for 1hour. The insoluble content was derived from filtering the solution and burning the filters in crucibles.

Once dissolved, the chloride content was determined by mixing 10ml of the aqueous extract with 50ml of distilled water, nitric acid (pH adjustment to 2.5 to 3.0) and 2ml of diphenylcarbazone. The final solution was then titrated with nitrate of mercury. Calcium was determined by mixing 50ml of the aqueous extract with 50ml of distilled water, 5ml of sodium hydroxide solution and indicator chrome dark blue and titrating the solution with Trilon B (0.05 N). Magnesium was determined by mixing 50ml of the aqueous extract with 50ml of distilled water, 5ml of ammonia buffer solution and indicator chrome dark blue and titrating the solution with Trilon B (0.05 N). Sulphate was determined by mixing 100ml of the aqueous extract with 3ml of hydrochloric acid, heating the solution to boil while continuously stirring and adding 8.7ml of barium chloride solution. After a cool-down phase, the solution is filtered and the filter placed in a crucible and dried (100°C to 105°C) and incinerated burned. Boron content was determined by photometry. For K+ and Na+, the contents were similarly derived from titrating the hydrochloric solution.

Quality assurance and quality control

The historical and recent drilling campaigns were supported by quality assurance and quality control ("**QAQC**") programmes. For the historical data, the QAQC programme comprised the following:

- field duplicates, where the drilled samples were compared to the half core;
- internal duplicates, where pulps were re-submitted for analysis; and
- external duplicates, where pulps were submitted to external laboratories for analysis.

The 2012 drilling campaign was supported by a QAQC programme which included:

- field duplicates, where the two half core samples were compared;
- internal pulp duplicates;
- external pulp duplicates;
- blanks, which consisted of low K halite; and
- Standard reference materials ("**SRM**"), which were generated for the project for repeat assaying of a single drill hole

SRK analysed all of the available QAQC data, for both the historical and 2012 drilling campaigns. SRK noted that although some minor deficiencies were identified, overall the assay data was of a sufficient quality for use in the subsequent Mineral Resource estimate. SRK identified one significant risk to the data, being the lack of survey data for the historical drilling, which may have introduced a level of uncertainty into the geographical location of the mineralised bodies.

Density Analysis

During the 2012 drilling campaign, density samples were taken. However, the results of this analysis were unavailable for integration into the Mineral Resource estimate. For tonnage estimation, SRK used the historically reported density values for each of the mineralisation types, namely:

- Polyhalite – 2.48t/m^3;
- Sylvinite – 2.07t/m^3; and
- Sylvinite-carnalite – 1.72t/m^3.

SRK notes that the density of polyhalite, in its pure mineral form is 2.78t/m^3. For sylvinite, the density of the mineral is stated as being 2.07t/m^3. The density values determined for the polyhalite mineralisation illustrates that the mineralisation is not (51%) pure polyhalite, but comprises both polyhalite and halite.

2.4.3 Geological modelling and Domaining

The Mineral Resource Statements are supported by a 3D computerised block model. The Mineral Resources were estimated by SRK, using techniques which are consistent with industry best practice. This section describes the methodologies used to derive the grade and tonnage models, and the analysis undertaken to support the declaration of a Mineral

Resource, in accordance with the JORC Code (2012).

The validated database, which comprised both the historical and 2012 database was used to generate wireframes of the polyhalite, sylvinite, and sylvinite-carnalite bodies. The wireframes were based on statistical analysis of the raw sample data, which showed natural grade cut-offs of 1.59%K_2O for polyhalite, and 1.65% for sylvinite. The wireframes were generated digitising 2D interpretations on each section, and joining these together to form 3D wireframes. The wireframes were extended approximately half the section spacing beyond the drill holes. The 2D interpretations were based on the available drilling, and the interpretations made during the Soviet era exploration programme.

Geological modelling for the Zhilyanskoye deposit consisted of the generation of 21 wireframes for the polyhalite mineralisation, 15 wireframes for the sylvinite mineralisation, and 7 wireframes for the sylvinite-carnalite mineralisation.

The modelled units are typically antifomal structures, with the axial planes striking approximately north - south. The limbs dip at approximately 35° towards the east and 40° towards the west. The mineralisation varies in vertical thickness between 5m at the edges of the modelled units, to a maximum of approximately 140m at the fold axis. No further domaining for grade estimation was applied, meaning the modelled units formed the basis of the grade estimation. The sylvinite and polyhalite modelled solids are illustrated in Figure 2-3.

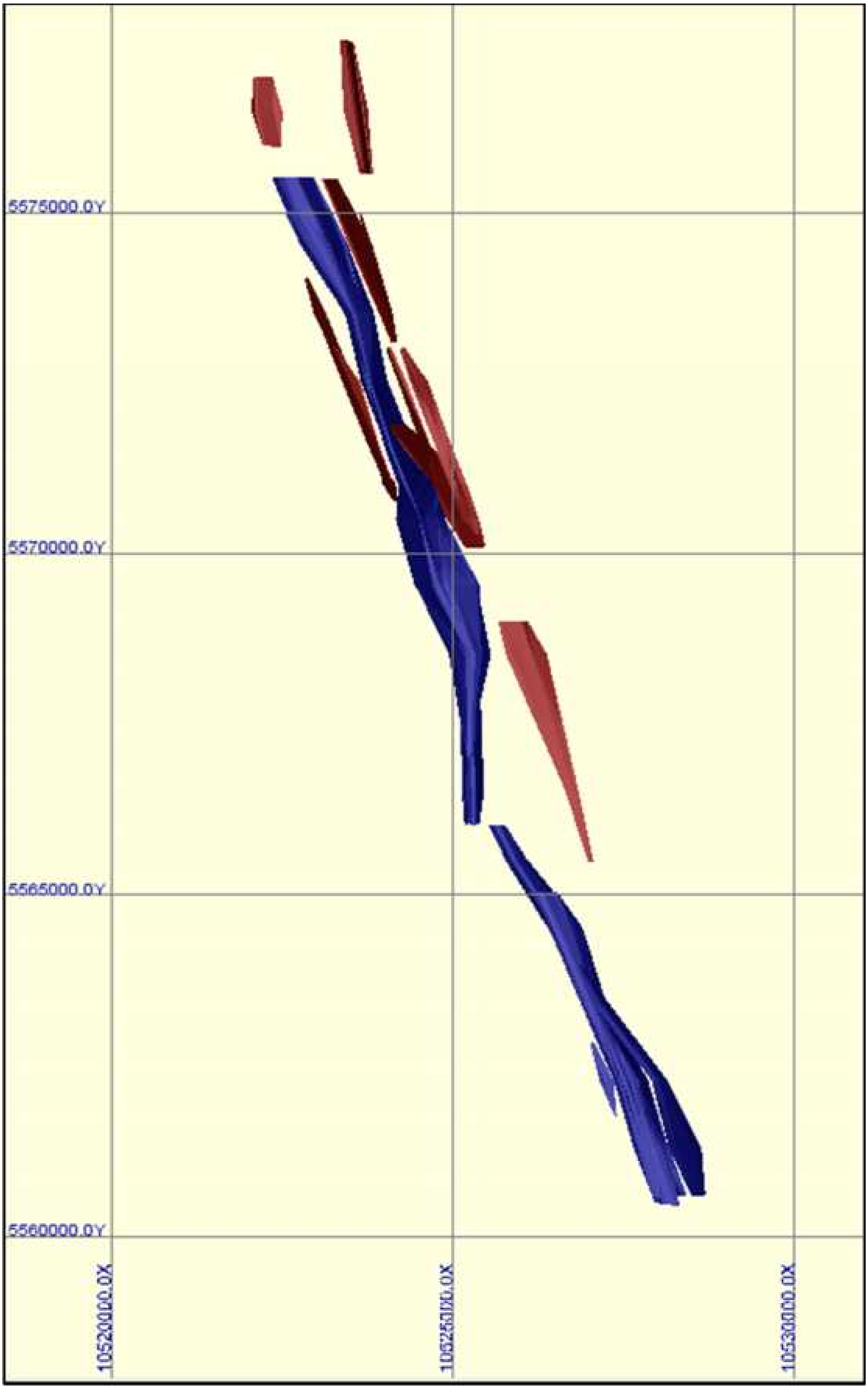


Figure 2-3: Mineral Assets: Geological model of the Zhilyanskoye potash deposit (red = sylvenite; blue = mineralised material containing polyhalite)

2.4.4 Compositing, statistical analysis and variography

The sample data was composited to 2 m within the modelled solids. Statistical analysis of the composited assay, divided into the respective polyhalite and sylvinite mineralisation bodies. The combined histogram for polyhalite showed a bimodal distribution, with a low grade distribution of between 0% and 6.5% K2O, and a high grade distribution above 6.5% K2O. The sylvinite histogram also showed a bimodal distribution, with the low and high grade populations divided by a grade of 9.0% K2O. No capping was applied to the composite data.

Correlation statistics between K2O, Mg, Na, SO4, and Insol showed interdependencies between the different variables. To account for these correlations, the variables were estimated using normalised search parameters, and the final block models checked to ensure no biases were introduced.

Due to the complex morphology of the polyhalite and sylvinite bodies, SRK has undertaken unfolding to improve the variographic analysis, and the subsequent block model. The unfolding algorithm applies a factor to both the block model cells and composite data to transform the data into unfolded space. The unfolded data is then used for variograms and grade estimation, before being returned to folded space for model validation.

Variograms were produced for all of the variables being modelled, namely K2O, Mg, Na, SO4, and Insol. Variography was undertaken separately for the polyhalite and sylvinite. The resultant nugget effect for K2O for polyhalite is 30%, and for sylvinite, 10%. The maximum along strike range for polyhalite is 886 m, and 900 m for sylvinite. The Z dimension ranges were noticeably shorter, reflecting the vertical variation within the modelled mineralisation. The maximum ranges were 20 m for polyhalite, and 6 m for sylvinite.

2.4.5 Block modelling and interpolation

The grade was estimated into a block model, with block sizes of 10m by 80m by 2m. As with the composites, the block model was transformed into unfolded space for estimation. The grade was estimated using two methods. The first phase of grade estimation was to estimate indicators into the grade wireframes, to reflect the cut-off grades in the bimodal populations highlighted by the composite statistics. The grade estimates were then limited by these indicator blocks, to restrict the smoothing of grades. The grades were estimated using Ordinary Kriging, with search parameters based on the variograms parameters.

The grade for each modelled unit was estimated separately, using the composites derived from the modelled unit. The grade was estimated using several passes to ensure that all blocks were filled. The first search pass was based on two thirds of the maximum variograms range, which was increased incrementally until all of the blocks in the modelled wireframes had been assigned a grade. A minimum of 1 sample and maximum of 8 samples was used for the polyhalite units. For the sylvinite units, a minimum of 1 sample and maximum of 7 samples was used. For all search passes, a discretisation grid of 5 by 5 by 5 was applied.

The same search parameters were used for all other variables, namely Mg, Na, SO_4, and Insol. Once all grades had been estimated, the block models were returned to folded space, for validation, classification and reporting.

Tonnages were estimated from the modelled volumes by applying a single density, depending on the mineralisation type. The density values were based on the historical data, and were as follows: Polyhalite – 2.48t/m^3; Sylvinite – 2.07t/m^3; and Sylvinite-carnalite – 1.72t/m^3.

SRK notes that the density of polyhalite, in its pure mineral form is 2.78t/m^3. For sylvinite, the density of the mineral is stated as being 2.07t/m^3. The density values used for tonnage estimation reflect that the sylvinite mineralisation is considered to be relatively pure, whereas the polyhalite mineralisation is a complex intergrowth of polyhalite and halite.

2.4.6 Validation

The block models were validated using a range of industry standard methodologies. Validation techniques used included visual techniques, where the drill holes were compared the block model on section, validation plots, statistical comparisons between the composite data and the block model, and through re-estimation using a separate technique, namely Inverse Distance Weighting ("**IDW**"). Overall, SRK is confident that no local or global biases have been introduced during the estimation process, and the block model reflects the input data on both local and global scales.

2.4.7 Classification

The Mineral Resource Statement for the ZPP is reported in accordance with the terms and definitions of the JORC Code, as published in 2004.

In classifying the Mineral Resources, SRK has taken several factors into account. These include, but are not limited to:

- Quality of data;
- Quantity and spacing of data;
- Geological understanding, confidence in the geological continuity; and
- Quality of the estimated grades, and confidence in the grade continuity;

SRK has classified the Mineral Resources as a combination of Indicated and Inferred Mineral Resources. The classification was coded into the model through the digitisation polygons, which were determined by defining areas of higher confidence in the grade and geological continuity. SRK notes that the current geological modelling has inferred a high degree of correlation between the mineralised intersects, resulting in a continuous model of polyhalite and sylvinite mineralisation. SRK notes that additional infill drilling may indicate areas where the complex salt tectonic regime and late stage faulting may have significantly impacted on the currently assumed geological model. The geological model presented is based in part on the historical drilling. SRK has also assumed that the grade distribution within the polyhalite and sylvinite lenses is relatively undisturbed during emplacement, meaning that the grade distribution within the lens reflects the morphology of the modelled lens.

The Indicated Mineral Resources were defined in areas where the drill hole spacing was typically 200m on section, and 500m between sections. The remainder of the modelled mineralisation was classified as Inferred Mineral Resources.

2.5 Mineral Resource Statement

The SRK Mineral Resource Statement, which is reported in accordance with the JORC Code (2012) is presented in Table 2-3 and Table 2-4. The Mineral Resource Statement has an effective date of 6 August 2013, and is presented above a cut-off grade of 5%K_2O for the material containing polyhalite, and 10%K_2O for the sylvinite. As it is anticipated that the deposit will be accessed using underground mining methods, no further constraints were applied.

Table 2-3: SRK Mineral Resource Statement for material containing polyhalite, as of 6 August 2013

Classification	Tonnage (Mt)	K_2O (%)	K (%)	Mg (%)	Na (%)	SO_4 (%)	Insol (%)
Measured	-	-	-	-	-	-	-
Indicated	769.4	8.17	6.79	2.71	14.69	38.26	1.30
Measured + Indicated	**769.4**	**8.17**	**6.79**	**2.71**	**14.69**	**38.26**	**1.30**
Inferred	214.3	7.32	6.08	2.51	16.27	35.58	1.89
Total	**983.7**	**7.99**	**6.63**	**2.67**	**15.04**	**37.68**	**1.43**

Table 2-4: SRK Mineral Resource Statement for sylvenite, as of 6 August 2013

Classification	Tonnage (kt)	K_2O (%)	K (%)	Mg (%)	Na (%)	SO_4 (%)	Insol (%)
Measured	-	-	-	-	-	-	-
Indicated	65,051	19.24	15.98	0.21	23.56	2.41	1.81
Measured + Indicated	**65,051**	**19.24**	**15.98**	**0.21**	**23.56**	**2.41**	**1.81**
Inferred	54,750	17.86	14.83	0.25	24.64	2.52	2.03
Total	**119,801**	**18.61**	**15.45**	**0.23**	**24.05**	**2.46**	**1.91**

SRK notes that the tonnage declared for the polyhalite mineralisation reflects a unit which comprises both polyhalite and halite. In order to determine the amount of polyhalite within the modelled mineralisation, a factor is applied which determines the percentage polyhalite. Pure polyhalite has a grade of 12.97%K, which is the equivalent of 15.62%K_2O. A factor of 7.710 is used to convert the stated K grade to the polyhalite content. The factor is derived from the chemical composition of polyhalite. Using this factor, the proportion of polyhalite within the modelled mineralisation is 52% for the declared Indicated Mineral Resources and 46% for the Inferred Mineral Resources. SRK has assumed that no other K bearing minerals are present within the modelled mineralisation, meaning that all of the contained K reports to polyhalite. As discussed previously, the remainder of the modelled mineralisation comprises halite, which is intergrown with the polyhalite.

2.6 Additional Technical Studies

SRK understands that the Company has undertaken a series of technical studies for the Zhilyanskoye deposit. The technical studies which have been completed by the Company are summarised below. SRK has not reviewed any of the technical studies summarised below. In this instance SRK consider that exclusion of such technical information would not accurately reflect the status of technical work completed to date. This may also constitute non-disclosure of material information relevant in respect of the effective date of our report:

- During Q1 2013, Batys Kaliy prepared a TEO for construction (a Pre-Feasibility study style document), termed the TEO Construction, which reports details of technical work completed for various disciplines. SRK understands that this document has not been submitted to the local regulatory authorities for approval which means it still may be amended. This technical study this covers the areas of geology, grade and tonnage estimation, mining studies, processing and other aspects. SRK understands that this document may also be used to support preliminary construction works prior to approval of a TEO Proyekt (noted below);
- Based on abstracts from the TEO Construction, a TEO Konditsy, which is a document required by the local Kazakhstan authorities, which contains an economic justification used as a cut-off study was recently produced and approved by the relevant state authorities. The document was approved on 19 August 2013. Disciplines covered in the technical study included geology, grade and tonnage estimation, mining studies, processing, infrastructure and economic studies; and
- SRK understands that the Company is currently commissioning a Chinese entity to prepare a Chinese standard style document and that this will at some point be converted to a TEO Proyekt for Zhilyanskoye. As part of the technical studies completed to date,

SRK understands that the Company has also submitted revised GKZ statements for both deposits the approval for which is expected during November 2013. SRK understands that revised GKZ statements for polyhalite are relatively close to the declared JORC Mineral Resource Statements, but SRK notes that the grade and tonnage estimates for sylvinite are materially different to those Statements declared in accordance with the JORC Code.

2.6.1 TEO Construction (Q1 2013)

SRK understands that the TEO Construction was completed in Q1 2013. The study is used to determine the feasibility of construction the project. SRK understands that the grade and tonnage estimate used as a basis for the development of the study was derived from the original GKZ estimate which was completed in 1959.

Technical studies referenced in the TEO Construction include underground mining studies, mineral processing, civil engineering and infrastructure considerations, environmental impact assessments, and technical and economic modelling. SRK has not reviewed the TEO Construction.

2.6.2 TEO Konditsy (August 2013)

As part of the TEO Konditsy, SRK understands that the Company has commissioned a re-estimation of the GKZ grade and tonnage Statements. The interim grade and tonnage estimates were presented as part of the TEO Konditsy, with the understanding that these would be further updated during H2 2013, with a view of declaring the updated GKZ grade and tonnage estimates as 1 January 2014.

The grade and tonnage estimates are based on a combination of the historical and recent exploration at Zhilyanskoye, including all data used in the generation of the SRK Mineral Resource Statements discussed previously. SRK has not reviewed the updated GKZ grade and tonnage estimates, but note that the methodology used is based on 3D modelling of the geological units, and computerised grade estimation methodologies. SRK notes that the geological model used as a basis of the grade and tonnage estimates differs slightly to that used by SRK, resulting in differences between the GKZ grade and tonnage estimate, and the SRK Mineral Resource estimates presented.

Technical studies referenced in the TEO Konditsy are essentially a summary of that presented for the TEO Construction, with additional information with respect to the mineral processing, geotechnical engineering, and mining studies. As with the TEO Construction, SRK has not reviewed the technical studies presented in the TEO Konditsy. In addition, SRK notes that the geological and grade modelling assumptions used for the generation of the TEO Konditsy differs from that used as the basis of the SRK Mineral Resource Statement presented herein.

2.6.3 Updated GKZ Grade and Tonnage estimates (November 2013)

The Company is currently in the process of updating the publicly declared GKZ estimates.

3 CHELKARSKOYE POTASH PROJECT

3.1 Introduction

This section summarises the geology of the Chelkarskoye deposit, and describes the exploration that has been completed to date. The main phase of exploration for the deposit was during the Soviet era. Since acquisition, the Company has undertaken limited exploration, which is also described. Currently, the Company has not declared a Mineral Resource estimate or Exploration Target for the deposit which are reportable in accordance with the JORC Code (2012).

Based on the information presented in this CPR, Table 1 of the JORC Code (2012) has been populated and is included in Appendix 1.2 of this CPR.

3.2 Project Location and Description

The CPP is located in northwest Kazakhstan, approximately 98 km southeast of Uralsk. The project area covers an area of approximately 779 km². Administratively, the property is located within the Terektinskiy region. The boundaries of the Property are defined by the coordinates in Table 3-1, and illustrated in Figure 3-1.

Table 3-1: Licence Coordinates for CPP

Easting	Northing
N 50°28' 39"	E 51°35' 36"
N 50°28' 39"	E 51°47' 30"
N 50°24' 55"	E 52°00' 00"
N 50°18' 54"	E 52°00' 00"
N 50°14' 26"	E 51°50' 00"
N 50°14' 26"	E 51°37' 57"
N 50°18' 55"	E 51°30' 00"
N 50°25' 32"	E 51°30' 00"

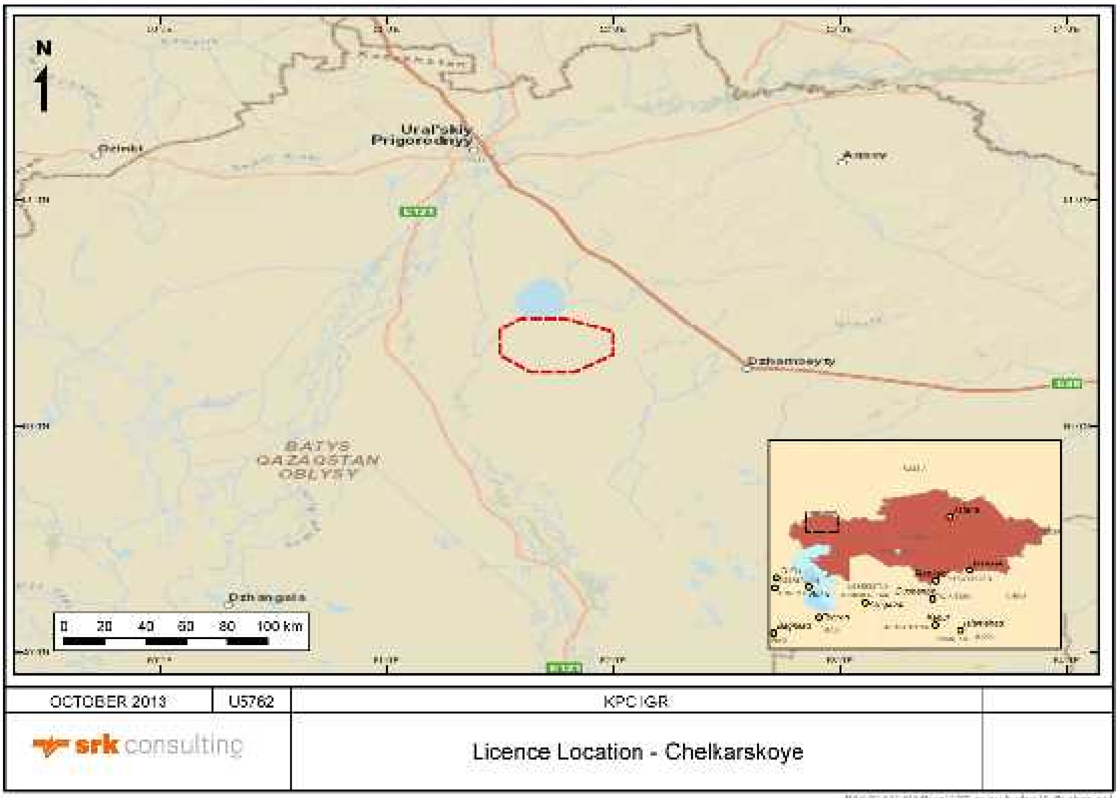


Figure 3-1: Mineral Assets: Location of the Chelkarskoye potash deposit

Access to the CPP is from Uralsk, which has an international airport serviced by direct flights from Moscow. In addition, Uralsk also has daily international rail service connections with Moscow and Tashkent, as well as daily domestic service connections with Almaty and Astana. Paved roads extend to approximately 120km from the CPP boundaries.

The climate in the CPP area is typically continental with warm summers and dry and cold winters. The highest summer day temperatures are around 45°C, with minimum winter temperatures of -45°C recorded. The average day time temperature for the whole year is between 4 and 7°C. Annual precipitation is between 180mm and 300mm, with the wettest months being April-May and October-November. The area has strong winds in the summer, and can have snowstorms in January to March which can result in populated areas being cut-off from each other.

Vegetation is predominantly drought resistant grassland, with narrow-leaf weeds. Fauna is also typical of grassland, including ground dwelling squirrels, rabbits, wolves, foxes, desert foxes and wild pigs. The area has a rich bird life, especially water birds, eagles, quail, and bustards.

Topographically, the area is slightly raised above sea level, being at an elevation of approximately 60m. The CPP area lies directly to the south of Lake Chelkar. At the shores of the lake, the salt dome has caused a slight hill to develop, which becomes gradually flatter away from the lake in south, east, and west directions. The highest point in the area is Sasai Mountain, at an elevation of +94m.

The local population in the deposit area is mainly employed in agriculture and industry, however, the area is generally sparsely populated. The area has access to electricity. Drinking water is also limited, being sourced from underground sources. A pipeline is currently under consideration, which will source water from the Ural river, which is approximately 40km to 50km away.

3.3 Geology

3.3.1 Regional geology

Potash mineralisation within the Chelkarskoye deposit is associated with a large scale salt dome structure. Lithologies in the area are of a similar age to those at Zhilyanskoye, being from between the Lower Permian and recent. The mineralisation is hosted by rocks from the Lower Permian, termed Kungurian, in age.

The Lower Permian units are subdivided into three, namely the Lower, rock salt bearing horizon, the Middle sulphate bearing horizon, and the Upper, clastic bearing horizon. The potash mineralisation is associated with the Lower horizon, which consists of upper and lower halite units, separated by the potash bearing zone, which is the host of the mineralisation within the Chelkarskoye deposit.

Potash mineralisation within the potash bearing zone forms three distinct layers, namely, from the top down:

- **The upper carnallite and sylvinite sub-zone:** This layer varies in thickness between 150m and 250m. The top of the unit is marked by a later of sylvinite approximately 50m thick and the base by a layer of anhydrite, which is approximately 70m thick. The KCl grade varies between 8.9% and 27.7%.
- **The middle sylvinite, bischofite, and carnallite sub-zone:** This is the thickest unit, being approximately 270m thick. In addition to the named minerals, the unit is also identified by the presence of kieserite and halite. The KCl content varies between 3.0% and 7.3%. Boron is also noted to occur in this unit.
- **The lower carnallite-sylvinite sub-zone:** This layer is between 50m and 150m thick. The KCl content is approximately 10%, but limited sampling is reported for this unit.

The salt dome structure which forms the host of the Chelkarskoye deposit is divided into three structural domains, which are characterised by specific features, namely:

- **Pre-Kungurian base:** This consists of units below the potash mineralisation, which are typically flat lying. These units to not form part of the potash salt bearing horizons, and have not been subjected to deformation.
- **Kungurian Halogen:** These units have been extensively deformed by salt tectonics. This

domain is the host of the potash mineralisation. Due to the pressure of the overlying sediments, the evaporate units have been deformed into various morphologies, including lenses and domes.

- **Kungurian blanket:** These are sediments overlying the evaporate mineralisation. These units have not been affected by the salt tectonics, and so are relatively undisturbed.

The morphology of the potash bearing units is difficult to determine, due to the complex salt tectonics. The horizons are considered to be highly deformed, often with steep dips and complex fold structures. However, there is currently insufficient drilling to adequately define the extent or morphology of the potash units within the Chelkarskoye deposit.

3.3.2 Deposit geology

The main evaporate minerals which have been intersected by drilling are halite, anhydrite, sylvite, carnalite, kieserite, and bischofite. Minor borates are also been identified. The mineralisation occurs as tabular, steeply dipping units, which strike approximately north-south. The units have steep, but variable dips, due to complex salt tectonics which have led to remobilisation of the potash units within the overlying sediments. Where mineralisation has been intersected, the deposits are generally between 500m and 3,350m in strike length, between 450m and 790m in down dip extension, with an average thickness of approximately 40m. The mineralisation occurs at depths of between 300 and 1,000 m below surface.

A geological map of the potash mineralisation within the Chelkarskoye deposit is given in Figure 3-2. The map was interpreted from the available drilling, and illustrates how the potash mineralisation is relatively complex. The units are not laterally continuous, and the current drill hole spacing is not sufficient for the grade and geological continuity between drill holes to be assumed.

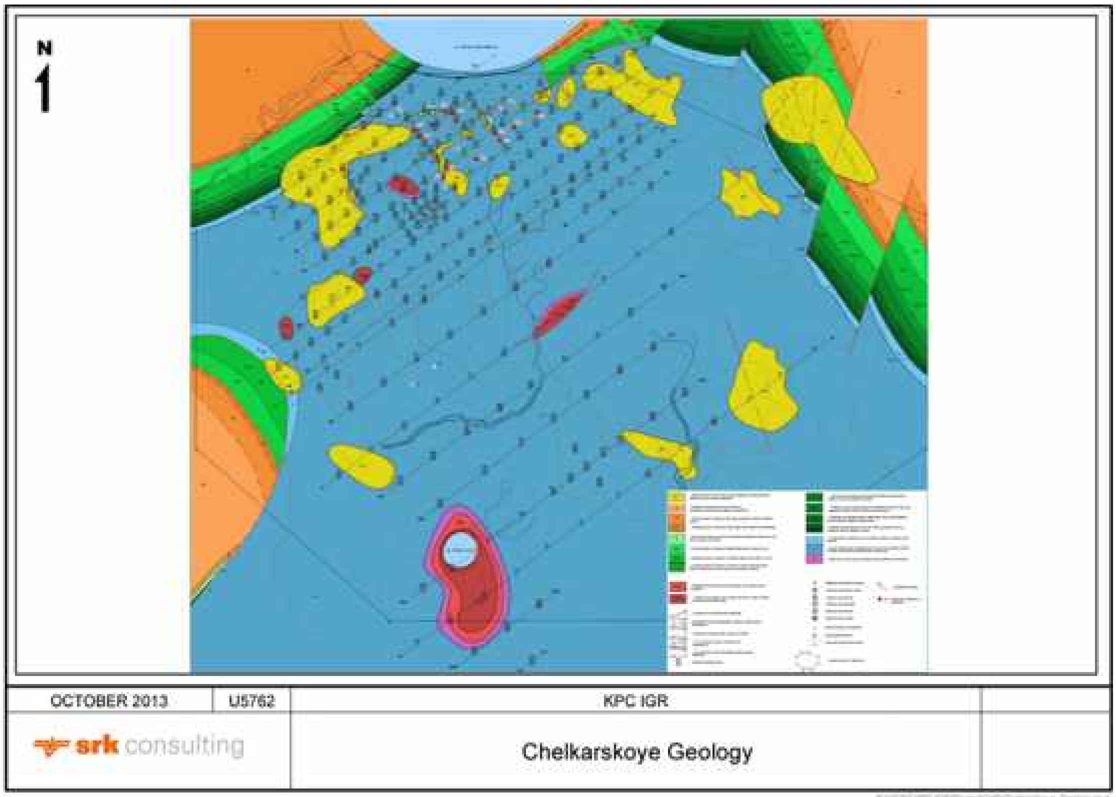


Figure 3-2: Mineral Assets: Geological map of the Chelkarskoye potash deposit

3.4 Exploration

3.4.1 Historical

The Chelkarskoye deposit was first identified by Soviet era geologists in 1926. Early exploration included hydrogeological surveys and geological mapping. Geophysical surveys completed in 1936 identified the overall structure of the area as a dome. Further exploration programmes, conducted during the 1950s and 1960s identified potash mineralisation at depths between 370m and 380m below surface. During this phase of exploration, the area was sub-divided into three prospective areas, namely 4, 5, and 6 fields, which were then explored separately. The area with the least drilling was Field 6, with drilling completed on a 1km by 1km drilling grid. For Field 4, the drilling was also on a 1km by 1km grid, with infill drilling on sections 500m apart in some areas. A total of 70 holes were drilled in Field 4, with 19 drilled for potash exploration, and 41 for defining the structure of the area. In Field 5, 106 holes were completed, on a grid of 500m by 500m. The maximum depth of the drill holes was approximately 1km. SRK notes that due to the complex morphology of the potash mineralisation, the majority of drilled holes did not intersect mineralisation.

Available data from the historical drilling has been recently digitised by the Company. The resultant database is summarised in Table 3-2. The drilling was all completed before 1960, and only limited information exists regarding the drilling and sampling procedures utilised during the campaign. SRK is not aware of any independently verified information regarding the logging, sampling, assaying, and QAQC procedures which were used during the historical drilling campaigns.

Table 3-2: Drilling statistics for the CPP

Campaign	Number of drill holes	Total drilling meters (m)	Number of K assay samples	Percentage of K assay samples per campaign
Historical	535	282,121	12,927	5,562
Total	**535**	**282,121**	**12,927**	**5,562**

3.4.2 Recent

The Company reports that limited exploration has been carried out at Chelkarskoye. This includes limited drilling and seismic profiles. A total of 4 drill holes were completed between 2010 and 2011, but further drilling was stopped due to the weather conditions. The core was sampled by drilling a central 1 inch diameter core from the centre of the recovered core, which was then sent for assay. It is not recorded where the samples were sent for assay, of the methods used to determine the elemental content. This data has not been used in any subsequent Mineral Resource estimates.

3.5 Historical Technical Studies

In 1965, after the completion of the drilling campaigns, grade and tonnage estimates for the Chelkarskoye deposit were undertaken, and reported in accordance with the Soviet Union reporting standard.

4 EXPLORATION PROGRAMME

4.1 Introduction

The following section includes a summary of the expenditures provided in respect of the Exploration Programme as developed by the Company for the three month period ending 31 December 2013 and calendar 2014.

It is however important to note that the exploration strategy proposed by the company is focused on the generation of technical documentation required for compliance with local regulatory standards. Furthermore, it is apparent that whilst this reflects the minimum level of commitments for 2014. SRK has also been informed that the Company does not intend to pursue the generation of Pre-Feasibility Studies, Feasibility Studies and Environmental, Social Impact Assessments as defined within the context of the Reporting Standard adopted for this CPR. Accordingly, SRK concludes that the Company will not be intending to report an Ore Reserve in accordance with the Reporting Standard.

Notwithstanding the above, SRK notes that for the CPP, the Company has stated its intention, to establish a Mineral Resource in accordance with the Reporting Standard and that this work is planned to be completed during calendar 2014.

4.2 Expenditures

The total expenditure included in the Exploration Programme for the Mineral Assets are US$4.09 million (A$4.42 million) of which US$2.42 million (A$2.61 million) and US$1.67 million (A$1.81 million) relate to the ZPP and the CPP respectively.

Table 4-1: Exploration Programme expenditures for the ZPP

Activity	Units	Expenditure
Feasibility Study – Chinese Institute	(US$k)	1,850
Kazakhstan geology government approval for design	(US$k)	67
subsoil rights evaluation	(US$k)	167
project finance	(US$k)	333
Total	**(US$k)**	**2,417**

Table 4-2: Exploration Programme expenditures for the CPP

Activity	Units	Expenditure
Drilling & related geology work	(US$k)	1,405
Kazakhstan geology government approval for design	(US$k)	70
Subsoil rights evaluation	(US$k)	200
Total	**(US$k)**	**1,675**

5 CONCLUDING REMARKS

5.1 Introduction

The following section includes a summary of the principal conclusions pertaining to the Mineral Resources and the Exploration Programme for the Mineral Assets. SRK's opinion as expressed in respect of the Mineral Resources and the Exploration Programme are reported in accordance with:

- the Reporting Standards as stated in Section 1.2.1;
- the Reliance Statements as noted in Section 1.2.2;
- the verification and validation process outlined in Section 1.4; and
- the limitations as noted in Section 1.5.1.

The focus of this CPR is the presentation of Mineral Resources in accordance with the Reporting Standard (Section 1.2.1), accordingly and at the request of the Company, neither the 'reserves' reported in accordance with the national reporting standard, nor the content of the 2013 TEO Konditsy or any preliminary OVOS have been subject to independent validation nor verification by SRK. For the avoidance of doubt, any technical information, sourced from the 2013 TEO Konditsy, is where referenced in this CPR is provided for information only. Accordingly SRK cannot comment on whether the technical work reported in these documents provides any indication of the technical feasibility or economic viability of the ZPP.

5.2 Mineral Resources

As at 26 November 2012, the Company reports the following in respect of the ZPP:

- Mineral Resources containing polyhalite mineralisation (51% of the tonnage quoted assuming %K to polyhalite conversion of 7.71) of:
  - Indicated Mineral Resources of 769.4Mt grading 8.17%K_2O, 6.79%K, 2.71%Mg, 14.69%Na, 38.26%SO_4 and 1.30%Insols,
  - Inferred Mineral Resources of 214.3Mt grading 7.32%K_2O, 6.08%K, 2.51%Mg, 16.27%Na, 35.58%SO_4 and 1.89%Insols; and
- Sylvinite Mineral Resources comprising:
  - Indicated Mineral Resources of 65.1Mt grading 19.24%K_2O, 15.98%K, 0.21%Mg, 23.56%Na, 2.41%SO_4 and 1.81%Insols,
  - Inferred Mineral Resources of 54.8Mt grading 17.86%K_2O, 14.83%K, 0.25%Mg, 24.64%Na, 2.52%SO_4 and 2.03%Insols.

5.3 Exploration Programme

The total expenditure included in the Exploration Programme for the Mineral Assets are US$4.09 million (A$4.42 million) of which US$2.42 million (A$2.61 million) and US$1.67 million (A$1.81 million) relate to the ZPP and the CPP respectively.

5.4 Principal Issues

The principal technical issues which impact the Mineral Resource statements and Exploration Programme as reported herein are summarised below, comprising both risks and opportunities.

Specific Risks

- That the mineralized material containing polyhalite (51%) as reported in the Mineral Resource statement for the ZPP, is following further technical and economic analysis, determined not to be economically viable. SRK notes that the primary source of potash material is currently sourced from the mining of sylvanite deposits and that where polyhalite is mined the percentage of polyhalite mineral exceeds 75%. This is further exemplified by the focus of advanced stage projects where the focus is on deposits where this percentage also exceeds 70%.

  Specifically, SRK notes that given the nature of the mineralisation, it is likely that the mineralised material containing polyhalite will require to be subjected to intensive processing to produce a marketable product and that this will inevitably incur additional expenditures. Notwithstanding this aspect, SRK notes that this is the subject of various technical-economic studies required as part of compliance with the local regulatory standards. As such, SRK understands that the Company is addressing these issues via such processes;
- That the Company is not currently considering any further detailed geological investigation (exploration drilling) in respect of the ZPP. In this instance, and given the type nature of the deposit, SRK considers that in order to support more detailed mining method selection and mine planning studies, additional drilling is required;
- That the planned exploration drilling in respect of the CPP is not successful in delineating a Mineral Resource or Exploration Target which is reportable in accordance with the terms and definition of the Reporting Standard;
- That the completion of further technical studies in accordance with the national reporting standards conclude that the consideration of establishing commercial operations at the ZPP is not technically feasible and economically viable; and

- Whilst there is no specific requirement to complete technical studies in accordance with the benchmarks specified in the Reporting Standards, the raising of development finance from certain international institutions may be difficult.

Specific Opportunities

- The principal opportunities relate to the successful outcome of the planned exploration programmes specifically with respect to:
  - Defining a Mineral Resource for the CPP,
  - Demonstrating that the ZPP as considered in the latest technical studies, prepared in accordance with the local standards, is both technically feasible and economically viable.

Glossary

Glossary – Technical Studies

Feasibility Study	means a comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered in sufficient detail so that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production. For the avoidance of doubt, this would commonly ensure that the technical feasibility and economic viability of the mineral deposit has been demonstrated on a multi-disciplinary basis to what is commonly known as “bankable standards”. In a Feasibility Study the declaration of Ore Reserves would be expected and the economic viability of the mineral deposit could be demonstrated with sole reliance on the depletion of the Ore Reserves without inclusion of Mineral Resources. In parallel to the development of the Feasibility Study it is normally expected that an Environmental and Social Impact Study would have been completed. Typical contingencies included within the capital expenditure estimate range between 10% and 15% and accuracy ranges are typically ±15%.
Pre-Feasibility Study	means a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established and an effective method of mineral processing has been determined, and includes a financial analysis based on reasonable assumptions of technical, engineering, legal, operating, economic, social, and environmental factors and the evaluation of other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as an Ore Reserve. For the avoidance of doubt this would commonly ensure that the technical feasibility and economic viability of the mineral project has been demonstrated on a multi-disciplinary basis to PFS levels and accordingly the declaration of Ore Reserves would be expected. SRK notes that such studies are not normally dependent on Inferred Mineral Resources to demonstrate economic viability and generally include appropriate contingencies (± 20% to 25%) with respect to capital expenditures to account for the lower amount of site specific engineering designs completed compared to that normally included in a Feasibility Study. Furthermore it is also general industry practice to acknowledge that such studies in reflecting a lower degree of accuracy are accompanied by higher accuracy/sensitivity ranges (±20%). Key deliverables of a Pre-Feasibility Study would include a recommendation of a single and sufficiently positive technical and economic outcome such that advancement to Feasibility-Study level is warranted.
Scoping study	means a study that includes an economic analysis of the potential viability of mineral resources taken at an early stage of the project prior to the completion of a PFS. A Scoping Study may be based on Measured, Indicated, or Inferred Mineral resources or a combination of any of these and include disclosure of forecast mine production rates and may contain capital costs to develop and sustain the mining operation, operating costs. For the avoidance of doubt a Scoping Study would seek to establish the mining method and process route to establish the nature and scale of the mineral project. A Scoping Study would have limited site specific data in respect of key operating assumptions and would only address certain disciplines on a high level fatal flaw basis. Both the contingency (>30%) and accuracy/sensitivity (±30%) associated with key assumptions are generally higher than that assumed for PFSs. Key deliverables of a Scoping Study would include the determination of sufficiently positive technical and economic outcomes such that advancement to PFS level is warranted. A Scoping Study is preliminary in nature, in that it generally includes Inferred Mineral Resources that are considered too speculative

geologically to have the economic considerations applied to them that would enable them to be categorized as Ore Reserves, and there is no certainty that the technical and economic aspects presented will be realised.

Conceptual Study — means a study that incorporates inherently lower level of accuracy and confidence with respect to technical and economic parameters normally included in a Scoping Study. A Conceptual study may only include Inferred Mineral Resources and/or further assumptions regarding Exploration Targets. Accordingly site specific data may be limited and reliance on generic assumptions derived from comparable situations is common.

Glossary – Mineral Resources and Ore Reserves

Ore Reserves — the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

Proved Ore Reserves — is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors. A Proved Ore Reserve represents the highest confidence category of reserve estimate and implies a high degree of confidence in geological and grade continuity, and the consideration of the Modifying Factors. The style of mineralisation or other factors could mean that Proved Ore Reserves are not achievable in some deposits.

Probable Ore Reserves — is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve. Consideration of the confidence level of the Modifying Factors is important in conversion of Mineral Resources to Ore Reserves. A Probable Ore Reserve has a lower level of confidence than a Proved Ore Reserve but is of sufficient quality to serve as the basis for a decision on the development of the deposit.

Mineral Resource — a ‘Mineral Resource’ is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Measured Mineral Resource

that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.

Indicated Mineral Resource

is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.

Inferred Mineral Resource

that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

APPENDIX

1. TABLE 1 (JORC CODE 2012, EDITION)

1.1 Zhilanskoye Potash Project (JORC Code 2012: Table 1)

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Section 1 Sampling Techniques and Data		
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• Not applicable – the deposits lie at significant depth below surface, and so surface sampling has not been undertaken
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Described in Section 2.4.2, page 17 • Drilling was completed during two phases, the first in the Soviet era (1952 to 1959), and more recently (2012) when an infill and twin drilling campaign was completed.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Described in Section 2.4.2, page 17 • Historical core recovery reported as greater than 95% for mineralized intercepts • Recent core recovery recorded as greater than 90% for mineralized intercepts
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Described in Section 2.4.2, page 18 • Historical core logged for geology only, which was used as a basis of the sampling interval. • Recent core was geologically and geotechnically logged, before being photographed. Core was marked at lithological boundaries, with a minimum sample length of 0.5m, and a maximum of 5m. • In addition, recent holes were surveyed for temperature, natural gamma, neutron gamma, caliper logging, flowmeter logging, and drill hole inclination.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Described in Section 2.4.2, page 18 • Historical core sampled by drilling 12mm holes into the core, and collecting fine material for analysis. Approximately 200g to 220g of sample was taken per drilled meter was recovered. Limited half core samples were also taken for comparison purposes. • Recent samples consisted of half core, with the core being split using a saw.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Described in Section 2.4.2, page 18 and 19 • Samples were analysed using wet chemistry methods to determine the K, Na, Mg, Ca, Cl, SO_4, Insol, hygroscopic moisture, and LOI. • Historical QAQC included field duplicates, internal duplicates, and external duplicates • Samples from the recent drilling were analysed at an accredited laboratory, using relevant wet chemistry methods. • QAQC procedures for the recent drilling included field duplicates, internal duplicates, external duplicates, blanks, and SRMs generated for the project by re-assaying a single drill hole
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Described in Section 2.4.2, page 17 • The recent drilling campaign included both infill and twinned holes. The twinned holes aimed to improve confidence in the historical data.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used.	• Described in Section 2.4.2, page 17 • Historical holes were not surveyed, which may have introduced a level of uncertainty into the geographical location of the mineralised bodies • The area was surveyed topographically as part of the

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	• Quality and adequacy of topographic control.	historical exploration campaigns
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• The drill hole spacing used to derive the Mineral Resource estimate is described in Section 2.4.2 (page 17). Drill holes were drilled on sections, spaced between 1,000m and 200m apart. • The drill holes are spaced sufficiently close to adequately characterized the grade and geological continuity for the declaration of Indicated and Inferred Mineral Resources. • The assay data was composited to 2m lengths prior to estimation
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The drilling orientation for the mineralisation is favourable for an unbiased sample. The holes are drilled with steep (sub-vertical to vertical) dips, and the mineralization is generally flat lying, although folded. No material bias is considered to be induced in relation to the geometry / intersection angles of drill holes.
Sample security	• The measures taken to ensure sample security.	• Described in Section 2.4.2, page 18 • For the recent drilling, the core was sealed into boxes and transported to the secure core storage facility for sampling
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Described in Section 1.4, page 4, and Section 1.7, page 7. • The deposit was visited by the SRK CP during 2012 and 2013. The visits were specifically to review the recent drilling campaign, and to review the sampling and assay procedures being used by the Company.

Section 2 Reporting of Exploration Results

Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• Described in Section 2.2, page 11 • The ZPP is covered by a single licence. The deposit falls easily within the licence boundaries.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Described in Section 2.4.1, page 16 • The majority of the exploration was completed during the Soviet Era, by state run exploration surveys.
Geology	• Deposit type, geological setting and style of mineralisation	• Described in Section 2.3, pages 12 to 16 • The deposit is characterised by both polyhalite and sylvinite potash mineralization, which has been folded to create a complex morphology
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Listing this material would not add any further material understanding of the deposit and Mineral Resource. Furthermore, no Exploration Results are specifically reported.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not applicable. No Exploration Results are specifically reported. • No metal equivalents have been used.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Not applicable, no Exploration Results are specifically reported.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Various maps and sections are presented herein.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Not applicable. No Exploration Results are specifically reported

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Not applicable.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Described in Section 4 • The Company has supplied an Exploration Programme for the CPP, for the three month period ending 31 December 2013 and calendar 2014. • The exploration strategy proposed by the Company is focused on the generation of technical documentation required for compliance with local regulatory standards, rather than additional drilling or exploration. • SRK has also been informed that the Company does not intend to pursue the generation of Pre-Feasibility Studies, Feasibility Studies and Environmental, Social Impact Assessments as defined within the context of the Reporting Standard adopted for this CPR. Accordingly, SRK concludes that the Company will not be intending to report an Ore Reserve in accordance with the Reporting Standard.

Section 3 Estimation and Reporting of Mineral Resources

Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• Described in Section 2.4.3, page 20 • SRK was provided with a validated database, as maintained by the Company. • The twinned holes and QAQC results were validated by SRK (Section 2.4.2, page 17 and 19) to ensure that the data from the two drilling campaigns were comparable and suitable for inclusion in the subsequent Mineral Resource estimate.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• Described in Section 1.4, page 4, and Section 1.7, page 7 • Site visits were completed by the SRK Competent Person during 2012 and 2013. The purpose of the site visits was to review the drilling, sampling, and assaying campaigns, as well as to gain knowledge regarding the geology of the deposit.
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• Described in Sections 2.3, 2.4.3, 2.4.7, and 2.5 • The morphology of the polyhalite and sylvinite units was modeled using 3D wireframing techniques. The modelled units are typically antifomal structures, with the axial planes striking approximately north - south. The limbs dip at approximately 35° towards the east and 40° towards the west. • The boundaries of the mineralised units were derived in part from the geology, and in part from a modelling cut-off grade. These were 1.59%K_2O for polyhalite, and 1.65% K_2O for sylvinite units.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• Described in Section 2.4.3 • The mineralisation varies in vertical thickness between 5m at the edges of the modelled units, to a maximum of approximately 140m at the fold axis.
Estimation and modeling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• Described in Sections 2.4.4, 2.4.5, and 2.4.6 • The assay data was composited to 2m intervals prior to estimation. • The data was unfolded to improve variogram modeling and grade estimation. The data was returned to unfolded space prior to model validation. • Variograms were generated for K_2O, Mg, Na, SO_4, and Insol, with separate suites of variograms being generated for polyhalite and sylvinite. • Grade was estimated using both OK. An indicator method was applied to reduce smoothing in the model. • The search radii used were based on the variogram parameters, with the search radii being increased in subsequent passes to ensure all blocks within the modelled units were filled. A minimum of 1 sample and maximum of 8 samples was used for the polyhalite units, and for the sylvinite units, a minimum of 1 sample and maximum of 7 samples was used. • For all search passes, a discretisation grid of 5 by 5 by 5 was applied. • The same search parameters were used for all other variables, namely Mg, Na, SO_4, and Insol.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Described in Section 2.4.2, page 19 • Tonnages were estimated from the modelled volumes by applying a single density, depending on the mineralisation type. The density values were based on the historical data, and were as follows: Polyhalite – 2.48t/m^3; Sylvinite – 2.07t/m^3; and Sylvinite-carnalite – 1.72t/m^3. • All densities are dry densities.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• Described in Section 2.5 • A cut-off grade of 5%K_2O for the material containing polyhalite, and 10%K_2O for the sylvinite.
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• Described in Section 2.5 • The deposit is assumed to be mined using underground methods
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Commented on Section 2.5 • SRK notes that the tonnage declared for the polyhalite mineralisation reflects a unit which comprises both polyhalite and halite. • Using a factor derived from the K content of polyhalite, SRK has determined that the proportion of polyhalite within the modelled mineralisation is 52% for the declared Indicated Mineral Resources and 46% for the Inferred Mineral Resources. • SRK has assumed that no other K bearing minerals are present within the modelled mineralisation, meaning that all of the contained K reports to polyhalite. As discussed previously, the remainder of the modelled mineralisation comprises halite, which is intergrown with the polyhalite.
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• Described in Section 2.6 • SRK understands that a series of technical studies for the ZPP have been completed. This includes environmental considerations. SRK has not reviewed any of the technical studies completed by the Company.
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• Described in Section 2.4.2, page 19 • Tonnages were estimated from the modelled volumes by applying a single density, depending on the mineralisation type. The density values were based on the historical data, and were as follows: Polyhalite – 2.48t/m^3; Sylvinite – 2.07t/m^3; and Sylvinite-carnalite – 1.72t/m^3. • All densities are dry densities.
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• Described in Section 2.4.7 • In classifying the Mineral Resources, SRK has taken several factors into account. These include, but are not limited to: - Quality of data; - Quantity and spacing of data; - Geological understanding, confidence in the geological continuity; and Quality of the estimated grades, and confidence in the grade continuity; • SRK notes that the current geological modelling has inferred a high degree of correlation between the mineralised intersects, resulting in a continuous model of polyhalite and sylvinite mineralisation. SRK notes that additional infill drilling may indicate areas where the complex salt tectonic regime and late stage faulting may have significantly impacted on the currently assumed geological model. The geological model presented is based in part on the historical drilling. • SRK has also assumed that the grade distribution within the polyhalite and sylvinite lenses is relatively undisturbed during emplacement, meaning that the grade distribution within the lens reflects the morphology of the modelled lens.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• No external reviews have been undertaken to date
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• Described in Section 2.4.7 • SRK has classified the Mineral Resources as a combination of Indicated and Inferred Mineral Resources. • The Indicated Mineral Resources were defined in areas where the drill hole spacing was typically 200m on section, and 500m between sections. The remainder of the modelled mineralisation was classified as Inferred Mineral Resources.

1.2 Chelkarskoye Potash Project (JORC Code 2012: Table 1)

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Section 1 Sampling Techniques and Data		
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• Not applicable – the deposits lie at significant depth below surface, and so surface sampling has not been undertaken
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Described in Section 3.4, page 29 • The majority of drilling was undertaken during the Soviet era (before 1960). Limited information is available regarding the drilling and sampling techniques utilized during the campaigns. • Four holes were drilled between 2010 and 2011, but limited information is reported.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Not recorded for either historical or recent drilling.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Not recorded for either historical or recent drilling.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Not recorded for either historical or recent drilling.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Not recorded for either historical or recent drilling. • It is reported that the recent core was sampled by drilling a central 1 inch diameter core from the centre of the recovered core, which was then sent for assay. However, it is not recorded where the samples were sent for assay, or the methods used to determine the elemental content. • None of the historical or recent data has been used to in subsequent Mineral Resource estimates.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• None undertaken at the current time.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Not recorded for either historical or recent drilling.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Described in Section 3.4, page 29 • The drill holes are reported to be drilled on a grid of 500m by 500m. The maximum depth of the drill holes was approximately 1km.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Described in Section 3.4, page 29 • The drill holes are assumed to have been drilled vertically. The complex morphology of the potash mineralization means that the majority of drilled holes did not intersect mineralization.
Sample security	• The measures taken to ensure sample security.	• Not recorded for either historical or recent drilling.
Audits or reviews	• The results of any audits or reviews of sampling techniques and	• Not applicable

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	data.	
Section 2 Reporting of Exploration Results		
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• Described in Section 3.2, page 26 • The CPP is covered by a single licence. The deposit falls easily within the licence boundaries.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Described in Section 3.4.1, page 29 • The majority of the exploration was completed during the Soviet Era, by state run exploration surveys.
Geology	• Deposit type, geological setting and style of mineralisation	• Described in Section 3.3 • Potash mineralisation within the Chelkarskoye deposit is associated with a large scale salt dome structure. The morphology of the potash bearing units is difficult to determine, due to the complex salt tectonics. The horizons are considered to be highly deformed, often with steep dips and complex fold structures. However, there is currently insufficient drilling to adequately define the extent or morphology of the potash units within the Chelkarskoye deposit. • The main evaporate minerals which have been intersected by drilling are halite, anhydrite, sylvite, carnalite, kieserite, and bischofite. • The mineralisation occurs as tabular, steeply dipping units, which strike approximately north-south. The units have steep, but variable dips, due to complex salt tectonics which have led to remobilisation of the potash units within the overlying sediments.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Listing this material would not add any further material understanding of the deposit. Furthermore, no Exploration Results are specifically reported.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not applicable. No Exploration Results are specifically reported. • No metal equivalents have been used.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Not applicable, no Exploration Results are specifically reported.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Various maps and sections are presented herein.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Not applicable. No Exploration Results are specifically reported
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Not applicable. No Exploration Results are specifically reported
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Described in Section 4 • The Company has supplied an Exploration Programme for the CPP, for the three month period ending 31 December 2013 and calendar 2014. • The exploration strategy proposed by the Company is focused on the generation of technical documentation required for compliance with local regulatory standards, rather than additional drilling or exploration. • SRK has also been informed that the Company does not intend to pursue the generation of Pre-Feasibility Studies, Feasibility Studies and Environmental, Social Impact Assessments as defined within the context of the Reporting Standard adopted for this CPR. Accordingly, SRK concludes that the Company will not be intending to report an Ore Reserve in accordance with the Reporting Standard.
Section 3 Estimation and Reporting of Mineral Resources		
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• Not applicable – No Mineral Resources are currently declared for the CPP
Site visits	• Comment on any site visits undertaken by the Competent Person	• Not applicable – No Mineral Resources are currently

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	declared for the CPP
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• Not applicable – No Mineral Resources are currently declared for the CPP
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• Not applicable – No Mineral Resources are currently declared for the CPP
Estimation and modeling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• Not applicable – No Mineral Resources are currently declared for the CPP
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Not applicable – No Mineral Resources are currently declared for the CPP
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• Not applicable – No Mineral Resources are currently declared for the CPP
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• Not applicable – No Mineral Resources are currently declared for the CPP
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Not applicable – No Mineral Resources are currently declared for the CPP
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• Not applicable – No Mineral Resources are currently declared for the CPP
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• Not applicable – No Mineral Resources are currently declared for the CPP
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• Not applicable – No Mineral Resources are currently declared for the CPP
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• Not applicable – No Mineral Resources are currently declared for the CPP
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be	• Not applicable – No Mineral Resources are currently declared for the CPP

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	