

## **FORTIS MINING LIMITED NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 2012 Annual General Meeting of the Shareholders of Fortis Mining Limited ACN 143 441 285 will be held at the offices of Norton Rose, Level 15, RACV Tower, 485 Bourke Street, Melbourne, on Friday, 30 November 2012 at 2.30 pm (Melbourne time).

The accompanying Explanatory Statement has been prepared to provide Shareholders with an explanation of the business and the Resolutions to be proposed and considered at the Meeting. The Explanatory Statement should be read in conjunction with this Notice of Meeting.

All documents should be read in their entirety. If you are in any doubt about what to do, you should consult your legal, financial or other professional adviser.

### **AGENDA**

#### **Item 1. 2012 Annual Report**

To receive and consider the following reports of the Company for the year ended 30 June 2012:

- the Annual Financial Report;
- the Directors' Report; and
- the Auditor's Report.

*There is no vote on this item of business.*

#### **Item 2. Change of name of the Company (Resolution 1)**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, in accordance with section 157(1)(a) of the Corporations Act 2001 and for all other purposes, the name of the Company be changed to **Kazakhstan Potash Corporation Limited**."*

#### **Item 3. Adoption of the Remuneration Report (Resolution 2)**

To consider and, if thought fit, to pass the following resolution as an **advisory resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act 2001, the Remuneration Report for the Company for the financial year ended 30 June 2012 be adopted."*

*Under the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company. However, please refer to the Explanatory Statement for an explanation of the consequences of 25% or more eligible votes being cast against this advisory resolution.*

#### **Voting exclusion statement**

In accordance with the Corporations Act, the Company will disregard any votes cast (in any capacity) on Resolution 2 by or on behalf of a member of the Company's Key Management Personnel details of whose remuneration are included in the 2012 Remuneration Report for the Company, and their Closely Related Parties.

However, the Company will not disregard a vote cast on Resolution 2 by the Company's Key Management Personnel or their Closely Related Parties if:

- it is cast by a person as a proxy appointed in writing by a person entitled to vote that specifies how the proxy is to vote on Resolution 2; or
- it is cast by the person chairing the Meeting as an undirected proxy which expressly authorises the chair to vote the proxy on a Resolution directly or indirectly connected with the remuneration of the Key Management Personnel.

#### **Item 4. Election of Madame Cheung as a Director (Resolution 3)**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Madame Freada Cheung, who retires in accordance with rule 3.3 of the Constitution of the Company and being eligible, is elected as a Director of the Company."*

#### **Item 5. Election of Teresa Wong as a Director (Resolution 4)**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Ms Teresa Wong, who retires by rotation in accordance with rule 3.3 of the Constitution of the Company and being eligible, is elected as a Director of the Company."*

#### **Item 6. Election of Marco Marcou as a Director (Resolution 5)**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Mr Marco Marcou, who retires in accordance with rule 3.3 of the Constitution of the Company and being eligible, is elected as a Director of the Company."*

#### **Item 7. Election of Edward Wen as a Director (Resolution 6)**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Mr Edward Wen, who retires in accordance with rule 3.3 of the Constitution of the Company and being eligible, is elected as a Director of the Company."*

#### Item 8. Election of Junmei Zhang as a Director (Resolution 7)

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That Ms Junmei Zhang, who retires in accordance with rule 3.3 of the Constitution of the Company and being eligible, is elected as a Director of the Company.”*

#### Item 9. Ratification of prior issue of Shares (Resolution 8)

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the prior issue of 1,350,000 Shares to GEM Investments America, LLC and GEM Global Yield Fund Limited as described in the Explanatory Statement, is approved and ratified.”*

##### Voting exclusion statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 8 by GEM Investments and GEM Global and any of their associates.

However, the Company will not disregard votes of the above parties if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### Item 10. Approval to issue Shares to Madame Cheung (Resolution 9)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That, in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 3,000,000 Shares to Madame Freada Cheung (or her nominee), as described in the Explanatory Statement.”*

##### Voting exclusion statement

In accordance with the ASX Listing Rules, the Company shall disregard any votes cast on Resolution 9 by Madame Cheung and any of her associates.

However, the Company will not disregard votes of the above parties if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

##### Fortis Mining Limited

ABN 57 143 441 285

Level 5, 15-19 Claremont St South Yarra VIC 3141

tel: +61 3 9020 0105 | fax: +61 3 9015 6468

email: [info@fortismining.com.au](mailto:info@fortismining.com.au)

In addition, a vote must not be cast on Resolution 9 by a KMP or a Closely Related Party of such a KMP, acting as proxy, if their appointment does not specify the way the proxy is to vote on Resolution 9. However, this voting exclusion does not apply if the chair of the Meeting is acting as proxy for a person who is entitled to vote and their appointment expressly authorises the chair of the Meeting to exercise the proxy even if that Resolution is connected directly or indirectly with the remuneration of a KMP.

#### **Item 11. Kazakhstan Vendors Selective Share Buy-back (Resolution 10)**

To consider and, if thought fit, pass the following resolution as a **special resolution**:

*“That, for the purpose of section 257D(1)(a) of the Corporations Act 2001 and for all other purposes, Shareholders approve a selective share buy-back, or a series of selective share buy-backs, by the Company of up to 285,000,000 Shares held by Mainstar Investments Limited, United Delight Holdings Limited, Goldquest Services Inc. and Celaric Continental Limited (together, the **Kazakhstan Vendors**) or, where applicable, the independent escrow agent holding Shares on behalf of the Kazakhstan Vendors within the period of 12 months from the date of the 2012 Annual General Meeting of the Company and otherwise in accordance with the terms set out in the Explanatory Statement.”*

#### **Voting exclusion statement**

In accordance with the Corporations Act, the Company will disregard any votes cast in favour of Resolution 10 by a person whose Shares will be bought back and any of its associates.

#### **Item 12. GEM Selective Share Buy-back (Resolution 11)**

*“That, for the purpose of section 257D(1)(a) of the Corporations Act 2001 and for all other purposes, Shareholders approve a selective share buy-back, or a series of selective share buy-backs, by the Company of up to 1,350,000 Shares held by GEM Investments America, LLC and GEM Global Yield Fund Limited within the period of 12 months from the date of the 2012 Annual General Meeting of the Company and otherwise in accordance with the terms set out in the Explanatory Statement.”*

#### **Voting exclusion statement**

In accordance with the Corporations Act, the Company will disregard any votes cast in favour of Resolution 11 by a person whose Shares will be bought back and any of its associates.

#### **Other Business**

To consider any other business that may be lawfully brought forward.

#### **QUESTIONS AND COMMENTS BY SHAREHOLDERS**

A reasonable opportunity will be given to Shareholders as a whole at the Annual General Meeting to ask questions about or make comments on the Company's 2012 Annual Report, the Remuneration Report and the management or performance of the Company and to ask the Auditor or their representative questions relevant to the conduct of the audit, the preparation and content of their Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of its 2012 Annual Report and the Auditor's independence in relation to the conduct of the audit.

#### **Fortis Mining Limited**

ABN 57 143 441 285

Level 5, 15-19 Claremont St South Yarra VIC 3141

tel: +61 3 9020 0105 | fax: +61 3 9015 6468

email: [info@fortismining.com.au](mailto:info@fortismining.com.au)

## GLOSSARY

A Glossary of terms used in this Notice of Meeting and Explanatory Statement is contained in the Explanatory Statement after item 12.



Marco Marcou

**Executive Director and Company Secretary**

On behalf of the Board of Directors

Fortis Mining Limited

29 October, 2012

## NOTES REGARDING PROXIES AND VOTING

### Voting and determination of voting entitlement

For the purpose of Regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth), the Company has determined, for the purpose of voting entitlements at the Meeting, that Shares in Fortis Mining are taken to be held by those Shareholders registered at 7:00 pm (Melbourne time) on Wednesday, 28 November 2012. Accordingly, only those persons will be entitled to attend and vote at the Meeting.

Unless a poll is demanded in advance of voting on a Resolution, voting on each Resolution will initially be by way of a show of hands. On a show of hands, each Shareholder present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote.

On a poll, every Shareholder present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each Share held by him, her or it.

### Important Voting Information

The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on the Resolutions.

The Chairperson of the Annual General Meeting intends to vote all undirected proxies in favour of each Resolution. However, the Chairperson of the Meeting is not permitted to vote an undirected proxy on Resolution 2 or 9 unless the proxy expressly authorises the Chairperson to vote the proxy on such Resolutions even if it is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

**Fortis Mining Limited**

ABN 57 143 441 285

Level 5, 15-19 Claremont St South Yarra VIC 3141

tel: +61 3 9020 0105 | fax: +61 3 9015 6468

email: [info@fortismining.com.au](mailto:info@fortismining.com.au)

Page 5

In respect of Resolution 2 or 9, if you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on those Resolutions. If you intend to appoint the Chairperson as your proxy for Resolution 2 or 9, you can direct her how to vote by marking the appropriate boxes for those Resolutions. Alternatively, you can choose not to mark either or all of those boxes and give your express authority to vote on any undirected proxy even if the Resolution concerned is connected directly or indirectly with the remuneration of a member of the KMP (in which case, as outlined above, the Chairperson will vote in favour of each of Resolutions 2 and 9).

### **Appointing a Proxy**

A Shareholder entitled to attend and vote at the Meeting can appoint a proxy to attend and vote at the Meeting on their behalf. A proxy need not be a Shareholder.

Where a Shareholder is entitled to cast 2 or more votes, the Shareholder may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions).

A proxy form accompanies this Notice of Meeting. If you require a second proxy form, please contact the Company on +61 (0)3 9020 0105. The Proxy Form contains important information and other instructions which you should read carefully.

Any instrument of proxy deposited or received by the Company in which the name of the appointee is not filled in will be deemed to be given in favour of the Chairperson of the meeting to which it relates.

Proxies given by corporate Shareholders must be executed in accordance with their constitutions or signed by a duly authorised officer or attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution of the Company to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit (subject to the exceptions set out above under **"Important Voting Information"** above).

For an appointment of a proxy to be effective, an instrument of appointment of a proxy (and any power of attorney or other authority under which it is signed or a certified copy of that power or authority) must be received by the Company, by hand delivery, postage or facsimile using the details set out below, by not less than 48 hours prior to the Meeting. That is, by 2.30 pm (Melbourne time) on Wednesday, 28 November 2012 .

**Address:** Fortis Mining Limited  
Attention: The Company Secretary  
Level 5, 15-19 Claremont St  
South Yarra, Victoria, 3141

**Facsimile:** +61 (0)3 9670 3222

## Corporate Shareholders

Corporate Shareholders wishing to appoint a representative to attend the Meeting on their behalf must provide that person with a properly executed letter confirming that they are authorized to act as the company's representative. The authorisation may be effective either for this Meeting only or for all general meetings of the Company.

### Fortis Mining Limited

ABN 57 143 441 285

Level 5, 15-19 Claremont St South Yarra VIC 3141

tel: +61 3 9020 0105 | fax: +61 3 9015 6468

email: [info@fortismining.com.au](mailto:info@fortismining.com.au)

Page 7

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared and is being provided to Shareholders of Fortis Mining Limited in connection with the business to be considered at the 2012 Annual General Meeting of the Shareholders to be held at the offices of Norton Rose, Level 15, RACV Tower, 485 Bourke Street, Melbourne, on Friday, 30 November 2012 at 2.30 pm (Melbourne time).

The purpose of this Explanatory Statement is to provide Shareholders with an explanation of the business and the Resolutions to be proposed and considered at the Meeting. This Explanatory Statement forms part of the accompanying Notice of Meeting and should be read in conjunction with it.

The Directors recommend that Shareholders carefully read this Explanatory Statement in full before making any decision in relation to the Resolution. If Shareholders are in any doubt about what to do, they should consult their legal, financial or other professional adviser.

### Item 1. Financial Statements and Reports

The Company's 2012 Annual Report is enclosed with the Notice of Meeting and is also available online at [www.fortismining.com.au](http://www.fortismining.com.au).

The Corporations Act requires the Annual Financial Report of the Company (which includes the Financial Statements and Directors' Declaration), the Directors' Report (which includes the Remuneration Report) and the Auditor's Report in respect of the financial year ended on 30 June 2012 to be laid before the Annual General Meeting.

Except for the non-binding advisory resolution in respect of the Remuneration Report (refer to Resolution 2 below), there is no requirement in either the Corporations Act or the Company's Constitution for Shareholders to approve the Annual Financial Report, the Directors' Report or the Auditor's Report.

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on these reports and on the business, operations and management of the Company.

The Auditor or a representative of the Auditor is required to attend the meeting and will be available to take Shareholder's questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of its 2012 Annual Report and the Auditor's independence in relation to the conduct of the audit.

### Item 2. Change of name of the Company (Resolution 1)

The Directors have resolved to seek Shareholder approval to change the name of the Company to **Kazakhstan Potash Corporation Limited**. The Directors believe that Kazakhstan Potash Corporation Limited more accurately reflects both the Company's geographical and mineral focus approved at the Company's 2011 Annual General Meeting.

Shareholders again effectively approved this change in the Company's geographical and mineral focus by approving the proposed issue of up to 285 million Shares to the Kazakhstan Vendors at the General Meeting of Shareholders of the Company held on 27 June 2012.

Section 157(1)(a) of the Corporations Act provides that if a company wishes to change its name it must pass a "special resolution" adopting a new name.

A special resolution of a company is a resolution that has been passed by at least 75% of the votes cast by members of the relevant company entitled to vote on the resolution.

Subject to Shareholders approving the change of name of the Company under Resolution 1, the Company proposes to change its ASX Listing Code from "FMJ" to "KPC". The Company has requested ASX to reserve the "KPC" code for the Company.

*Recommendation:* The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

### **Item 3. Adoption of Remuneration Report (Resolution 2)**

The Corporations Act requires listed companies to put a Remuneration Report relating to director and executive remuneration for each financial year to a resolution of members at their annual general meeting. The Remuneration Report for the Company is available on pages 9 to 12 of the Company's 2012 Annual Report.

Under section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

If at 2 consecutive annual general meetings of the Company, 25% or more of votes cast are against the adoption of the Remuneration Report, the Company will be required to put to Shareholders a resolution at the second annual general meeting proposing the calling of an extraordinary general meeting to consider the election of Directors of the Company (known as a "**spill resolution**").

If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (known as a "**spill meeting**") within 90 days of the spill resolution. All of the Directors who were in office when the Remuneration Report (being, the report laid before the second annual general meeting) was approved by the Board (other than the Managing Director) will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting, those persons whose re-election as Directors is approved will remain directors of the Company.

The Company's 2011 Remuneration Report was adopted at the 2011 Annual General Meeting by more than 75% of the votes cast.

In compliance with section 300A of the Corporations Act, the Remuneration Report sets out the Company's policy for determining the nature and amount of remuneration for the Directors and specified executive officers of the Company. The Board has a policy of ensuring that remuneration paid to Directors and management is market competitive while at the same time aligned to the achievement of strategic objectives and the creation of value for Shareholders.

During this item of business, there will be opportunity for Shareholders at the Annual General Meeting to comment on and ask questions about the Remuneration Report.

## **Items 4 to 8. Election of Directors (Resolutions 3 to 7)**

### **1. Background**

Rule 3.3 of the Constitution provides that the Board may appoint a person to be a Director of the Company at any time. However, any Director appointed by the Board must automatically retire at the next Annual General Meeting of the Company and is eligible for election by Shareholders at that Annual General Meeting.

All Directors of the Company (other than Mr T Wong) have been appointed since the last Annual General Meeting of the Company and automatically retire at the 2012 Annual General Meeting of the Company but are eligible for election.

### **2. Resolution 3 – Election of Madame Cheung**

Madame Cheung was appointed as a Director by the Board with effect from 21 November 2011 and, being eligible, offers herself for election at the Meeting. Madame Cheung is currently the Chairperson of the Company.

Madame Cheung is an experienced investor in various companies internationally, including companies in Australia, Hong Kong, Singapore and United Kingdom. She is well respected among the business community and has provided advisory services to companies that she has invested in. She has a diversified investment portfolio and knowledge base, with major investments and interests in the mining industry, clean energy and agricultural resources segments.

*Recommendation:* The Board (with the exception of Madame Cheung as an abstention) unanimously recommends that Shareholders vote in favour of Resolution 3.

### **3. Resolution 4– Election of Teresa Wong**

Teresa Wong was appointed as a Director by the Board with effect from 19 November 2011 and, being eligible, offers herself for election at the Meeting. Ms Wong is currently the Chief Financial Officer and joint Company Secretary of the Company.

Ms. Wong has over 20 years of experience in accounting, finance and auditing. She started her career with Deloitte Touche Tohmatsu and moved to work at a management level in finance, risk management and treasury functions in large investment banks, including Macquarie Group Limited. She holds a bachelor degree in commerce from Australian National University and is an associate member of CPA (Australia).

*Recommendation:* The Board (with the exception of Ms Wong as an abstention) unanimously recommends that Shareholders vote in favour of Resolution 4.

#### 4. Resolution 5 – Election of Marco Marcou

Marco Marcou was appointed as a Director by the Board with effect from 19 November 2011 and, being eligible, offers himself for election at the Meeting. Mr Marcou is currently an Executive Director and the joint Company Secretary of the Company.

Mr. Marcou has over 25 years of managerial, consulting and advisory experience in Australia, the USA and Asia. His primary expertise is in the areas of telecommunications, information technology, broadcasting and the resources sector. He has held a number of senior management positions in the telecommunications and software sectors and worked for Deloitte Consulting (Australia and Hong Kong) specialising in mergers & acquisitions.

In 2004, Mr. Marcou was a joint founder and director of MAP Capital Advisors (**MAP**), an independent boutique investment and advisory house with offices in Sydney and Melbourne providing Corporate Advisory (Strategic Transactions and Capital Markets), Market Insights, Venture Capital and Specialist Funds services. MAP's sector focus is on the TRiMET market segments (namely: Technology, Retail, Internet, Media, Entertainment and Telecoms) and the Resources sectors (namely: Mining, Oil & Gas and Cleantech).

Mr. Marcou holds a Master of Business Administration (Swinburne University of Technology) and a Bachelor of Arts (University of Melbourne).

*Recommendation:* The Board (with the exception of Mr Marcou as an abstention) unanimously recommends that Shareholders vote in favour of Resolution 5.

#### 5. Resolution 6 – Election of Edward Wen

Edward Wen was appointed as a Director by the Board with effect from 19 November 2011 and, being eligible, offers himself for election at the Meeting.

From 1993 to 2000, Mr. Wen was an investment banker in several global investment banking houses in New York, first at J&W Seligman and then Nomura Securities, where he initiated and executed numerous cross-border initial public offerings, merger and acquisition transactions and structured financings.

From 2001 to 2008, Mr. Wen has served as President of Genes Capital Group, a US-based merchant banking company which provided financing for small-cap companies. Since 2008, Mr. Wen founded and manages several private equity funds with total investment assets of over US\$3billion.

Mr. Wen holds an Master of Business Administration from Stern School of Business of New York University.

*Recommendation:* The Board (with the exception of Mr Wen as an abstention) unanimously recommends that Shareholders vote in favour of Resolution 6.

## 6. Resolution 7 – Election of Junmei Zhang

Ms Junmei Zhang was appointed as a Director by the Board with effect from 20 October, 2012 and, being eligible, offers herself for election at the Meeting.

Ms Zhang has over 11 years accounting experience in a number of senior management roles in Australia and is a member of CPA Australia. Ms Zhang holds a Master of Accounting and Post-Graduate Diploma in Accounting from Macquarie University.

*Recommendation:* The Board (with the exception of Ms Junmei Zhang as an abstention) unanimously recommends that Shareholders vote in favour of Resolution 7.

## Item 9. Ratification of prior issue of Shares (Resolution 8)

### 1. Background

On 18 April 2011, the Company entered into an Equity Line Facility Agreement with CITIC-GEM Limited (**GEM**) and GEM Investments America, LLC (**GEM Investments**) pursuant to which GEM agreed to provide the Company with an exclusive equity line facility (**Facility**).

Under the Facility, the Company can require GEM to subscribe for Shares in the Company up to a total issue price of A\$140,000,000. The funds raised by the Company under the Facility are permitted to be used for working capital and other investment purposes.

The Equity Line Facility Agreement required the Company to pay GEM Investments a commitment fee of \$2,800,000 (**Commitment Fee**) in 2 separate tranches of \$1,400,000 each over a 12 month period.

On 5 March 2012, the Company entered into a deed with GEM and GEM Investments pursuant to which GEM Investments agreed that it would accept \$650,000 of the first tranche of the Commitment Fee by way of the issue to it of 650,000 Shares (**First Tranche Commitment Fee Shares**).

GEM Investments' agreement to accept the First Tranche Commitment Fee Shares in lieu of \$650,000 in cash was subject to certain conditions including the issue of certain "top-up" shares and the buying-back of the First Tranche Commitment Fee Shares for nil consideration in certain circumstances.

Following the execution of the further deed dated 5 September, 2012 those conditions were amended as outlined below.

The First Tranche Commitment Fee Shares were issued by the Company to GEM Investments on 6 March 2012.

On 5 September 2012, the Company entered into a further deed with GEM and GEM Investments pursuant to which GEM Investments agreed that it would accept \$700,000 of the second tranche of the Commitment Fee by way of the issue to it (or a nominee) of 700,000 Shares (**Second Tranche Commitment Fee Shares**).

The Second Tranche Commitment Fee Shares were issued by the Company to GEM Global Yield Fund Limited (a nominee of GEM Investments) (**GEM Global**) on 10 September 2012.

GEM Investments' agreement under that further deed to accept the Second Tranche Commitment Fee Shares in lieu of A\$700,000 in cash was subject to the Company agreeing to issue "top up" Shares if, after the Company's Shares were reinstated to quotation on ASX, the 3 day average closing price of the Company's Shares on ASX prior to a date falling 3 or 6 months (as nominated by GEM Investments) from the date on which the Shares were reinstated to quotation on ASX was less than \$1.00. The number of "top up" Shares required to be issued is based on a formula which effectively puts GEM Investments (or its nominee) in the same economic position had the Second Tranche Commitment Fee Shares been issued at a price per Share equal to the relevant 3 day average closing price as opposed to \$1.00.

The further deed dated 5 September 2012 also amended the deed dated 5 March 2012 to require the Company to issue "top-up" Shares to GEM Investments or its nominee on the same basis outlined above to effectively put GEM Investments in the same economic position had the First Tranche Commitment Fee Shares had been issued at a price per Share equal to the relevant 3 day average closing price (as outlined above) as opposed to \$1.00.

If Fortis does not issue the "top-up" Shares, it must pay the sum of A\$1,552,500 less the value of the First and Second Tranche Commitment Fee Shares (calculated on the 3 day average closing price of the Company's Shares prior to the applicable date referred to above).

The further deed dated 5 September 2012 also provided that if the Company's Shares were not reinstated to quotation on ASX by 1 December 2012, the Company would:

- (1) buy-back for nil consideration, subject to Shareholder approval, the First and Second Tranche Commitment Fee Shares (please refer to item 12 below); and
- (2) pay to GEM Investments the sum of A\$1,552,500, being the balance of the Commitment Fee and certain other amounts owing by the Company to GEM Investments. This amount is payable irrespective of whether Shareholders approve the buy-back of the First and Second Tranche Commitment Fee Shares.

## **2. ASX Listing Rule Requirements**

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of securities that a company may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued securities.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

### 3. Resolution 8

Resolution 8 requests Shareholders to approve and ratify, pursuant to ASX Listing Rule 7.4, the issue of the First Tranche Commitment Fee Shares and the Second Tranche Commitment Fee Shares to GEM Investments and GEM Global respectively. The issue of those Shares did not breach ASX Listing Rule 7.1.

By approving and ratifying this issue, the Company will retain the flexibility to issue new Shares and other securities in the future up to the 15% annual limit set out in ASX Listing Rule 7.1 (without the requirement to obtain prior Shareholder approval).

This flexibility is important as the Board is in the process of preparing a prospectus for the purpose of raising additional capital and to comply with the provisions of the Listing Rules relevant to the reinstatement to quotation on ASX of the Company's Shares. The Company does not propose to obtain the approval of its Shareholders under ASX Listing Rule 7.1 for Shares offered pursuant to that prospectus.

### 4. Information required for shareholder ratification

Under ASX Listing Rule 7.5, the Company is required to provide the following information in relation to Resolution 8:

- (1) The total number of securities allotted by the Company was 1,350,000 Shares.
- (2) The nominal price at which the Shares were issued was \$1.00 per Share.
- (3) Each Share allotted was issued as a fully paid ordinary voting share in the capital of the Company and otherwise on the same terms and conditions as the Company's existing Shares.
- (4) The 1,350,000 Shares were allotted to GEM Investments and GEM Global.
- (5) No funds were raised by the Company through the issue of Shares to GEM Investments and GEM Global. The Shares were issued in partial satisfaction of the Company's obligation to pay GEM Investments the Commitment Fee of \$2,800,000 and certain other moneys under the Equity Line Facility Agreement.

*Recommendation:* The Board unanimously recommends that Shareholders vote in favour of Resolution 8.

## Item 10. Approval to issue Shares to Madame Cheung (Resolution 9)

### 1. Background

On 7 July 2011, the Company entered into an agreement with Madame Cheung for the provision of strategic and transactional services (**Services Agreement**). The Services Agreement was entered into prior to the date on which Madame Cheung was appointed as a Director of the Company in November, 2011.

Under the terms of the Services Agreement, the Company agreed to issue Madame Cheung or her nominee 6,000,000 Shares in 2 separate tranches of 3,000,000 Shares each.

The issue of each tranche of Shares was subject to the achievement of specified milestones set out in the Services Agreement.

The milestones associated with the first tranche of Shares, being the entry by the Company into agreements giving the Company the right to acquire 100% of Ji'an Resources Investment Limited (**Ji'an Resources**), a holding company of Batys Kali which has a 95% interest in the Zhilyanskoe and Chelkar potash projects in Kazakhstan, were satisfied. The first tranche of Shares was issued on 24 August 2011 and approved by Shareholders under ASX Listing Rule 7.4 at the 2011 Annual General Meeting of the Company. These Shares were issued and approved by Shareholders prior to the date on which Madame Cheung was appointed as a Director of the Company on 21 November 2011.

The last of the milestones associated with the second tranche of Shares, being all necessary approvals are received authorising the Company to complete the proposed acquisition of Ji'an Resources, was satisfied upon Shareholders approving the issue of 285,000,000 Shares in connection with the acquisition of Ji'an Resources at the Company's General Meeting held on 27 June 2012. Accordingly, the Company is now, subject to receipt of Shareholder approval, required to issue the second tranche of Shares to Madame Cheung or her nominee.

## **2. ASX Listing Rule Requirements**

Listing Rule 10.11 restricts the Company from issuing securities to a related party of the Company, unless approval is obtained from Shareholders.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company and certain former directors of a public company. Madame Cheung is a Director of the Company and as such is a related party of the Company.

## **3. Resolution 9**

Resolution 9 requests Shareholders to approve, pursuant to ASX Listing Rule 10.11, the issue of 3,000,000 Shares to Madame Cheung or her nominee in accordance with the requirements of the Services Agreement.

It is important to note that at the time Fortis entered into the Services Agreement Madame Cheung was not a related party of Fortis.

As approval of Shareholders is being sought pursuant to ASX Listing Rule 10.11, Exception 14 to ASX Listing Rule 7.2 applies, so that approval under ASX Listing Rule 7.1 is not required for the issue of the Shares, the subject of Resolution 9.

## **4. Information required for shareholder ratification**

Under ASX Listing Rule 10.13, the Company is required to provide the following information in relation to Resolution 9:

- (1) The Shares the subject of Resolution 9 will be issued to Madame Cheung or an entity nominated by her.

- (2) The maximum number of securities to be issued will be 3,000,000 Shares.
- (3) The Company will issue the Shares within 1 month after date of the Meeting.
- (4) The Shares will be issued at a nominal issue price of \$1.00 per Share. Each Share will be issued as a fully paid ordinary voting share in the capital of the Company and otherwise on the same terms and conditions as the Company's existing Shares.
- (5) No funds will be raised under the issue of the Shares. The Shares are being issued as consideration for the provision by Madam Cheung of strategic and transactional services to the Company under the Services Agreement.

*Recommendation:* The Board (other than Madam Cheung) recommends that Shareholders vote in favour of Resolution 9.

## **Item 11. Kazakhstan Vendors Selective Share Buy-back (Resolution 10)**

### **1. Background**

As set out in the explanatory statement and independent expert's report which accompanied the notice of meeting dated 24 May 2012 convening the General Meeting of Shareholders of the Company held on 27 June 2012, the Company has entered into a number of transaction agreements with various parties (**Kazakhstan Transaction Agreements**) under which it has acquired a 95% interest in the Zhilyanskoe and Chelkar potash projects in Kazakhstan (**Kazakhstan Projects**).

Under the terms of the Kazakhstan Transaction Agreements, the Company has agreed to issue:

- (1) 40,000,000 Shares to Mainstar Investments;
- (2) 15,000,000 Shares to United Delight;
- (3) 110,000,000 Shares to Goldquest; and
- (4) 120,000,000 Shares to Celaric.

The issue of the Shares referred to above was approved by Shareholders, for the purposes of Chapter 6 of the Corporations Act, at a General Meeting of Shareholders of the Company held on 27 June 2012.

As explained in that earlier explanatory statement, the Shares to be issued to each of the Kazakhstan Vendors will be held in voluntary escrow with an independent escrow agent or subject to a holding lock (**Voluntary Escrow**). In addition, the Shares will be subject to additional escrow requirements from the date of reinstatement of Shares in the Company to quotation on ASX in accordance with Chapter 9 of the ASX Listing Rules.

The Shares issued to Mainstar Investments, United Delight and Goldquest or an independent escrow agent will only be released from Voluntary Escrow upon confirmation, to JORC standards, that potash resources at the Zhilyanskoe project are no less than 1 billion tonnes. If potash resources at the Zhilyanskoe project are less than 1 billion tonnes,

then the Shares to be released from Voluntary Escrow will be reduced in proportion to the amount of actual resources confirmed.

The Shares issued to Celaric or an independent escrow agent will only be released from Voluntary Escrow upon confirmation, to JORC standards, that potash resources at the Chelkar project are no less than 1 billion tonnes. If the potash resources at the Chelkar are less than 1 billion tonnes, then the Shares to be released from Voluntary Escrow to Celaric will be reduced in proportion to the amount of actual resources confirmed.

Any Shares not released from Voluntary Escrow are to be returned to the Company for nil consideration pursuant to a selective share buy-back or capital reduction or otherwise cancelled, subject to the Corporations Act.

Shareholders should refer to the explanatory statement and independent expert's report which accompanied the notice of meeting dated 24 May 2012 convening the General Meeting of Shareholders of the Company held on 27 June 2012 for more details on the proposed issue of 285 million Shares to the Kazakhstan Vendors. The proposed issue of those Shares was approved by Shareholders at that General Meeting.

In addition to the Voluntary Escrow and as outlined in that explanatory statement, the Shares to be issued to each of the Kazakhstan Vendors (or the independent escrow agent) will be subject to additional escrow restrictions from the date of reinstatement of the Company's Shares to quotation on ASX in accordance with Chapter 9 of the ASX Listing Rules. This means that any buy-back of Shares from the Kazakhstan Vendors (or the independent escrow agent) will require an applicable waiver or approval from ASX.

If Shareholders approve Resolution 10, Fortis will, subject to the receipt of any applicable waiver or approval from ASX, be able to promptly buy-back and then cancel (at no cost to the Company) that number of Shares to which the Kazakhstan Vendors are not entitled to retain under the terms of the Kazakhstan Transaction Agreements following confirmation of the potash resources at the Kazakhstan Projects.

## **2. Part 2J.1 of the Corporations Act**

Section 257A of the Corporations Act provides that a company may buy back its own shares if:

- (1) the buy-back does not materially prejudice the company's ability to pay its creditors; and
- (2) the company follows the procedures laid down in Division 2 of Chapter 2J of the Corporations Act.

Division 2 of Part 2J of the Corporations Act differentiates between an equal access scheme, a minimum holding buy back, an on-market buy back, an employee share buy back scheme and a selective buy back.

The proposed buy back of up to 285,000,000 Shares held by the Kazakhstan Vendors (or, where applicable, the independent escrow agent holding Shares on behalf of the Kazakhstan Vendors) is a selective buy back for the purposes of the Corporations Act.

Section 257D(1) of the Corporations Act provides that the terms of a selective buy back agreement must be approved before it is entered into by either:

(1) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by any person whose shares are proposed to be bought back or by their associates; or

(2) a resolution agreed to, at a general meeting, by all ordinary shareholders,

or the agreement must be conditional upon such agreement.

As it is not practicable to have a resolution agreed to by all ordinary shareholders, the proposed share buy-back must be approved by special resolution as contemplated by paragraph (1) above.

As mentioned above in relation to Resolution 1, a special resolution is a resolution that has been passed by at least 75% of the votes cast by members of the relevant company entitled to vote on the resolution.

### 3. Terms of proposed buy back

The proposed terms of any one or more buy back agreements to be entered into with any one or more of the Kazakhstan Vendors (or, where applicable, the independent escrow agent holding Shares on behalf of the Kazakhstan Vendors) (**Buy Back Agreement**) will be as contemplated by the Kazakhstan Transaction Agreements as follows:

- *Number of Shares subject to the buy back*

The Company will buy back up to 285,000,000 Shares from the Kazakhstan Vendors (or, where applicable, the independent escrow agent holding Shares on behalf of the Kazakhstan Vendors).

- *Purchase Price*

Each Share proposed to be bought back will be bought back for nil consideration.

- *Conditions*

If the Buy-Back Agreement is entered into on or prior to 30 November 2012, it will be conditional on approval by Shareholders of the Company under Resolution 10.

- *Timing of buy backs*

In accordance with ASIC policy, the Company will not buy back any Shares from the Kazakhstan Vendors (or, where applicable, the independent escrow agent holding Shares on behalf of the Kazakhstan Vendors) at any time after the date falling 12 months from the date of the 2012 Annual General Meeting of the Company.

If any buy-back of Shares from the Kazakhstan Vendors cannot be completed within that 12 month period, your Directors will, if necessary, seek a further approval from

Shareholders in order to implement that buy-back as contemplated by the Kazakhstan Transaction Agreements.

#### 4. Other relevant information

- *Source of funds for the buy back*

No funds are payable by the Company to complete the proposed buy back as the buy back will be completed for nil consideration.

- *Cancellation of Shares bought back*

Immediately after the registration of the transfer to the Company of the Shares bought back, the Shares will be cancelled in accordance with section 257H(3) of the Corporations Act.

- *Effect on the share capital of the Company*

As at the date of this Explanatory Statement, the Company has 101,339,665 Shares on issue. The 285,000,000 Shares have not yet been issued to the Kazakhstan Vendors or the independent escrow agent. Though Shareholders have approved the issue of those Shares at the General Meeting of Shareholders of the Company held on 27 June 2012, none of those Shares will be issued until ASX has approved the reinstatement of Shares in Fortis to quotation (subject to ASX's usual conditions for such reinstatement).

If the buy back is implemented the number of Shares on issue in the Company will be reduced by the number of Shares bought back. While the buy-back is being undertaken for nil consideration (i.e. no amount is payable by the Company for the buy-back of the applicable Shares), the precise impact of the buy-back on the Company's share capital cannot be determined at this stage as the Directors have not finalised the accounting treatment of the acquisition of the Kazakhstan Projects. If that is finalised prior to the Annual General Meeting, Shareholders will be informed accordingly.

As the number of Shares to be bought back is dependent upon confirmation of the potash resources at the Kazakhstan Projects, the Company is unable to estimate the number of Shares that will be bought back (if at all).

- *Financial effect of the buy back on the Company*

No funds are payable by the Company to complete the buy back and, accordingly, there will be no adverse financial effect on the Company. The buy-back should not prejudice the Company's ability to pay its creditors.

- *Advantages of the buy back*

The buy back will provide a mechanism by which the Company can buy back and cancel Shares on issue at no cost to Shareholders in accordance with the terms of the Kazakhstan Transaction Agreements. In the case of the buy back of some or all of the Shares issued to the Kazakhstan Vendors or the independent escrow agent, the buy

back facility will permit the Company to cancel Shares that the Kazakhstan Vendors are not entitled to due to the Kazakhstan Projects failing to meet anticipated potash resources to a JORC compliant standard as contemplated by the Kazakhstan Transaction Agreements.

The Directors are unaware of any disadvantages of the proposed buy-back.

- *Effect on the control of the Company*

The effect of the issue of the 285,000,000 Shares to the Kazakhstan Vendors on control (based on certain assumptions) was outlined in the explanatory statement and independent expert's report which accompanied the notice of meeting which convened the General Meeting of Shareholders of the Company held on 27 June 2012. As the Directors are unable to estimate the number of Shares which may be bought back, they are not able to state the potential effect of the buy-back on control of the Company. As Shares are bought back, the proportionate interest on the other Shareholders in the Company and their voting power will increase.

## **5. Prior notice to ASIC**

As required by section 257D(3) of the Corporations Act, a copy of the Notice and this Explanatory Statement, as sent to Shareholders, were lodged with ASIC prior to being despatched to Shareholders.

## **6. Resolution 10**

Resolution 10 requests Shareholders to approve a selective share buy back, or a series of selective share buy backs, of up to 285,000,000 Shares from the Kazakhstan Vendors (or, where applicable, the independent escrow agent holding Shares on behalf of the Kazakhstan Vendors) within a period of 12 months from the date of the 2012 Annual General Meeting of the Company.

There is no other information known to the Board which may be material to the decision on how to vote in relation to Resolution 10 which the Company has not previously disclosed to Shareholders.

*Recommendation:* The Board unanimously recommends that Shareholders vote in favour of Resolution 10.

## **Item 12. GEM Selective Share Buy-Back (Resolution 11)**

### **1. Background**

Under the terms of the agreements referred to in relation to Resolution 8 above with GEM and GEM Investments, if Shares in the Company are not reinstated to quotation on ASX by 1 December 2012, the Company must buy-back, subject to Shareholder approval, the 1,350,000 Shares issued to GEM Investments and GEM Global. No "top-up" shares will have been issued. No consideration is payable by the Company in respect of the Shares bought back. However, Fortis is obliged to pay GEM Investments A\$1,552,500 irrespective of whether the 1,350,000 Shares are bought back.

#### **Fortis Mining Limited**

ABN 57 143 441 285

Level 5, 15-19 Claremont St South Yarra VIC 3141

tel: +61 3 9020 0105 | fax: +61 3 9015 6468

email: [info@fortismining.com.au](mailto:info@fortismining.com.au)

Page 20

Your Directors are currently in negotiations with GEM Investments to extend that date.

## 2. Corporations Act

The proposed buy-back of up to 1,350,000 Shares from GEM Global and GEM Investments is a selective buy-back for the purposes of the Corporations Act.

As outlined in relation to Resolution 10 above, the Corporations Act provides that the terms of a selective buy-back agreement must be approved before it is entered into by either:

- (1) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by any person whose shares are proposed to be bought back or by their associates; or
  - (2) a resolution agreed to, at a general meeting, by all ordinary shareholders,
- or the agreement must be conditional upon this agreement.

As it is not practicable to have a resolution agreed to by all ordinary shareholders, the proposed share buy-back must be approved by special resolution as contemplated by paragraph (1) above.

## 3. Terms of the proposed Buy-Back

The proposed terms of any one or more buy-back agreements entered or to be entered into with GEM Investments and GEM Global will be as contemplated by the Equity Line Facility Agreement as follows:

- *Number of Shares subject to the buy-back*

The Company will buy-back up to 1,350,000 from GEM Investments and GEM Global.

- *Purchase Price*

Each Share proposed to be bought back will be bought back for nil consideration.

- *Timing of buy-backs*

In accordance with ASIC policy, the Company will not buy-back Shares from GEM Investments or GEM Global at any time after the date falling 12 months from the date of the 2012 Annual General Meeting of the Company.

## 4. Other Relevant Information

- *Source of funds*

No funds are payable by the Company to complete the proposed buy-back as the buy-back will be completed for nil consideration.

- *Cancellation of Shares bought back*

Immediately after the registration of the transfer to the Company of the Shares bought back, the Shares will be cancelled in accordance with section 257H(3) of the Corporations Act.

- *Effect on the share capital of the Company*

As at the date of this Explanatory Statement, the Company has 101,339,665 Shares on issue.

If the buy-back is implemented the number of Shares on issue in the Company will be reduced by up to 1,350,000 Shares. The Company's share capital will be reduced by the value that these Shares were issued for up to \$1,350,000, though the Company will nevertheless be obliged to pay GEM Investments the sum of A\$1,552,500.

- *Financial Effect*

No funds are payable by the Company to complete the buy back and, accordingly, there will be no adverse financial effect on the Company. The buy-back should not prejudice the ability of the Company to pay its creditors.

- *Advantages of the Buy-Back*

The buy-back will provide a mechanism by which the Company can buy-back and cancel Shares held by GEM Global and GEM Investments at no cost to Shareholders in accordance with terms of the Equity Line Facility Agreement.

The number of issued Shares in the Company will be reduced at no additional cost to it. The \$1,552,500 payable by the Company is payable irrespective of whether the buy-back occurs.

Following reinstatement of the Company's Shares to quotation on ASX, some or all of the Shares held by GEM Global and GEM Investments may be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules. If that is the case, an applicable waiver or approval from ASX will be required to buy-back any of the Shares subject to those escrow restrictions.

Your Directors are unaware of any disadvantages of the buy-back.

- *Effect on control of the Company*

The cancellation of up to 1,350,000 Shares held by GEM Investments and GEM Global will have no material effect on the control of the Company (should it occur).

## **5. Resolution 11**

Resolution 11 requests the Shareholders to approve a selective share buy-back, or a series of selective share buy-backs, by the Company of up to 1,350,000 within a period of 12 months from the date of the 2012 Annual General Meeting of the Company.

### **Fortis Mining Limited**

ABN 57 143 441 285

Level 5, 15-19 Claremont St South Yarra VIC 3141

tel: +61 3 9020 0105 | fax: +61 3 9015 6468

email: [info@fortismining.com.au](mailto:info@fortismining.com.au)

Page 22

There is no other information known to the Board which may be material to the decision on how to vote in relation to Resolution 11 which the Company has not previously disclosed to Shareholders.

#### **6. Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 11.

## GLOSSARY

In the Notice of Meeting and Explanatory Statement, the following terms have the following meanings (unless the context requires otherwise):

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691, or the market operated by it (as the context requires).

**ASX Listing Rules** or **Listing Rules** means the listing rules of ASX (as amended or waived from time to time).

**Board** means the board of directors of the Company.

**Batys Kali** means Batys Kaliy LLP, an entity registered in Kazakhstan.

**Celaric** means Celaric Continental Limited, a legal entity established and existing under the laws of Seychelles.

**Closely Related Party** has the meaning given in section 9 of the Corporations Act and includes a spouse, dependent and certain other close family members, as well as companies controlled by a KMP.

**Company, Fortis or Fortis Mining** means Fortis Mining Limited ACN 143 441 285.

**Constitution** means the constitution of the Company.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Director** means a current director of the Company.

**Equity Line Facility Agreement** means the agreement, as amended from time to time, between the Company and GEM and GEM Investments relating to the A\$140 million equity line facility.

**Explanatory Statement** means the explanatory statement which accompanies, and is incorporated as part of, the Notice of Meeting.

**Facility** means the facility made available to the Company under the Equity Line Facility Agreement.

**First Tranche Commitment Fee Shares** means 650,000 Shares. Those Shares were issued to GEM Investments on 6 March 2012.

**GEM** means CITIC-GEM Limited.

**GEM Global** means GEM Global Yield Fund Limited.

**GEM Investments** means GEM Investments America, LLC.

**Goldquest** means Goldquest Services Inc (BVI Company Number 1464580).

### Fortis Mining Limited

ABN 57 143 441 285

Level 5, 15-19 Claremont St South Yarra VIC 3141

tel: +61 3 9020 0105 | fax: +61 3 9015 6468

email: [info@fortismining.com.au](mailto:info@fortismining.com.au)

Page 24

**Ji'an Resources** means Ji'an Resources Investment Limited (a wholly-owned subsidiary of the Company).

**JORC** means the Australasian Joint Ore Reserves Committee.

**Kazakhstan Projects** means the Khilyanskoe and Chelkar potash projects located in Kazakhstan.

**Kazakhstan Vendors** means Celaric, Goldquest, Mainstar Investments and United Delight and includes any of them.

**Key Management Personnel** means person having authority and responsibility for planning, directing and controlling the activities of the Company and its controlled entities, directly or indirectly, including any Director (whether executive or otherwise).

**KMP** means a member of the Company's Key Management Personnel.

**Mainstar Investments** means Mainstar investments Limited (BVI Company Number 1623215).

**Meeting or Annual General Meeting** means the 2012 Annual General Meeting of the Shareholders of the Company to be held on Friday, 30 November 2012 convened by way of the Notice of Meeting.

**Notice of Meeting** means this Notice of General Meeting of the Company dated 29 October, 2012.

**Proxy Form** means the proxy form accompanying the Notice of Meeting and Explanatory Statement.

**Resolution** means a resolution referred to in the Notice of Meeting.

**Second Tranche Commitment Fee Shares** means 700,000 Shares. Those Shares were issued to GEM Global on 10 September 2012

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a person or entity entered in the Company's register of members from time to time as the holder of Shares.

**United Delight** means United Delight Holdings Limited (BVI Company Number 1523486).

Words importing the singular include the plural and vice versa.

A reference to gender is a reference to all genders.

All references to time is to Melbourne time.

An expression importing an individual includes any company, partnership, joint venture or other entity and vice versa.

**Fortis Mining Limited**

ABN 57 143 441 285

Level 5, 15-19 Claremont St South Yarra VIC 3141

tel: +61 3 9020 0105 | fax: +61 3 9015 6468

email: [info@fortismining.com.au](mailto:info@fortismining.com.au)

Page 25

FORTIS MINING LIMITED  
PROXY FORM FOR 2012 ANNUAL GENERAL MEETING

I/We

\_\_\_\_\_

of

\_\_\_\_\_

am/are a member of Fortis Mining Limited (ACN 143 441 285) and I/we appoint as my/our proxy:

\_\_\_\_\_

of

\_\_\_\_\_

or, if not person is named above or is absent, the Chairperson of the Annual General Meeting of the Company, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the offices of Norton Rose, Level 15, RACV Tower, 485 Bourke Street, Melbourne, on Friday, 30 November 2012 at 2.30 pm (Melbourne time) and at any adjournment of that meeting.

**Important Notes:** If you appoint a proxy, we encourage you to direct your proxy how to vote on each Resolution. The Chairperson of the Annual General Meeting intends to vote all undirected proxies in favour of each Resolution.

In relation to Resolutions 2 and 9, if the Chairperson is your proxy or is appointed your proxy by default, you will have expressly authorised the Chairperson to vote your proxy in favour of each of those Resolutions (except where you have indicated a different voting intention below) even if the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

Other than in the circumstance contemplated above in respect of the Chairperson, Directors, other Key Management Personnel and their Closely Related Parties (see Explanatory Statement) are not permitted to cast any votes in respect of Resolutions 2 and 9 that arise from any undirected proxy that they hold. If the Directors or another Key Management Personnel (other than the Chairperson) is your proxy, and you fail to provide a voting direction in respect of Resolution 2 or 9, your vote will not be cast in respect of each Resolution for which you did not provide a direction.

**Important for Resolution 9:** If the Chairperson is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy on Resolution 9, please mark the box in the next paragraph below. If you do not mark this box, and you have not directed your proxy how to vote on Resolution 9, the Chairperson will not cast your votes on such Resolution, and your votes will not be counted in calculating the required majority if a poll is called on such Resolution.

☐

By marking this box, you acknowledge that the Chairperson may exercise your proxy even if the Chairperson has an interest in the outcome of Resolution 9 and that votes cast by the Chairperson, other than as proxy holder, will be disregarded because of that interest.

**Note:** If appointing a second proxy please state the number of Shares or the percentage of voting rights applicable to this Proxy Form.

Number of shares

OR

%

I/We direct my/our proxy to vote in respect of the Resolutions to be considered as indicated with an "X" below, and to vote or abstain in respect of any procedural resolution as my/our proxy thinks fit.

		For	Against	Abstain*
Resolution 1	Change of name of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Madame Cheung as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Teresa Wong as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of Marco Marcou as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Election of Edward Wen as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Election of Junmei Zhang as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval to issue Shares to Madame Cheung	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Kazakhstan Vendors Selective Share Buy-back	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	GEM Selective Share Buy-Back	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no direction is given above, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of the Resolution to be considered by the meeting and any adjournment of the meeting (subject to the restrictions set out above).

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

**Individual or Shareholder 1**

**Sole Director and Sole Company Secretary**

**Shareholder 2**

**Director**

**Shareholder 3**

**Director/Company Secretary**

Date: .....

This form should be signed by the Shareholder. If a joint holding, all Shareholders must sign. If signed by the Shareholder's attorney, the power of attorney must have been previously lodged with the Company or a certified copy attached to this Proxy Form. If executed by a company, the Proxy Form must be executed in accordance with the Company's constitution and the *Corporations Act 2001*.

## PROXY INSTRUCTIONS

### Appointment of proxy

A member entitled to attend and vote at the Meeting can appoint a proxy to attend and vote at the Meeting on their behalf. A proxy need not be a Shareholder.

Where a member is entitled to cast 2 or more votes, the member may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions).

For an appointment of a proxy to be effective, an instrument of appointment of a proxy (and any power of attorney or other authority under which it is signed or a certified copy of that power or authority) must be received by the Company, by hand delivery, postage or facsimile using the details set out below, by not less than 48 hours prior to the Meeting. That is, by 2.30 pm on Wednesday, 28 November 2012.

**Address:** Fortis Mining Limited  
Attention: The Company Secretary  
Level 5, 15-19 Claremont St  
South Yarra VIC 3141

**Facsimile:** +61 (0)3 9670 3222

If you require a second proxy form, please contact the Company on +61 (0)3 9020 0105.

### Signature(s)

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

- **Individual Holding:** The Shareholder must sign in the box.
- **Joint Holding:** If Shares are held in joint names, all Shareholders must sign in the boxes.
- **Attorney:** If you are signing as an Attorney, the Power of Attorney must have already been lodged with the Company or, alternatively, a certified copy of it must accompany this Proxy Form.
- **Companies:** Only duly authorised officer(s) can sign on behalf of a company. Please sign in the boxes provided which state the office held by the signatory, i.e. Director and Director, or Company Secretary and Director, or Sole Director and Sole Company Secretary