

To the holders of Ordinary Shares

15 May 2017

Dear Shareholder

## Notice of Annual General Meeting

Please find enclosed with this letter a notice (the “**Notice**”) for the Company’s annual general meeting (the “**AGM**”) which will be held on 16 June 2017, together with a form of proxy (the “**Proxy Card**”).

As you will see the Notice contains 8 resolutions which will be considered by shareholders at the AGM. To provide context and for ease of understanding, the background to each of the resolutions is set out below:

### *Resolution*    *Background*

1. In accordance with the relevant provisions of Guernsey law, the Company is required to table its annual accounts at the AGM; in this resolution the directors therefore request that the shareholders receive and consider such accounts.
2. The directors propose that PKF Littlejohn LLP be appointed auditors of the Company in respect of the financial year ending 30 June 2017 and in this resolution request that shareholders approve this appointment, in accordance with the relevant provisions of Guernsey law.
3. In this resolution the directors seek shareholder authority to determine the remuneration of the Company’s auditors, in the customary manner.
4. This resolution relates to the recently announced agreement (the “**AA SPA**”) to acquire a 21% stake in Advanced Agricultural Holdings (Pty) Limited (“**AAH**”). As shareholders will be aware from this recent announcement, the consideration payable under this transaction will be paid in three tranches as follows:
  - the initial consideration of US\$125,000 shall be satisfied by the allotment of 221,601,740 new ordinary shares of nil par value in the capital of the Company; and
  - the second and third portions of the consideration shall be calculated by reference to AAH’s 2018 and 2019 EBITDA, respectively and shall be satisfied either in cash or by the allotment new ordinary shares of nil par value in the capital of the Company, at the election of the Company.

In this context, the directors are seeking authority to issue up to 1 billion new shares, being the current best estimate of the likely maximum number of new shares which the Company may be obliged to issue in connection with this transaction (if circumstances change, it may however be necessary to seek additional authorities, in due course, in order to comply with the Company’s obligations under the AA SPA).

5. This resolution relates to the Company’s obligations under the revised and restated bridge loan agreement announced on 30 December 2016 (the “**R&RBLA**”). Under the R&RBLA, the lender has certain rights to convert amounts due to the lender into new shares in the Company, as announced previously. In this context, the directors are seeking authority to issue up to 2.5 billion new shares, being the current best estimate of the likely maximum number of new shares which the Company may be obliged to issue in the event that the lender exercises conversion rights under the R&RBLA (if circumstances change, it may however be necessary to seek additional authorities, in due course, in order to comply with the Company’s obligations under the R&RBLA).
6. As the Company continues its development into a trading operation the directors require the ability to move quickly to take advantage to conduct fundraisings by way of private placings as and when appropriate opportunities arise. Accordingly, by this resolution the directors seek authority to issue up to 750 million new shares in one or more private placings.
7. Given that the Company’s trading business is yet to generate profits, the directors recognise that conservative cash management continues to be of paramount importance. Accordingly the directors wish to maintain flexibility to provide remuneration to staff, consultants and persons holding similar or equivalent positions through “equity incentives” (in this context meaning the issuing of options or new shares) and accordingly seek this authority from shareholders.
8. Resolution 8 seeks to dis-apply the application of pre-emption rights in respect of the issuing of any shares pursuant to the authorities sought under resolutions 5, 6 and 7 in accordance with the Company’s articles of association.

### Directors

C Cleverly, S Dorling, D O’Brien  
P Hain, M Simmonds, E Pungong

### Company Registration Number

53855

The Board consider that the passing of the Resolutions is in the best interests of the Company and its shareholders as a whole and therefore intend to vote in favour of the Resolutions in respect of their own shareholdings, amounting in aggregate to approximately 7.66% of the existing issued ordinary share capital of the Company. Accordingly the Board recommend you vote in favour of the Resolutions.

The enclosed Proxy Card should be completed and returned in accordance with the instructions printed thereon so as to arrive at the Company's registrar, Capita Asset Services, as soon as possible and in any event not later than 48 hours before the time of the AGM. Completion and return of a Proxy Form will not prevent shareholders from attending and voting in person at the AGM, should they so wish.

Further details of corporate and operational developments will be provided in due course and all relevant documentation will be made available to shareholders via the Company's website.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chris Cleverly', written in a cursive style.

Chris Cleverly  
Executive Chairman, for and on behalf of  
**African Potash Limited**