

1 December 2014

The Manager
Company Announcements Platform
Australian Stock Exchange

Dear Sir

ASX CODE CII

CI RESOURCES LIMITED OFF-MARKET TAKEOVER OFFER FOR PHOSPHATE RESOURCES LIMITED –COMPULSORY ACQUISITION NOTICE

CI Resources Limited (ACN 006 788 754) (**Company**) refers to its off-market takeover offer for all of the ordinary shares in Phosphate Resources Limited (**Phosphate Resources**) (**Offer**).

As announced on 28 November 2014 the Company now has a relevant interest in 98.73% of all of the ordinary shares in Phosphate Resources and intends to proceed with the compulsory acquisition of all of the remaining ordinary shares in Phosphate Resources that it does not already own.

In accordance with section 661B(1) of the *Corporations Act 2001* (Cth) the Company has today lodged an ASIC Form 6021 (**Compulsory Acquisition Notice**) with ASIC. The Compulsory Acquisition Notice and the accompanying cover letter were also today sent to Phosphate Resources shareholders who have not yet accepted the Offer.

A copy of the Compulsory Acquisition Notice and the accompanying cover letter are **attached** to this announcement.

CONTACTS

For further information on CI please visit its website, www.ciresources.com.au, or please contact:

Elizabeth Lee
Company Secretary
CI Resources Limited
Telephone: +61 8 9489 4444

Notice of compulsory acquisition following takeover bid

Notice

Description of class of securities to which the bid relates

To each holder of:

Fully Paid Ordinary Shares

('Bid Class Securities')

in

Name of target company or body

Name ('the Company')

Phosphate Resources Limited

ACN/ARBN/ARSN

009 396 543

Tick applicable box(es)

☒

and each holder of securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related.

☐

and each holder of non-transferable securities issued under an employee incentive scheme referred to in paragraph 2.

Name of bidder

1. Under a takeover bid offers were made by

CI Resources Limited

in respect of the acquisition of Bid Class Securities in the company.

The offers

Tick one box

☒

closed

☐

are scheduled to close

Date offers closed or are scheduled to close

on

Date

2

7

/

1

1

/

1

4

[D D]

[M M]

[Y Y]

Tick applicable box(es).

(See subsection 661A(4) and (4A))

2. You are, as at the date of this notice, the holder of one or more of the following

☒

securities in respect of which the takeover offer was made, but have not accepted the offer. (If you have accepted the offer but have received this notice you do not need to do anything in response to this notice—the bidder will acquire your securities under the offer.)

☐

securities to which the bid related issued after the end of the offer period and before the date of this notice

☐

securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related

☐

securities issued under an employee incentive scheme to which restrictions on transfer apply under the company's constitution or the terms of issue, being

Description of securities

☐

the following securities in the bid class in which the bidder has a relevant interest

Description of securities

3. The bidder gives you notice under subsection 661B(1) of the Corporations Act 2001 ('the Act') that the bidder has become entitled pursuant to subsection

☒

661A(1)

☐

661A(3)

of the Act to compulsorily acquire your securities and desires to acquire those securities.

Tick one box

Continued... Notice

4. Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.

This notice was lodged with ASIC on

Date

0	1	/	1	2	/	1	4
[D	D]		[M	M]		[Y	Y]

Date of lodgement

Insert paragraph 4A only where alternative forms of consideration were offered under the bid.

- 4A. You are entitled, within one month after being given this notice (see paragraph 8), or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, by notice in writing to the bidder, to elect which of the following forms of consideration will apply to the acquisition of your securities:

Details of alternative terms.

If you do not elect which of the alternative forms of consideration will apply to the acquisition of your securities, the form of consideration that will apply will be:

Set out the terms that will apply

5. Under section 661E of the Act, you have the right, within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is later, to apply to the Court for an order that the securities not be compulsorily acquired.
6. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before

Tick one box

- ☐ this notice was given.
- ☒ the end of the offer period.

7. Unless the Court otherwise orders, on application made by you under section 661E of the Act within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement under section 661D (as referred to in paragraph 4 of this notice), whichever is the later, the bidder must comply with paragraph 6 of this notice.
8. A notice sent by post to you is taken to be given to you 3 days after it is posted.

Signature

Name of person signing

David Somerville

Capacity

Director

Signature



Date signed

0	1	/	1	2	/	1	4
[D	D]		[M	M]		[Y	Y]

1 December 2014

Dear Sir or Madam

CI RESOURCES LIMITED – SETTLEMENT OF ACQUISITION OF PHOSPHATE RESOURCES

On 9 October 2014, CI Resources Limited (ACN 006 788 754) (ASX: CII) (**CI**) announced an off-market takeover offer by CI for all of the fully paid ordinary shares in the capital of Phosphate Resources Limited (ACN 009 396 543) (**Phosphate**) (**Offer**).

The terms of the Offer are contained in the bidder's statement dated 20 October 2014 (**Bidder's Statement**).

Capitalised terms used in this letter have the same meaning as in the Bidder's Statement, unless otherwise defined.

The Offer closed on 27 November 2014. As at the date of this letter CI has acquired at least 75% of the Phosphate Shares it offered to acquire under the Offer and has a relevant interest in 98.73% of Phosphate Shares.

It appears you did not accept the Offer in respect of your Phosphate Shares. CI is now entitled to, and proposes to, acquire your Phosphate Shares under the compulsory acquisition provisions in the *Corporations Act 2001* (Cth) (**Corporations Act**).

We enclose an ASIC Form 6021 (Notice of compulsory acquisition following takeover bid) which CI is required to give you under section 661B(1)(c)(i) of the Corporations Act to exercise its right to compulsorily acquire all your Phosphate Shares. Please read this form carefully.

Please note that you do not need to sign or return the enclosed notice.

The compulsory acquisition will be on the same terms as those that applied to the acquisition of Phosphate Shares under the Offer. This means that you will receive 40.3 CI Shares for every 1 Phosphate Share you own (rounded up to the nearest whole number).

The compulsory acquisition process, which is subject to the Corporations Act, is likely to take approximately 4 to 6 weeks, but may take longer in some circumstances. On completion of the compulsory acquisition procedure, CI will issue to Phosphate the CI Shares that you are entitled to as consideration for your Phosphate Shares. You will then be entitled to claim these CI Shares from Phosphate.

In due course Phosphate will send you a letter which will set out details for the method to claim the CI Shares issued to you upon compulsory acquisition of your Phosphate Shares.

Phosphate Shareholders who have attempted to accept the Offer, but have failed to do so validly, will be treated as Phosphate Shareholders whose Phosphate Shares will be compulsorily acquired under the Corporations Act.

If you have any questions regarding the compulsory acquisition of your Phosphate Shares, please call our Company Secretary, Elizabeth Lee on +61 8 9489 4444 between 9.00am and 5.00pm (EDST), Monday to Friday.

Yours sincerely

A handwritten signature in black ink, appearing to be 'David Somerville', written in a cursive style.

David Somerville
Chairman
CI RESOURCES LIMITED