KORE POTASH PLC

ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2018

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CHIEF EXECUTIVE OFFICER
Brad Sampson

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GLOSSARY

Acronym / Term	Stands For / Meaning	Definition and/or Additional Information
$	Denotes USD or United States dollars.	The USD is the functional and presentation currency of the Company and the Group.
2016 UK Code	2016 UK Corporate Governance Code	The UK corporate governance code that is applicable to this reporting period.
2018 UK Code	2018 UK Corporate Governance Code	The UK corporate governance code that came into effect on 1 January 2019 and applies to accounting reference periods commencing on and after that date.
AGM	Annual General Meeting	The mandatory yearly gathering of the Company's interested shareholders. The latest AGM was held on 27 June 2018.
AIM	Alternative Investment Market	AIM (formerly the Alternative Investment Market) is a sub-market of the LSE.
ASX	Australian Securities Exchange	The ASX is Australia's primary securities exchange.
AUD	Australian dollars	The official currency of the Commonwealth of Australia.
Board	The board of directors of Kore Potash plc	As listed on page 18 of the Annual Report.
Carnallitite	A rock type comprised predominantly of the potash mineral carnallite ($KMgCl_3 \cdot 6H_2O$) and halite ($NaCl$).	Carnallitite may be replaced by the word carnallite for simplicity.
CDIs	CHESS Depositary Interests	CDIs are instruments traded on the ASX that allow non-Australian companies to list their shares on the exchange and use the exchange's settlement systems. In the Company's case, one CDI is equivalent to one share traded on the AIM market or on the JSE.
CEO	Chief Executive Officer	As listed on page 18 of the Annual Report.
CFR	Cost and Freight	"Cost and Freight" means that the seller must pay the costs and freight necessary to bring the goods to the named port of destination but the risk of loss of or damage to the goods, as well as any additional costs due to events occurring after the time the goods have been delivered on board the vessel is transferred from the seller to the buyer when the goods pass the ship's rail in the port of shipment.
Company	Kore Potash plc	Kore Potash plc is public company incorporated and registered in England and Wales (registered number 10933682).
CRU	Commodity Research Unit	
DFS	Definitive Feasibility Study	A DFS is an evaluation of a proposed mining project to determine whether the mineral resource can be mined economically.
Dougou	Denotes the Dougou Project	The Dougou Project (including the Dougou Extension Project) is part of the Sintoukola Potash Project.
DPM	Dougou Potash Mining S.A.	DPM is one of the subsidiaries of SPSA.
DUP	Déclaration d'Utilité Publique	A DUP, or, translated as a "declaration of public utility", is a formal recognition in Congolese law that a proposed project has public benefits.
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	

GLOSSARY (CONT)

Acronym / Term	Stands For / Meaning	Definition and/or Additional Information
EPC	Engineering, Procurement and Construction	A particular form of contracting arrangement used in some industries where the EPC contractor is made responsible for all the activities from design, procurement, construction, commissioning and handover of the project to the end-user or owner.
EPCM	Engineering, Procurement and Construction Management	As opposed to EPC which the Contractor is responsible for the construction directly, not only the management of it.
ESIA	Environmental and social impact assessment	A process for predicting and assessing the potential environmental and social impacts of a proposed project, evaluating alternatives and designing appropriate mitigation, management and monitoring measures.
FC	The French Consortium of Engineering Companies	The FC is a consortium of engineering companies who undertook the DFS on the Kola Project. The FC consists of TechnipFMC, VINCI Construction Grands Projets, Egis and Louis Dreyfus Armateur.
GBP	British pound sterlings	The official currency of the United Kingdom.
Granular MoP	The selling description for compacted MoP.	
Group	Kore Potash plc and its controlled entities	A list of the controlled entities within the Group are on page 88 under Note 8.
Insoluble material	Here refers to clays, organic material and other insoluble components of the sylvinite.	Low insoluble content is considered advantageous.
JORC	Australasian Joint Ore Reserves Committee	JORC is sponsored by the Australian mining industry and its professional organisations.
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves	The JORC Code is one of the most accepted standards for the reporting of a company's Mineral Resources and Ore Reserves.
JSE	Johannesburg Stock Exchange	The exchange operated by JSE Limited.
KCl	Potassium Chloride	
KMP	Key Management Personnel	Refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Kola	Denotes the Kola Project.	The Kola Project is part of the Sintoukola Potash Project.
Kore Potash	Kore Potash plc	See definition for “Company” above.
KPM	Kola Potash Mining S.A.	KPM is one of the subsidiaries of SPSA.
LSE	London Stock Exchange	The LSE is the primary stock exchange in the United Kingdom.
LTIP	Long Term Incentive Plan	
Mt	Million tonnes	
Mining Convention	Denotes the mining convention signed by the Group and the government of RoC.	The mining convention governs the conditions of construction, operation and mine closure of the Kola and Dougou (including Dougou Extension) mining projects.
MoP	Muriate of Potash	The saleable form of potassium chloride (KCl), comprising of a minimum 95% KCl.
NPV	Net Present Value	NPV_{10} denotes the Net Present Value calculated at a 10% discount rate.

GLOSSARY (CONT)

Acronym / Term	Stands For / Meaning	Definition and/or Additional Information
Placees	Denotes the existing and new investors through which the Company raised USD 12.89 million on 26 March 2018.	
Placing Shares	Denotes the placing and direct subscription of 83,523,344 ordinary shares in the Company on 26 March 2018.	
Potash	Refers to potassium compounds, especially those of potassium chloride (MoP) or sulfate (SoP)	Refer to MoP and SoP for the definitions on the two main types of potash.
RoC	Republic of Congo	The RoC is where the Group's exploration activities are located.
Rock-salt	In this case, a rock comprised predominantly of the mineral halite (NaCl)	
SBP	Share-Based Payment(s)	
SGRF	The State General Reserve Fund of Oman	SGRF, is a sovereign wealth fund in Oman, and is one of the Company's substantial shareholders. Their investment in the Company is held in the name of Princess Aurora Company Pte.
Sintoukola Potash Project	Denotes the large potash project operated by the Group through SPSA located in the Kouilou Province of the Republic of Congo.	The Sintoukola Potash Project includes the Kola Project, the Dougou Project and the Dougou Extension Project (previously known as the Yangala Project).
SJCS	St James's Corporate Services Limited	SJCS, together with Henko Vos, is the Company's joint company secretary.
SoP	Sulfate of Potash	Also called potassium sulphate, arcanite, or archaically known as potash of sulfur. SoP is the inorganic compound with formula K2SO4. It is a white water-soluble solid. It is commonly used in fertilizers, providing both potassium and a source of sulfur.
SPSA	Sintoukola Potash S.A.	SPSA is the Company's 97%-owned subsidiary located in the RoC, owned through the Company's Australian subsidiary.
SQM	Sociedad Quimica y Minera de Chile S.A.	SQM is a New York listed Chilean lithium & potash company and is one of the Company's substantial shareholders.
Standard MoP	The selling description for uncompacted MoP.	
STIP	Short Term Incentive Plan	
Sylvinite	A rock type comprised predominantly of the potash mineral sylvite (KCl) and halite (NaCl)	
Transshipment	Transshipment or transhipment is the shipment of goods or containers to an intermediate destination, then to another destination.	
USD	United States dollars	The official currency of the United States of America and its territories, as well as being the functional and presentation currency of the Company and the Group.

REVIEW OF OPERATIONS AND STRATEGIC REPORT FOR KORE POTASH AND THE GROUP

The Board is pleased to present its review of the potash exploration and development Group, whose flagship asset is the Sintoukola Potash Project, located within the RoC.

The Group is developing its globally significant potash deposits in the RoC, which are ideally located to supply the important Brazilian agricultural market and high growth African markets. The potash deposits are high grade, shallow, and close to the coast with access to infrastructure. The Sintoukola Project also has district scale development potential with over 6 billion tonnes of potash mineral resources located 35 kilometres from the coast.

Feeding the world's growing population as arable land per capita declines requires increasing application of fertiliser. Potassium (from potash) is a key nutrient, essential for high quality and high yield food production to meet this need. As a result, the increasing demand for potash, as well the potential for the Group to be the lowest cost supplier of potash to Brazil and African markets, puts the Group in a good position to increase its business value over the long term.

PROJECT OVERVIEW

The Sintoukola Potash Project comprises the Kola sylvinite and carnallite deposits, the Dougou Extension sylvinite deposit and the Dougou carnallite deposit. These deposits are within the Kola and Dougou Mining Licenses. The Sintoukola Potash Project also includes the Sintoukola 2 Exploration License.

Sintoukola is located approximately 80 km to the north of the city of Pointe Noire which has a major port facility, and within 35 km of the Atlantic coast. Sintoukola has the potential to be among the world's lowest-cost potash producers and its location near the coast offers a transport cost advantage to global fertilizer markets.

The Kola sylvinite deposit has a Measured and Indicated sylvinite Mineral Resource estimate of 508 million tonnes grading 35.4% KCl (see Table 1) at an average depth of approximately 250 metres below surface. The results of the DFS were announced on 29 January 2019, which determined Proved and Probable Ore Reserves totalling at 152.4 Mt with an average grade of 32.5% KCl. The deposit is open laterally; an exploration target for the southward extension of sylvinite was announced on 21 November 2018.

The Dougou Extension sylvinite deposit contains a total sylvinite Inferred and Indicated Mineral Resource estimate of 232 Mt grading 38.1% KCl, hosted by two seams. The Mineral Resource includes 67 Mt grading 60.1 % KCl. Dougou Extension is located 15 km southwest of Kola. The deposit is open laterally; an exploration target for the northward extension of sylvinite was announced on 21 November 2018.

The Kola and Dougou Extension sylvinite deposits are considered high grade relative to most potash deposits globally and have the advantage of having very low content of insoluble material, less than 0.3% which provides a further processing advantage.

The Dougou carnallite deposit has a Measured and Indicated Potash Mineral Resource estimate of 1.1 billion tonnes grading 20.6% KCl (at a depth of between 400 and 600 metres) hosted by 35-40 metres of carnallitite within 4 flat-lying seams. A scoping study was completed in February 2015.

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

SUMMARY OF KEY DEVELOPMENTS

- On 9 February 2018, the Company through its subsidiary, SPSA, was awarded the Sintoukola 2 Exploration Permit by the government of the RoC. This permit covers areas the Company believes are prospective for sylvinite mineralization, and is valid for three years, following which it may be renewed twice, each time for a further period of two years.

- On 29 March 2018, Kore Potash completed its listing on AIM as well as the main board of the JSE, in addition to retaining its ASX listing.

- USD 13.14 million was raised through the placing and direct subscription of new ordinary shares in the Company and through a convertible loan note which was subsequently converted into ordinary shares in the Company on 27 July 2018.

- Appointment of Mr José Antonio Merino as a Non-Executive Director on 23 May 2018. José Antonio was nominated by SQM and replaced Pablo Altimiras, whose resignation was announced on 26 April 2018.

- Appointment of Mr Brad Sampson as CEO and Executive Director, effective from 4 June 2018, replacing Mr Sean Bennett, who resigned with effect from the same date.

- On 20 August 2018, a maiden Mineral Resource Estimate for the Dougou Extension Deposit was announced, totalling 232 Mt with an average grade of 38.1% KCl. The Dougou Extension Deposit is located approximately 15 km southwest of the Company's Kola sylvinite Deposit. The Mineral Resource Estimate was reported in accordance with the JORC Code.

- On 30 August 2018, a new DUP, which was previously signed by the Ministry of Land Affairs and Public Domain, was gazetted. The DUP covers the entire Project land area and provides the framework of compensation arrangements required under RoC laws due to the Group's intended activity on the land area.

- A licence to use an offshore area for the transhipment of potash and the discharge of waste brine was authorised by the Minister of Transport, Civil Aviation and Merchant Marine of the RoC and issued on 6 September 2018.

- On 21 November 2018 Kore Potash announced two Exploration Targets for sylvinite. The Exploration Targets were reported in accordance with the JORC Code and are as follows:
  - Kola South; the potential southward extension of the Kola deposit has an Exploration Target of 95 to 175 Mt with an average grade of between 34 and 42% KCl.
  - Dougou Extension North; the potential northward extension of the Dougou Extension Deposit has an Exploration Target of 320 to 600 Mt with an average grade of between 30 and 38% KCl.

  The potential quantity and grade of an Exploration Target is conceptual in nature and is an approximation. There has been insufficient exploration at Kola South and Dougou Extension North to estimate Mineral Resources and it is uncertain if further exploration will result in the estimation of Mineral Resources.

- The Mining Convention covering the proposed staged development of the Kola and Dougou Mining Licenses was gazetted into law on 29 November 2018 following ratification by the Parliament of the RoC.

- The Company completed its review of the Kola DFS and released a summary of results to Shareholders on 29 January 2019. This included the reporting of:
  - Proved and Probable Ore Reserves for the Kola Deposit totalling 152.4Mt with an average grade of 32.5% KCl.
  - Post-tax, NPV_{10} (real) of USD 1,452 million and a real ungeared Internal Rate of Return of 17% on an attributable basis at life-of-mine average MoP prices for granular of USD 360 per tonne CFR Brazil and standard of USD 350 per tonne CFR Brazil.

  Further details of the summary of the Kola DFS is available on the Company's website.

- The FC who undertook the DFS was contracted to provide the Company with an EPC proposal, for the construction of Kola, within 3 months of the completion of the DFS. The FC submitted the EPC proposal to the Company on 23 March 2019, which was past the due date of 28 February 2019. The Company will now review the options available to it for the way forward with the Kola Project.

- The amended Kola ESIA was completed and submitted to the regulator for review prior to submission to the Minister of Environment for approval.

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

SUMMARY OF FINANCIALS

- During the year ended 31 December 2018, the Group incurred a loss of USD 6.3 million and experienced net cash outflows from operating and investing activities of USD 23.1 million. Cash and cash equivalents totalled USD 6.2 million as at 31 December 2018.

- The Directors have prepared a cash flow forecast for the period ending 31 December 2020, which indicates that the Group will not have sufficient liquidity to meet its working capital requirements to the end of the going concern period, primarily being corporate costs, exploration expenditure, and DFS costs related to the Kola Project. Please refer to the Note 1 to the financial statements for more detail on the going concern statement.

- Accordingly the Directors have resolved to undertake certain mitigating actions including a capital raise in the second quarter of 2019. The Company has begun discussions with its major shareholders with regards to its near and mid-term funding requirements.

CORPORATE ACTIVITIES

- On 29 March 2018 the Company successfully completed its admission to AIM and a concurrent secondary listing of its ordinary shares on the main board of the JSE as part of its strategy to better access capital markets where there is a strong understanding of large scale African mining projects and therefore attract a broader investor base.

- The Company also raised gross aggregate proceeds of USD 12.89 million, comprising a total of USD 12.89 million from the Placees through the placing and direct subscription of 83,523,344 ordinary shares in the Company at a placing price of AUD 0.20 per new Ordinary Share. In addition, the Company raised USD 250,000 from the Chairman, Mr David Hathorn, through a convertible loan note that subsequently converted into ordinary shares upon shareholder approval at the AGM of the Company held on 27 June 2018. The Placees and the Chairman were granted 13,144,659 equity warrants on the basis of one equity warrant for every USD 1.00 invested exercisable at AUD 0.30 for one ordinary share with a 3 year subscription period.

- Brad Sampson was appointed as CEO and Executive Director on 4 June 2018. Brad, a mining engineer, has more than 25 years' resources industry experience across numerous locations including West and Southern Africa. In addition to significant mine development and operating experience, Brad has held leadership positions at several publicly listed companies. Brad was most recently CEO of Australian Securities Exchange listed Tiger Resources. Prior to this Brad held senior positions at Newcrest Mining Ltd and was CEO at AIM/ASX listed Discovery Metals Ltd. Other notable positions include General Manager at Goldfields operations in South Africa and Australia.

- Appointment of José Antonio Merino as a Non-Executive Director nominated by SQM. José Antonio joined SQM in 2016 and is currently Mergers and Acquisitions Director, prior to which he worked at EPG partners as head of a mining private equity fund, at Asset Chile, a Chilean boutique investment bank and at Santander Investment. He is a qualified civil engineer having graduated from Pontificia Universidad Catolica de Chile.

- Appointment of SJCS, a London based specialist company secretarial and corporate administration services provider, as interim joint company secretary with effect from 1 October 2018. SJCS joins current Joint Company Secretary, Henko Vos (based in Perth, Western Australia). The Board received and accepted the resignation of Francesca Wilson as Joint Company Secretary of the Company with effect from 30 September 2018.

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY

Kola Sylvinite Project

Mining Convention

- The Mining Convention covering the proposed staged development of the Kola and Dougou Mining Licenses was gazetted into law on 29 November 2018 following ratification by the Parliament of the RoC. The gazetting of the Mining Convention provides security of title and the right to develop and operate the Kola Project as well as the adjacent Dougou and Dougou Extension deposits. Under the Mining Convention the RoC government will be granted a 10% carried equity interest in the project companies (DPM and KPM, which are wholly owned by SPSA).

- The Mining Convention concludes the framework envisaged in the 25-year renewable Kola and Dougou Mining Licences granted in August 2013 and May 2017, respectively. The Mining Convention provides certainty and enforceability of the key fiscal arrangements for the development and operation of Kola and Dougou Mining Licenses, which amongst other items include import duty and VAT exemptions and agreed tax rates during mine operations. See Note 7 to the financial statements for further details on the terms and conditions of the Mining Convention.

- The Mining Convention provides strengthened legal protection of the Company's investments in the RoC through the settlement of disputes by international arbitration.

ESIA

- The Kola ESIA was performed during 2012 and approved on 10 October 2013 following the issuance of the certificate of environmental compliance by the Minister of Environment of the RoC. This constituted a key regulatory requirement to be granted the Kola Mining License.

- The Kola DFS design has incorporated a number of value-adding design changes since the approval of the ESIA and the Company has undertaken to amend the ESIA accordingly.

- In December 2018, the amended ESIA was submitted to the regulator for review, prior to the Minister of Environment's final approval. The Company anticipates receipt of the approved amended ESIA in the first half of the 2019 year.

DFS Update

- The Company completed its review of the Kola DFS and released a summary of results to Shareholders on 29 January 2019. As part of the DFS, Met-Chem, a division of DRA Americas Inc., (a subsidiary of the DRA Group) completed an Ore Reserve Estimate for the Kola Sylvinite Deposit. The Ore Reserves total 152.4 Mt with average grade of 32.5% KCl. The estimate of Ore Reserves was completed by Met-Chem DRA Global and was prepared in accordance with the JORC Code. Table 1 on page 13 provides the Proved and Probable Kola Sylvinite Ore Reserves. Further details of the summary of the Kola DFS is available on the Company's website.

- The announcement made on 29 January 2019, which is available on the Company's website, included the following highlights from the Kola DFS:

  Business case highlights potential of the Kola asset
  - Post-tax, NPV_{10} (real) of USD 1,452 million and a real ungeared Internal Rate of Return of 17% on an attributable basis at life-of-mine average MoP prices for granular of USD 360 per tonne CFR Brazil and standard of USD 350 per tonne CFR Brazil.
  - Operating cash margin averaging 75%.
  - Average annual EBITDA of approximately USD 585 million.
  - 24% annual free cash return on invested capital.
  - Average annual free cash flow, post-tax, post commissioning of approximately USD 500 million.
  - 4.3-year post-tax payback period from first production.

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY

DFS Update (Cont)

Industry leading operating costs and cost of sales

- Mine gate operating cost (pre-transshipment) averaging USD 61.71 per tonne, which is in the lowest cost quartile globally based on equivalent CRU market data.
- Kola forecast to be the lowest cost potash supplier CFR Brazil based on CRU market data.
- Average cost of MoP delivered to Brazil of USD 102.47 per tonne.

Long life and high quality asset

- Nameplate production target of 2.2 Mtpa MoP over a 33 year life, with a scheduled life of 23 years based primarily on Ore Reserves and including 6% Inferred Mineral Resource and a further 10 years based entirely on Inferred Mineral Resources (in each case, reported in accordance with the JORC Code).
- There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resource or that the production target itself will be realised.
- Kola Project Ore Reserves of 152.4 Mt with average KCl grade of 32.5%, reported in accordance with the JORC Code.

Capital program aligned with industry averages

- Pre-production capital cost of USD 2.1 billion (on EPCM basis) which includes USD 110 million contingency, USD 106 million of escalation and USD 89 million EPCM margin.
- Pre-production capital intensity of USD 956 per tonne MoP annual capacity is in second quartile relative to MoP industry peers and suggests that further capital optimisation is possible.
- 46-month construction period, with a commencement date to be determined following advancement of construction contract negotiations and project financing.

Upside potential

- Review of the DFS by Kore and its third party independent consultants have identified opportunities to further improve and optimise the project indicating that the work completed to date by the FC has not fully optimised the Kola Project.
- Due to high operating margin and high free cash return on invested capital the Company's financial advisors (Rothschild & Co) has indicated that the project has a debt carrying potential of up to USD 1.4 billion.

- The FC was contracted to provide the Company with an EPC proposal, for the construction of Kola, within 3 months of the completion of the DFS. The FC submitted the EPC proposal to the Company on 23 March 2019, which was past the due date of 28 February 2019. The Company will now review the options available to it for the way forward with the Kola Project.

OPERATIONAL AND EXPLORATION ACTIVITY (CONT)

Workstreams initiated with RoC stakeholders and authorities

- On 30 August 2018, a new DUP, which was previously signed by the Ministry of Land Affairs and Public Domain, was gazetted. The DUP covers the entire Project land area (mine, over land conveyor, process plant and services corridors) provides the framework of compensation arrangements required under RoC laws due to the Group's activity on the land area.

- On 12 September 2018, the Company announced final approval from the Minister of Transport, Civil Aviation and Merchant Marine for the use of the preferred transhipment zone. This confirms the design assumption on the transhipment arrangement in accordance with the Kola DFS design and costing.

- On 16 October 2018, the Company received a letter of comfort from the Ministry of Energy and Hydraulic of the RoC confirming the Company's exclusive rights to operating the power transmission line when financed and built by the Company for the mining project.

Exploration

Dougou Extension maiden Mineral Resource

Based on the drilling completed in 2017 and interpretation of earlier drilling and seismic survey data the Company declared a maiden Mineral Resource Estimate for the Dougou Extension Deposit, first reported on 20 August 2018 and reported in accordance with the JORC Code.

Total sylvinite Mineral Resources at Dougou Extension are 232 Mt of sylvinite grading 38.1% KCl, comprised of:

- Indicated Mineral Resource of 111 Mt sylvinite grading 37.2% KCl, and
- Inferred Mineral Resource of 121 Mt sylvinite grading 38.9 %KCl.

The sylvinite at Dougou Extension is contained within two seams, the Top Seam (TS) and the Hangingwall Seam (HWS), separated by between 10 and 15 m of rock-salt. The seams are at a depth of between 310 metres and 490 metres below surface. The Mineral Resource Estimate was based upon data for 13 holes within or around the deposit area, drilled by Kore or previous explorers. The interpretation of approximately 160 line km of oil-industry 2D seismic survey data aided modelling of surfaces between the drill-holes. Table 1 includes the Mineral Resource Estimate for Dougou Extension.

Exploration Targets at Dougou Extension North and Kola South

On 20 November 2018, the Company announced Exploration Targets for sylvinite, as follows:

- 'Kola South', the potential southward extension to the Kola Deposit; 95 to 175 Mt with average grade of between 34 and 42% KCl,
- 'Dougou Extension North', the potential northward extension to the Dougou Extension Deposit; 320 to 600 Mt with an average grade of between 30 and 38% KCl,
- An Exploration Target is not a Mineral Resource but a statement of exploration potential. The Exploration Targets were based on an interpretation of all available Company and historical drilling and 2D seismic survey data and the Company's understanding of the controls on sylvinite mineralisation.

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY (CONT)

Changes to Potash Mineral Resources and Ore Reserves between 2017 and 2018
Table 1 provides a comparison of the Company's Mineral Resources and Ore Reserves, year-on-year between 2017 and 2018, as per ASX Listing rule 5.21.4. Since 2017 the Company has added the Dougou Extension sylvinite Mineral Resource and the Kola deposit sylvinite Ore Reserves.

Table 1. Comparison of Potash Mineral Resources and Ore Reserves year-on-year between 2017 and 2018 (including Ore Reserves as announced on 29 January 2019)

MINERAL RESOURCES		2017			2018		
	Category	Million Tonnes	Grade KCl %	Contained KCl (Mt)	Million Tonnes	Grade KCl %	Contained KCl (Mt)
Kola Sylvinite Deposit	Measured	216	34.9	75	216	34.9	75
	Indicated	292	35.7	104	292	35.7	104
	Measured + Indicated	508	35.4	180	508	35.4	180
	Inferred	340	34.0	116	340	34.0	116
	TOTAL	**848**	**34.8**	**295**	**848**	**34.8**	**295**
Dougou Extension Sylvinite Deposit	Measured	-	-	-	0	0.0	0
	Indicated	-	-	-	111	37.2	41
	Measured + Indicated	-	-	-	111	37.2	41
	Inferred	-	-	-	121	38.9	47
	TOTAL	**-**	**-**	**-**	**232**	**38.1**	**88**
Kola Carnallite Deposit	Measured	341	17.4	59	341	17.4	59
	Indicated	441	18.7	83	441	18.7	83
	Measured + Indicated	783	18.1	142	783	18.1	142
	Inferred	1,266	18.7	236	1,266	18.7	236
	TOTAL	**2,049**	**18.5**	**378**	**2,049**	**18.5**	**378**
Dougou Carnallite Deposit	Measured	148	20.1	30	148	20.1	30
	Indicated	920	20.7	190	920	20.7	190
	Measured + Indicated	1,068	20.6	220	1,068	20.6	220
	Inferred	1,988	20.8	414	1,988	20.8	414
	TOTAL	**3,056**	**20.7**	**634**	**3,056**	**20.7**	**634**
TOTAL MINERAL RESOURCES	Measured	705	23.3	165	705	23.3	165
	Indicated	1,653	22.8	377	1,764	23.7	419
	Measured + Indicated	2,358	23.0	542	2,469	23.6	583
	Inferred	3,594	21.3		3,715	21.9	813
	TOTAL	**5,953**	**22.0**	**1,307**	**6,185**	**22.6**	**1,396**

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY (CONT)

Changes to Potash Mineral Resources and Ore Reserves between 2017 and 2018 (Cont)

Table 1. Comparison of Potash Mineral Resources and Ore Reserves year-on-year between 2017 and 2018 (including Ore Reserves as announced on 29 January 2019) (cont)

ORE RESERVES		2017			2018		
	Category	Million Tonnes	Grade KCl %	Contained KCl (Mt)	Million Tonnes	Grade KCl %	Contained KCl (Mt)
Kola Sylvinite Deposit	Proved	-	-	-	61.8	32.1	19.8
	Probable	-	-	-	90.6	32.8	29.7
	TOTAL	**-**	**-**	**-**	**152.4**	**32.5**	49.5

Notes: The Kola Mineral Resource Estimate was reported 6 July 2017 in an announcement titled 'Updated Mineral Resource for the High Grade Kola Deposit'. It was prepared by the Met-Chem division of DRA Americas Inc., a subsidiary of the DRA Group. The Ore Reserve Estimate for Kola was first reported 29 January 2019 in an announcement titled 'Kola Definitive Feasibility Study' and was prepared by Met-Chem. The Dougou carnallite Mineral Resource Estimate was reported 9 February 2015 in an announcement titled 'Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit'. It was prepared by ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH. The Dougou Extension sylvinite Mineral Resource Estimate was reported 20 August 2018 in an announcement titled 'Maiden Sylvinite Mineral Resource at Dougou Extension'. It was prepared by Competent Person Mr. Andrew Pedley a full-time employee of Kore Potash.

OPERATIONAL AND EXPLORATION ACTIVITY (CONT)

New Exploration Permit

SPSA was awarded a new Exploration Licence, Sintoukola 2, by Presidential Decree 2018-34 dated 9 February 2018 granting exploration rights for 3 years which can be renewed twice for periods of 2 years each, covering an area of 294.4km2 adjoining the Dougou Mining Lease, covering prospective ground for sylvinite to the northwest of the latter.

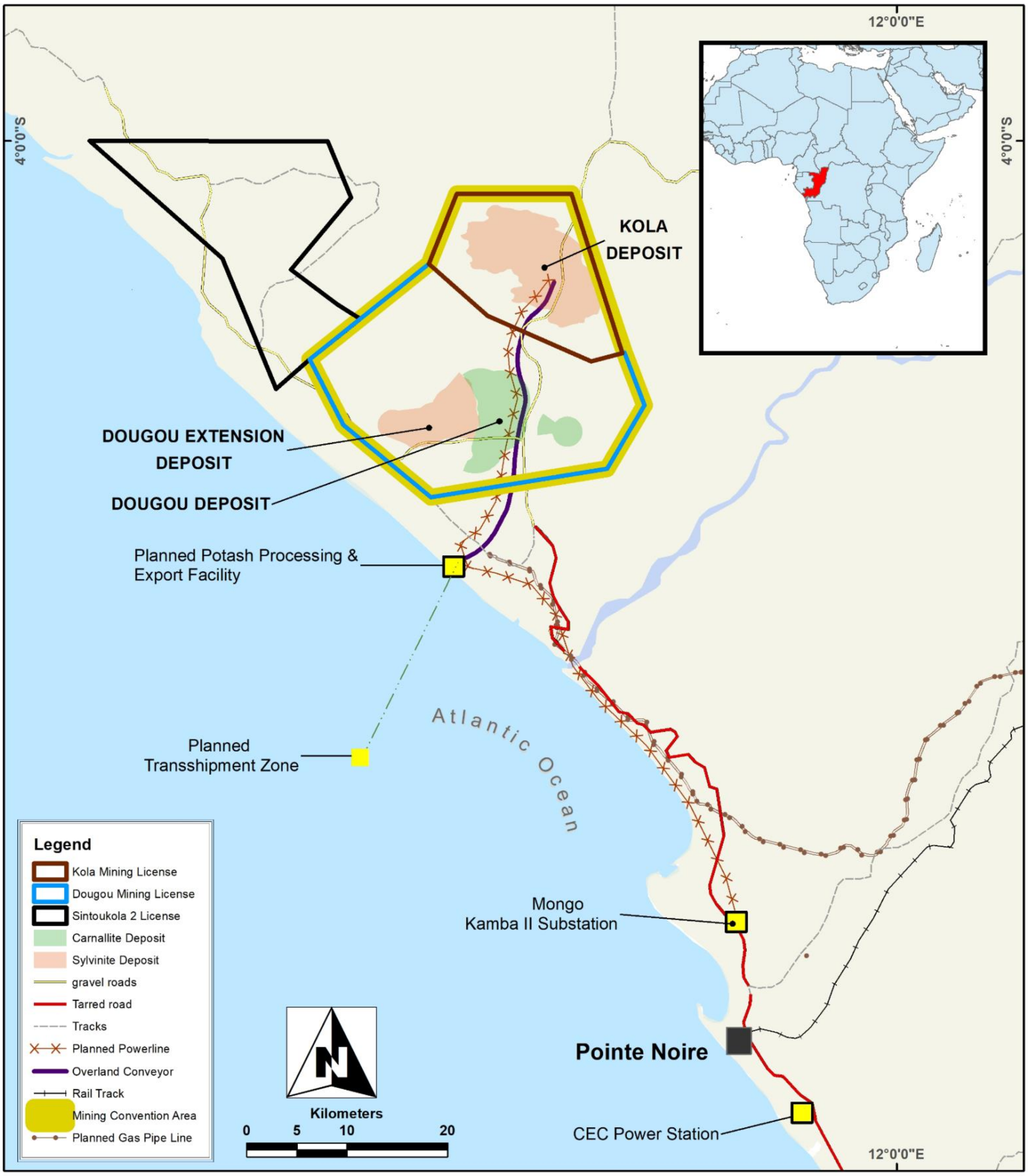

Figure1. Location of the Sintoukola Project showing the Kola, Dougou and Dougou Extension Projects

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

BUSINESS MODEL

The Company's business strategy for the financial year ahead and, in the foreseeable future, is to continue exploration and development activities on the Company's existing potash mineral projects in the RoC. The Company's current activities do not generate any revenues or positive operating cash flow. Future development necessary to commence production will require significant capital expenditures.

POSITION AND PRINCIPAL RISKS

The Company's business strategy is subject to numerous risks, some outside the Board's and management's control. These risks can be specific to the Company, generic to the mining industry and generic to the stock market as a whole. The key risks, expressed in summary form, affecting the Group and its future performance include but are not limited to:

- capital requirement and ability to attract future funding;
- country risk in Republic of Congo;
- change in potash commodity prices and market conditions;
- geological and technical risk posed to exploration and commercial exploitation success;
- environmental and occupational health and safety risks;
- government policy changes; and
- retention of key staff.

This is not an exhaustive list of risks faced by the Company or an investment in it. There are other risks generic to the stock market and the world economy as a whole and other risks generic to the mining industry, all of which can impact on the Company. The management of risks is integrated into the development of the Company's strategic and business plans and is reviewed and monitored regularly by the Board. Further details on how the Company monitors, manages and mitigates these risks are included as part of the Audit and Risk Committee Report contained within the Corporate Governance Report.

KEY PERFORMANCE INDICATORS

Given the nature of the business and that the Group is in an exploration and development phase of operations, the Directors are of the opinion that analysis using KPIs is not appropriate for an understanding of the development, performance or position of our businesses at this time.

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

COMPETENT PERSON STATEMENT

The information relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves in this report is based on, or extracted from previous reports referred to herein, and is available to view on the Company's website www.korepotash.com The Kola Mineral Resource Estimate was reported on 6 July 2017 in an announcement titled 'Updated Mineral Resource for the High Grade Kola Deposit'. It was prepared by Competent Person Mr. Garth Kirkham, P.Geo., of Met-Chem division of DRA Americas Inc., a subsidiary of the DRA Group, and a member of the Association of Professional Engineers and Geoscientists of British Columbia. The Ore Reserve Estimate for sylvinite at Kola was first reported on 29 January 2019 in an announcement titled 'Kola Definitive Feasibility Study' and was prepared by Met-Chem; the Competent Person for the estimate is Mr. Molavi, member of good standing of Engineers and Geoscientists of British Columbia. The Dougou carnallite Mineral Resource Estimate was reported on 9 February 2015 in an announcement titled 'Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit'. It was prepared by Competent Persons Dr. Sebastiaan van der Klauw and Ms. Jana Neubert, senior geologists and employees of ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH and members of good standing of the European Federation of Geologists. The Dougou Extension sylvinite Mineral Resource Estimate was reported on 20 August 2018 in an announcement titled 'Maiden Sylvinite Mineral Resource at Dougou Extension'. It was prepared by Competent Person Mr. Andrew Pedley a full-time employee of Kore Potash, a registered professional natural scientist with the South African Council for Natural Scientific Professions and member of the Geological Society of South Africa. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

FORWARD-LOOKING STATEMENTS

This report contains statements that are "forward-looking". Generally, the words "expect," “potential”, "intend," "estimate," "will" and similar expressions identify forward-looking statements. By their very nature and whilst there is a reasonable basis for making such statements regarding the proposed placement described herein; forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, to differ materially from those expressed or implied in any of our forward-looking statements, which are not guarantees of future performance. Statements in this report regarding the Company's business or proposed business, which are not historical facts, are "forward looking" statements that involve risks and uncertainties, such as resource estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.

This Review of Operations and Strategic Report was approved by the board of directors on 28 March 2019 and is signed on its behalf by:

Non-Executive Chairman	Chief Executive Officer
David Hathorn	Brad Sampson
28 March 2019	28 March 2019

DIRECTORS' REPORT

The Directors present their annual report on Kore Potash and the Group for the financial year ended 31 December 2018.

Directors
The names of directors of the Group in office at any time during or since the end of the year are:

David Hathorn	Non-Executive Chairman
Brad Sampson	Chief Executive Officer (appointed on 4 June 2018)
Sean Bennett	Chief Executive Officer (resigned on 4 June 2018)
Jonathan Trollip	Non-Executive Director
Leonard Math	Non-Executive Director
Timothy Keating	Non-Executive Director
David Netherway	Non-Executive Director
José Antonio Merino	Non-Executive Director (appointed on 23 May 2018)
Pablo Altimiras	Non-Executive Director (resigned on 23 May 2018)

Directors have been in office of the Group since the start of the financial year to the date of this report unless otherwise stated.

Joint Company Secretary
Mr Henko Vos
St James's Corporate Services Limited (appointed on 1 October 2018)
Mr Lawrence Davidson (resigned on 25 January 2018)
Mrs Francesca Wilson (resigned on 30 September 2018)

Principal Activities and Significant Changes in Nature of Activities
The principal activity of the Group during the financial year was exploration for potash minerals prospects and project development at the Company's Sintoukola Potash Permit in the RoC. There were no significant changes in the nature of activities of the Group during the year.

Operating Results
The net loss after tax of the Group for the year ended 31 December 2018 amounted to USD 6,269,366 (31 December 2017: USD 4,344,322).

Dividends Paid or Recommended
In respect of the years ended 31 December 2018 and 31 December 2017, no dividends have been paid or declared since the start of the financial years and the Directors do not recommend the payment of a dividend in respect of the financial years.

Review of Operations and Strategic Report
Please refer to pages 7 to 17 of the Annual Report.

Significant Changes in State of Affairs

Board Changes
During the year, Mr José Antonio Merino was appointed as a Non-Executive Director on 23 May 2018, replacing Mr Pablo Altimiras.

Mr Brad Sampson was appointed as CEO on 4 June 2018, replacing Mr Sean Bennett.

DIRECTORS' REPORT (CONT)

Significant Changes in State of Affairs (Continued)

Capital Raise

On 26 March 2018, a total of USD 12,894,659 was raised to satisfy the working capital requirements in connection with the AIM and JSE listings. This was raised from existing and new investors through the placing and direct subscription of 83,523,344 ordinary shares in the Company at a placing price of AUD 0.20 per new ordinary share. In addition, the Company raised USD 250,000 from the Chairman, David Hathorn, through a convertible loan note which was subsequently converted into 1,618,250 ordinary shares on 27 July 2018, following shareholder approval at the AGM of the Company on 27 June 2018. The Placees with Placing Shares on AIM were granted 8,250,000 equity warrants and the Placees with Placing Shares on the JSE were granted 4,644,659 equity warrants, on the basis of one equity warrant for every USD 1.00 invested in the Placing exercisable at AUD 0.30 for one ordinary share with a 3 year subscription period.

The Company was listed on the AIM and JSE markets on 29 March 2018.

Project

On 9 February 2018, Kore Potash through its subsidiary SPSA was awarded the Sintoukola 2 Exploration Permit by the government of the RoC. This permit covers areas the Company believes are prospective for potash mineralisation. This permit is valid for three years, following which it may be renewed twice, each time for a further period of two years. The Mining Convention covering the proposed staged development of the Kola and Dougou Mining Licences was also gazetted into law on 29 November 2018 following ratification by the Parliament of the RoC.

Significant Events Subsequent to Reporting Date

Details of the Group's significant events subsequent to reporting date are included in Note 17 to the financial statements.

Political Contributions and Charitable Donations

During the current and previous years the Group did not make any political contributions and charitable donations.

AGM

This report and financial statements will be presented to shareholders for their approval at the next AGM. The Notice of the AGM will be distributed to shareholders together with the Annual Report.

Auditors

The Company actively manages its largest supplier relationships, to obtain value for money and manage costs. As such, the Group plans to undertake an audit tender during 2019, to ensure that the audit fee remains competitive. Deloitte LLP will be proposed for reappointment at the AGM, pending the result of the tender process.

The Use of Financial Instruments by the Group

The Group has exposure to the following risks from their use of financial instruments:

- market risk,
- credit risk, and
- liquidity risks.

For more details of the financial risk management objectives and policies of the Group, please refer to Note 15 to the financial statements.

DIRECTORS' REPORT (CONT)

Employment Policies
The Group is committed to promoting policies which ensure that high calibre employees are attracted, retained and motivated, to ensure the ongoing success for the business. Employees and those who seek to work within the Group are treated equally regardless of gender, age, marital status, creed, colour, race or ethnic origin.

Health and Safety
The Group's aim is to achieve and maintain a high standard of workplace safety. In order to achieve this objective, there is a Health, Safety and Environmental Committee to review the health and safety policy and risks of the Group and make recommendations to the Board. The Group provides training and support to employees and sets demanding standards for workplace safety. The Group had no lost time or reportable incidents or injuries in 2018 and improved its lost time injury frequency rate from 2.89 at the start of 2018 to 2.72 at the end of 2018. The lost time injury frequency rate at the start of 2017 was 3.24 and improved to 2.91 at the end of 2017 with 1 lost time injury in April 2017. For further details in relation to the Health, Safety and Environmental Committee please refer to page 56.

Payment to Suppliers
The Group's policy is to agree terms and conditions with suppliers in advance; payment is then made in accordance with the agreement provided the supplier has met the terms and conditions. Under normal operating conditions, suppliers are paid within 30 days of receipt of invoice.

Future Developments
The Group will continue its mineral exploration activities with the objective of finding further mineralised resources, particularly potash and the development of the Kola and the Dougou deposits. The Company will also consider the acquisition of further prospective exploration interests.

Environmental Issues
The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of shareholders, employees and suppliers. In respect of the current year under review, the Directors are not aware of any particular or significant environmental issues which have been raised in relation to the Group's operations. The Group holds exploration permits and mining licences in the RoC. The Group's operations are subject to environmental legislation in this jurisdiction in relation to its exploration activities.

Unissued Shares under Options and Equity Warrants
Share options outstanding at the date of this report:

Exercise Period	Exercise Price	Number of Options
Options expiring on or before 15 November 2019	AUD 0.30	50,000,000
Options expiring on or before 27 June 2020	GBP 0.11	4,000,000
Options expiring on or before 27 June 2028	GBP 0.11	17,200,000
Equity warrants expiring on or before 29 March 2021	AUD 0.30	13,144,659
		84,344,659

The holders of these options and equity warrants do not have the right, by the virtue of the option or equity warrant, to participate in any share issue or interest issue of the Company.There was no exercise of unlisted options or equity warrants during the year, and during the year, 6,691,226 unlisted options and 1,500,000 unlisted options exercisable at AUD 0.33 expired on 15 April 2018 and 26 June 2018 respectively. See Note 10 and Note 12(a) to the financial statements for further details on the options and equity warrants issued and expired during the year and the issue price of these options and equity warrants.

DIRECTORS' REPORT (CONT)

Performance Rights

Performance rights outstanding at the date of this report:

Class	Expiry	Number of Rights
Former Project Director Performance Rights	06/12/2020	2,255,000
Managing Director Performance Rights	01/03/2021	5,881,250
2016 Award Performance Shares	31/05/2019	1,405,000
Employee Performance Shares (Short Term)	31/05/2020	3,747,005
Employee Performance Shares (Long Term)	31/05/2022	11,734,853
Managing Director Performance Rights	31/05/2019	660,000
Non-Executive Director Performance Rights	22/05/2022	4,500,000
		30,183,108

The performance rights holders do not hold any voting rights or rights to participate in dividends unless the rights have vested and were converted to fully paid ordinary shares. There were no exercise of performance rights during the year, and during the year, 15,025,000 performance rights were cancelled. See Note 12(a) to the financial statements for further details on the performance rights issued and cancelled during the year.

Information on Directors

David Hathorn Non-Executive Chairman *BCom, CA*	Mr. Hathorn joined the Group in November 2015. Mr. Hathorn retired in 2017 from the Mondi group where he had been CEO for 17 years. The Mondi group is an international packaging and paper group, employing around 25,000 people across more than 30 countries, listed on the London Stock Exchange and the JSE. Prior to the demerger of the Mondi group from Anglo American plc, Mr. Hathorn was a member of the Anglo American group executive committee from 2003 and an executive director of Anglo American plc from 2005, serving on several boards of the group's major mining operations.
Interest in Shares and Options	23,186,355 Fully Paid Ordinary Shares 2,049,416 Unlisted Options exercisable at AUD 0.30 each expiring 15 November 2019 4,000,000 Unlisted Options exercisable at GBP 0.11 each expiring 27 June 2020 1,500,000 Performance Rights each expiring 22 May 2022 250,000 Equity warrants exercisable at AUD 0.30 each expiring 29 March 2021
Directorships held in other listed entities	None
Former directorships of listed companies in last three years	CEO of Mondi group (from 1 May 2007 to 11 May 2017)

DIRECTORS' REPORT (CONT)

Information on Directors (Cont)

Brad Sampson Chief Executive Officer *B Eng (Mining) Hons, MBA, AMP, GAICD, MAusIMM*	Mr Sampson is a mining engineer and joined the Group in June 2018. He has more than 30 years' resources industry experience across numerous locations including West and Southern Africa. In addition to significant mine development and operating experience, Brad has held leadership positions at several publicly listed companies.
(Appointed on 4 June 2018)	Brad was most recently CEO of ASX listed Tiger Resources Limited, a copper producer in the Democratic Republic of the Congo which in January 2018 entered into a binding agreement to sell its assets to a Chinese group for USD 250 million. Prior to this, Brad held senior positions at Newcrest Mining Ltd, one of the world's largest gold mining companies, including General Manager of Newcrest's West African operations. From 2008 to 2013, Brad was the CEO of AIM/ASX listed Discovery Metals Ltd, where he was hired to lead the project financing, construction and subsequent production of the Company's flagship copper asset in Botswana. Other notable positions include General Manager at Goldfields' operations in South Africa and Australia.
Interest in Shares and Options	17,200,000 Unlisted Options exercisable at GBP 0.11 each expiring 27 June 2028
Directorships held in other listed entities	Agrimin Limited (from 22 April 2016)
Former directorships of listed companies in last three years	Tiger Resources Limited (from 6 February 2017 to 9 February 2018)
Sean Bennett Chief Executive Officer *ACA* *(Resigned on 4 June 2018)*	Mr Bennett joined the Group in November 2015. He was previously CEO of UBS South Africa. He joined SG Warburg in London in 1995 (now UBS Investment Bank). He moved to South Africa in 2008 with HSBC, where he was Co-Head of HSBC Global Banking for Africa before re-joining UBS in 2011. Mr. Bennett has over 20 years' experience in advising a wide range of companies, state owned enterprises and Governments, including a number of large mining houses such as BHP, South32 and Sibanye. He has been involved in transactions around the globe as well as numerous countries across Africa.
Jonathan Trollip Non-Executive Director *B.A (Hons) LLM, FAICD*	Mr Trollip joined the Group in April 2016 and is a globally experienced Director (both executive and non-executive) with over 30 years of commercial, corporate, governance and legal and transactional expertise. He is currently Non-Executive Chairman of ASX listed Global Value Fund Ltd, Future Generation Investment Company Ltd, Spicers Limited, Plato Income Maximiser Ltd, Spheria Emerging Companies Ltd and Antipodes Global Investment Company Ltd and a non-executive director of Propel Funeral Partners Limited. He also holds various private company directorships in the commercial and not-for-profit sectors.
Interest in Shares & Options	791,714 Fully Paid Ordinary Shares 57,091 Unlisted Options exercisable at AUD 0.30 each expiring 15 November 2019 750,000 Performance Rights each expiring 22 May 2022
Directorships held in other listed entities	Future Generation Investment Company Limited (from 8 October 2013) Global Value Fund Limited (from 20 March 2014) Antipodes Global Investment Company Limited (from 13 July 2016) Plato Income Maximiser Limited (from 20 February 2017) Spicers Limited (from 6 September 2017) Spheria Emerging Companies Limited (from 12 September 2017) Propel Funeral Partners Limited (from 19 September 2017)
Former directorships of listed companies in last three years	None

DIRECTORS' REPORT (CONT)

Information on Directors (Cont)

Leonard Math Non-Executive Director *B.Com., CA*	Mr Math joined the Group in April 2014. Mr Math graduated from Edith Cowan University in 2003 with a Bachelor of Business majoring in Accounting and Information Systems. He is a member of the Institute of Chartered Accountants. In 2005 he worked as an auditor at Deloitte before joining GDA Corporate as Manager of Corporate Services. He has extensive experience in relation to public company responsibilities including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting and shareholder relations within both the retail and institutional sectors. He is currently the CFO and Company Secretary of ASX listed AVZ Minerals Limited.
Interest in Shares & Options	750,000 Performance Rights each expiring 22 May 2022
Directorships held in other listed entities	None
Former directorships of listed companies in last three years	Mako Hydrocarbons Limited (delisted / deregistered / liquidated on 4 April 2016) RMA Energy Limited (resigned 19 January 2017) Global Gold Holdings Limited (resigned 1 February 2017) Okapi Resources Limited (resigned 28 November 2017)
Timothy Keating Non-Executive Director *BSc*	Mr Keating joined the Group in November 2016 following the completion of the strategic investment in the Group by SGRF. Mr Keating is Head of Mining Investment Private Equity at SGRF, a sovereign wealth fund of the Sultanate of Oman. Prior to joining SGRF in 2015, Mr Keating was CEO of African Nickel Limited, a nickel sulphide development company where he grew the business through several acquisitions, project development and fund raisings. He also worked at Investec Bank for the Commodities and Resource Finance Team (2004 – 2010) and at Black Mountain Mine owned by Anglo American plc, in South Africa. He is a Non-Executive Director of Kenmare Resources plc.
Interest in Shares & Options	750,000 Performance Rights each expiring 22 May 2022
Directorships held in other listed entities	Kenmare Resources plc (from 14 October 2016)
Former directorships of listed companies in last three years	None

DIRECTORS' REPORT (CONT)

Information on Directors (Cont)

David Netherway Non-Executive Director *B.Eng (Mining), CDipAF, F.Aus.IMM, F.IoM3, C.E.* *(Appointed on 12 December 2017)*	Mr Netherway joined the Group in December 2017 and is a mining engineer with over 40 years of experience in the mining industry. He was involved in the construction and development of the New Liberty, Iduapriem, Siguiri, Samira Hill and Kiniero gold mines in West Africa and has mining experience in Africa, Australia, China, Canada, India and the Former Soviet Union. Mr Netherway served as the CEO of Shield Mining until its takeover by Gryphon Minerals. Prior to that, he was the CEO of Toronto listed Afcan Mining Corporation, a China focused gold mining company that was sold to Eldorado Gold in 2005. He was also the Chairman of Afferro Mining which was acquired by IMIC in 2013. Mr Netherway has held senior management positions in a number of mining companies including Golden Shamrock Mines, Ashanti Goldfields and Semafo Inc. Mr Netherway is currently the Chairman of AIM and TSX-V listed Altus Strategies plc, ASX-listed Canyon Resources Ltd and TSX-V listed Kilo Goldmines Ltd, and a non-executive director of TSX and AIM listed Avesoro Resources Inc. He also holds various private company directorships.
Interest in Shares & Options	350,000 Fully Paid Ordinary Shares 750,000 Performance Rights each expiring 22 May 2022
Directorships held in other listed entities	Altus Strategies plc (ALS:AIM & ALTS:TSX-V) (from August 2017) Kilo Goldmines Ltd (KGL:TSX-V) (from 7 July 2011) Canyon Resources Ltd (CAY:ASX) (from 17 March 2014) Avesoro Resources Inc. (ASO: TSX & AIM) (from April 2011)
Former directorships of listed companies in last three years	Altus Global Gold Ltd (AGG-CISX) (from October 2011 to February 2016) Aureus Mining Inc. (AUE:TSX & AIM) (from February 2011 to July 2016)
José Antonio Merino Non-Executive Director *B.Eng* Civil Engineer *(Appointed on 23 May 2018)*	Mr Merino joined the Group in May 2018 and is currently the Mergers and Acquisitions Director at Sociedad Química y Minera de Chile S.A. ("SQM"). He joined SQM in 2016, prior to which he worked at EPG Partners as head of a mining private equity fund, at ASSET Chile, a Chilean boutique investment bank, and at Santander Investment. He is a qualified Civil Engineer having graduated from Pontificia Universidad Católica de Chile.
Interest in Shares & Options	None
Directorships held in other listed entities	None
Former directorships of listed companies in last three years	None
Pablo Altimiras Non-Executive Director *(Resigned on 23 May 2018)*	Mr Altimiras joined the Group in November 2016 following the completion of the strategic investment in the Group by SQM. Mr Altimiras is an Industrial Civil Engineer from the Pontificia Universidad Católica de Chile where he also earned an MBA. He joined SQM during 2007 as Chief of Logistics Projects and in 2009 was promoted to Regulatory Affairs Director. In 2010 he assumed the position of Business Development vice manager and after 2 years took up the position of Development and Planning manager. In 2016 he was appointed Vice-President of Development and Planning. Pablo is also board member of Minera EXAR, an Argentinian company currently developing a lithium project in Jujuy Province, Argentina and a board member of SQM Australia Pty Ltd, a SQM subsidiary that is developing a lithium project in Western Australia.

DIRECTORS' REPORT (CONT)

Joint Company Secretaries

Henko Vos *B.Compt, CPA, ACIS, RCA*	Mr Vos is a member of the Governance Institute of Australia, the Australian Institute of Company Directors and Certified Practicing Accountants Australia with more than 15 years' experience working within public practice, specifically within the area of corporate and accounting services both in Australia and South Africa. He holds similar secretarial roles in various other listed public companies in both industrial and resource sectors. Mr Vos is an employee of Nexia Perth, a mid-tier corporate advisory and accounting practice.
St James's Corporate Services Limited ("SJCS") *(Appointed on 1 October 2018)*	SJCS is operated by co-owners, Phil Dexter and Jane Kirton (ACIS), both of whom acquired SJCS in September 2014 after having worked for SJCS since its inception in June 1998 and its former parent company in excess of 20 years. Mr Dexter has over 40 years' experience in the company secretarial environment and has worked in the natural resources sector since 1977. During that time Mr Dexter has worked with most of the leading South African mining companies and assisted on numerous corporate transactions involving acquisitions, reorganisations and restructurings, rights offers and fund raisings. Ms Kirton has over 20 years' experience in the company secretarial environment and qualified as a Chartered Secretary in 2007. Ms Kirton has worked with most of the leading South African mining companies and assisted on numerous corporate transactions involving acquisitions, reorganisations and restructurings, rights offers and fund raisings. Ms Kirton is an Associate of the Institute of Chartered Secretaries and Administrators.
Lawrence Davidson *B.Comm, Finance* *(Resigned on 25 January 2018)*	Mr Davidson graduated from the University of the Witwatersrand in Johannesburg, South Africa in 1991, and has held senior financial management roles for the past 20 years. He recently occupied the position of managing director of DF2 Consulting (Pty) Ltd., a South African financial and management consulting company, a position he had held for the past 5 years. Prior to this Mr Davidson was a management consultant to Barclays Bank plc, as part of their Barclays Africa integration team. Mr Davidson spent the early part of his career within the investment banking field, holding various financial management positions at Gensec Bank Ltd., a specialist South African investment bank, and was part of a group of employees to successfully set up and manage Gensec Bank's Irish domiciled operation, Gensec Ireland Ltd., in Dublin, Ireland during 1999-2001.
Mrs Francesca Wilson *BSc, ACIS* *(Resigned on 30 September 2018)*	Mrs Wilson is a chartered secretary with over 12 years' experience gained in a variety of in-house and professional service environments, and more recently, offering value-add, tailored company secretarial services through her independent consultancy. She has particular expertise in supporting clients seeking a listing on the London Stock Exchange, with a successful track record of ensuring the robust implementation of corporate governance frameworks appropriate to satisfy compliance with the regulatory regime. Mrs Wilson is an Associate of the Institute of Chartered Secretaries and Administrators.

DIRECTORS' REPORT (CONT)

Directors' Conflicts of Interest
The Board has formal procedures to deal with Directors' conflicts of interest. In the instance where there is a transactional conflict of interest identified, the Director would not take part in the discussion or determination of any matter in respect of which he had disclosed a transactional conflict of interest. The Board noted no transactional conflicts of interest concerning Directors that arose during the year.

Directors' Service Contracts
The Chief Executive Officer is employed on an ongoing basis, which may be terminated by either party giving 6 months' notice. Each Non-Executive Director has a letter of appointment for an initial term of 3 years. The appointment of the Non-Executive Director may be terminated by the Company giving 1 month notice, by the Non-Executive Director by immediate notice and also in accordance with the Company's articles of association.

Indemnifying Officers and Directors and Officers Liability Insurance
The Group has agreed to indemnify the Directors of the Company, against all liabilities to another person that may arise from their position as directors of the Company and the Group, except where the liability arises out of conduct involving a lack of good faith.

Appropriate insurance cover is maintained by the Company in respect of its Directors and Officers. During the financial year the Group agreed to pay an annual insurance premium of USD 58,883 (2017: USD 46,401) in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors, officers and employees of the Company. The insurance premium relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty.

Share Dealing Code
The Company has adopted a share dealing code for directors and applicable employees (within the meaning given in the AIM Rules for Companies) in order to ensure compliance with Rule 21 of the AIM Rules for Companies and the provisions of the Market Abuse Regulations relating to dealings in the Company's securities. The Board considers that the Share Dealing Code is appropriate for a company whose shares are admitted to trading on AIM, the ASX and the JSE.

DIRECTORS' REPORT (CONT)

Remuneration Report

This remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of Kore Potash's key management personnel for the financial year ended 31 December 2018. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel (KMP)
- remuneration policy
- relationship between the remuneration policy and company performance
- key terms of employment contracts
- remuneration of KMP

KMP of the Company and the Group

This report details the nature and amount of remuneration for the KMP of the Group. KMP during the financial year 2018 were:

Executive Directors		
Brad Sampson	Chief Executive Officer (appointed on 4 June 2018)	
Sean Bennett *(i)*	Chief Executive Officer (appointed on 20 November 2015, resigned on 4 June 2018)	
Non-Executive Directors		
David Hathorn *(i)*	Non-Executive Chairman (appointed on 20 November 2015)	
Jonathan Trollip *(ii)*	Non-Executive Director (appointed on 21 April 2016)	
Leonard Math *(ii)*	Non-Executive Director (appointed on 24 April 2014)	
Timothy Keating *(ii)*	Non-Executive Director (appointed on 15 November 2016)	
David Netherway	Non-Executive Director (appointed on 12 December 2017)	
José Antonio Merino	Non-Executive Director (appointed on 23 May 2018)	
Pablo Altimiras *(ii)*	Non-Executive Director (appointed on 15 November 2016, resigned on 23 May 2018)	
Executives		
Henko Vos	Joint Company Secretary (appointed on 16 November 2016)	
SJCS	Joint Company Secretary (appointed on 1 October 2018)	
Francesca Wilson	Joint Company Secretary (appointed on 29 November 2017, resigned on 30 September 2018)	
John Crews	Chief Financial Officer (appointed on 22 May 2017)	
Julien Babey	Business Development and Head of RoC (appointed on 1 January 2016)	
Gavin Chamberlain	Chief Operating Officer (appointed 1 October 2017)	
Lawrence Davidson	Chief Financial Officer and Risk Officer	(resigned on 1 January 2018)
	Joint Company Secretary	(resigned on 25 January 2018)

(i) David Hathorn and Sean Bennett were appointed as the directors of Kore Potash plc on the date of incorporation of the Company on 25 August 2017.

(ii) In accordance with the Scheme of Arrangement between Kore Potash Limited and its shareholders, Jonathan Trollip, Leonard Math, Timothy Keating and Pablo Altimiras were appointed as the directors of Kore Potash plc on 17 November 2017.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Remuneration Policy

The remuneration policy of Kore Potash has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Nomination and Remuneration Committee makes recommendations to the Board in relation to the composition of the Board, the appointment of the CEO and succession planning, and remuneration for directors and senior executives. The Board endeavours with its remuneration policy to attract and retain high calibre executives and directors to run and manage the Group within the constraints of the financial position of the Group.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary and superannuation, where applicable. The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain high calibre executives and reward them for performance that results in long-term growth in shareholder wealth. Executives may also be entitled to participate in the employee share and option arrangements.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. During the financial year, independent external advice was sought on appropriate remuneration of directors to better reflect market practice for comparable companies listed on AIM, and this resulted during the financial year in the implementation of revised remuneration arrangements for all non-executive directors. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company. The Board has adopted the Kore Potash Performance Rights Plan to establish an incentive plan aiming to create a stronger link between employee performance and reward and increasing shareholder value by enabling the participants of the plan to have a greater involvement with, and share in the future growth and profitability of the Company.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Key Terms of Employment Contracts with Executive KMPs

Key Terms of Employment Contracts for the financial year ending 31 December 2018:

Name	Base Salary per Annum	Term of Agreement	Notice Period
Brad Sampson (Chief Executive Officer, appointed 4 June 2018))	USD 550,000	No fixed term	6 month notice period
Sean Bennett (Chief Executive Officer, resigned 4 June 2018)	USD 315,180	No fixed term	6 month notice period
John Crews (Chief Financial Officer)	USD 244,880	No fixed term	3 month notice period
Julien Babey (Business Development and Head of RoC)	USD 231,132	No fixed term	3 month notice period
Gavin Chamberlain (Chief Operating Officer)	USD 280,500	No fixed term	3 month notice period

Non-Executive Director Arrangements

Non-executive directors receive a board fee and fees for chairing or participating on board committees, see table below. They do not receive performance-based pay (except via options and performance rights under the Group's performance rights plan) or retirement allowances. The fees are inclusive of superannuation. The Chairman does not receive additional fees for participating in or chairing committees.

Fees are reviewed annually by the Board taking into account comparable roles and market data provided by the Board's independent remuneration adviser. The current base annual fees were reviewed with effect from 1 April 2018.

	From 1 Apr 2018	From 1 Jan 2017 to 31 Mar 2018
Base fees		
Chairman	USD 156,000	Nil*
Senior independent non-executive director	USD 66,500	AUD 75,000
Other non-executive directors	USD 56,000	AUD 60,000 or USD 62,000**
Additional fees		
Audit and risk committee – Chair	USD 7,000	-
Audit and risk committee – member	-	-
Remuneration and nomination – Chair	USD 7,000	-
Remuneration and nomination – member	-	-
Health, safety and environmental – Chair	USD 7,000	-
Health, safety and environmental – member	-	-

** Up until 31 March 2018, the Chairman did not receive any base remuneration, but was compensated instead through an award of 13,000,000 performance rights, 2,000,000 of which vested during the 2016 and 2017 years. During the 2018 year, the remaining 11,000,000 performance rights were cancelled following shareholder approval at the Company's AGM on 27 June 2018.*

*** Up until 31 March 2018, one of the non-executive directors received base fees of USD 62,000 per annum (from the time of his appointment), the other three non-executive directors received base fees of AUD 60,000 per annum.*

All non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board's policies and terms, including remuneration, relevant to the office of director. Directors with special responsibilities are disclosed within the various committee reports in the Corporate Governance Report on pages 54 to 56.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

KMP Remuneration - Audited

The remuneration for each director and KMP of the Group during the year ended 31 December 2018 was as follows:

1 January 2018 to 31 December 2018 single figure table

	Short-Term Benefits			Post-Employment Benefits	Options / Performance Rights *(i)* USD	Total USD
	Fees/Basic Salary USD	Annual Bonus USD	Benefits in Kind USD	Superannuation USD		
Executive Directors						
Brad Sampson *(ii)*	317,455	-	-	-	195,766	513,221
Sean Bennett *(iii)*	457,030	-	-	-	176,020	633,050
Non-Executive Directors						
David Hathorn	117,000	-	-	-	307,333	424,333
Jonathan Trollip	63,720	-	-	6,050	44,541	114,311
Leonard Math	58,989	-	-	-	32,660	91,649
Timothy Keating	53,818	-	-	-	21,125	74,943
David Netherway	62,330	-	-	-	21,125	83,455
José Antonio Merino *(iv)*	32,662	-	-	-	-	32,662
Pablo Altimiras *(v)*	21,183	-	-	-	-	21,183
	1,184,187	**-**	**-**	**6,050**	**798,570**	**1,988,807**
Executives						
Henko Vos *(vi)*	163,445	-	-	-	-	163,445
SJCS *(vii)*	14,785	-	-	-	-	14,785
John Crews	245,735	-	-	-	46,744	292,479
Julien Babey	231,939	-	-	-	84,128	316,067
Gavin Chamberlain	281,481	-	-	-	68,665	350,146
Lawrence Davidson *(viii)*	-	-	-	-	(17,065)	(17,065)
Francesca Wilson *(ix)*	11,134	-	-	-	-	11,134
	948,519	**-**	**-**	**-**	**182,472**	**1,130,991**
Total	**2,132,706**	**-**	**-**	**6,050**	**981,042**	**3,119,798**

(i) *Options as share-based payment arrangements and performance rights granted under the STIP, LTIP and other schemes are expensed over the vesting period, which includes the years to which they relate and their subsequent vesting periods.*

(ii) *Appointed on 4 June 2018.*

(iii) *Resigned on 4 June 2018. Included in Mr Bennett's basic salary is his severance pay of USD 325,705, included above.*

(iv) *Appointed on 23 May 2018.*

(v) *Resigned on 23 May 2018.*

(vi) *Nexia Perth Pty Ltd has been engaged to provide accounting, administrative and company secretarial services on commercial terms. Mr Vos is currently employed by Nexia Perth.*

(vii) *Appointed on 1 October 2018. SJCS has been engaged to provide company secretarial services on commercial terms. SJCS is operated by co-owners Mr Phil Dexter and Ms Jane Kirton.*

(viii) *Resigned on 25 January 2018 as joint company secretary. His severance pay was paid during the prior year ended 31 December 2017.*

(ix) *Resigned on 30 September 2018. FKW Consulting Ltd was engaged to provide company secretarial services on commercial terms. Mrs Francesca Wilson was employed by FKW Consulting Ltd.*

Sean Bennett was the highest paid director during the 2018 year and details of his remuneration are disclosed above.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

KMP Remuneration - Audited

The remuneration for each director and KMP of the Group during the year ended 31 December 2017 was as follows:

1 January 2017 to 31 December 2017 single figure table

	Short-Term Benefits			Post-Employment Benefits	Options / Performance Rights *(i)* USD	Total USD
	Fees/Basic Salary USD	Annual Bonus USD	Benefits in kind USD	Superannuation USD		
Executive Director						
Sean Bennett	309,000	-	-	-	411,784	720,784
Non-Executive Directors						
David Hathorn	-	-	-	-	344,579	344,579
Jonathan Trollip	44,121	-	-	13,652	38,535	96,308
Leonard Math	46,161	-	-	-	19,267	65,428
Timothy Keating	46,513	-	-	-	-	46,513
Pablo Altimiras	46,860	-	-	-	-	46,860
David Netherway *(ii)*	10,100	-	-	-	-	10,100
	502,755	**-**	**-**	**13,652**	**814,165**	**1,330,572**
Executives						
Henko Vos *(iii)*	117,387	-	-	-	-	117,387
Francesca Wilson *(iv)*	13,383	-	-	-	-	13,383
John Crews *(v)*	144,954	-	-	-	104,494	249,448
Julien Babey	226,600	-	-	-	168,983	395,583
Gavin Chamberlain *(vi)*	68,983	-	-	-	-	68,983
Lawrence Davidson *(vii)*	250,000	-	-	-	93,737	343,737
Werner Swanepoel *(viii)*	443,024	-	-	-	104,754	547,778
	1,264,331	**-**	**-**	**-**	**471,968**	**1,736,299**
Total	**1,767,086**	**-**	**-**	**13,652**	**1,286,133**	**3,066,871**

(i) Options as share-based payment arrangements and performance rights granted under the STIP, LTIP and other schemes are expensed over the vesting period, which includes the years to which they relate and their subsequent vesting periods.

(ii) Appointed 12 December 2017.

(iii) Nexia Perth Pty Ltd has been engaged to provide accounting, administrative and company secretarial services on commercial terms. Mr Vos is currently employed by Nexia Perth.

(iv) Appointed 29 November 2017. FKW Consulting Ltd was engaged to provide company secretarial services on commercial terms. Mrs Francesca Wilson was employed by FKW Consulting Ltd.

(v) Appointed 22 May 2017.

(vi) Appointed 1 October 2017.

(vii) Resigned 25 January 2018. He was paid severance pay of USD50,000.

(viii) Resigned on 23 November 2017. Included in his basic salary is his severance pay, ex gratia pay and outstanding annual leave pay of $206,986, included above.

Sean Bennett was the highest paid director during the 2017 year and details of his remuneration are disclosed above.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Share-based payments granted as compensation to KMP - Audited

Employee Share Option Plan and Employee Performance Rights Plan
Kore Potash operates an ownership-based scheme for executives and senior employees of the Group. In accordance with the provisions of the plans, as approved by shareholders at a previous general meeting, executives and senior employees may be granted performance rights and/or options to purchase parcels of ordinary shares at an exercise price determined by the Board based on a recommendation by the Remuneration and Nomination Committee.

Each employee share option converts into one ordinary share of Kore Potash on exercise. No amounts are paid or payable by the recipient on receipt of the option, aside from when the option is exercised. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. Each employee performance rights will be converted into one ordinary share of Kore Potash upon vesting conditions being met. No amounts are paid or payable by the recipient on receipt of the performance rights. The performance rights carry neither rights to dividends nor voting rights.

The performance rights/options granted expire as determined by the Board based on a recommendation by Remuneration and Nomination Committee, or immediately following the resignation of the executive or senior employee, whichever is the earlier.

Summary information for Options as SBP arrangements in existence during 2018
During the financial year, the following options as SBP arrangements for KMP and other personnel were in existence:

	Grant Date	Vesting Date	Number of Options	Expiry Date	Fair Value at Grant Date	Exercise Price
Option Series 22 *	9/04/2014	10/04/2014	2,169,671	15/04/2018	AUD 0.1242	AUD 0.33
Option Series 23 *	9/04/2014	10/04/2015	1,760,778	15/04/2018	AUD 0.1391	AUD 0.33
Option Series 24 *	9/04/2014	10/04/2016	1,760,777	15/04/2018	AUD 0.1522	AUD 0.33
Option Series 25 *	12/05/2014	10/04/2014	333,333	15/04/2018	AUD 0.0948	AUD 0.33
Option Series 26 *	12/05/2014	10/04/2015	333,333	15/04/2018	AUD 0.1073	AUD 0.33
Option Series 27 *	12/05/2014	10/04/2016	333,334	15/04/2018	AUD 0.1194	AUD 0.33
Option Series 28 *	30/05/2014	10/04/2014	500,000	26/06/2018	AUD 0.1177	AUD 0.33
Option Series 29 *	30/05/2014	10/04/2015	500,000	26/06/2018	AUD 0.1303	AUD 0.33
Option Series 30 *	30/05/2014	10/04/2016	500,000	26/06/2018	AUD 0.1432	AUD 0.33
Option Series 31 **	27/06/2018	*Refer below*	17,200,000	27/06/2028	USD 0.0681	GBP 0.11
Option Series 32 **	27/06/2018	*Refer below*	4,000,000	27/06/2020	USD 0.0364	GBP 0.11

* *Option Series expired during the financial year.*

** *These options were issued to Brad Sampson (Option Series 31) and David Hathorn (Option Series 32). The vesting conditions for these Options include milestones being achieved in relation to the Kola Project.*

Unless otherwise indicated above, there are no performance criteria that need to be met in relation to options granted above before the beneficial interest vests in the recipient. However, the executives and senior employees receiving the options meet the vesting conditions only if they continue to be employed with the Company at the vesting date.

Please refer to Note 23 to the financial statements for further details of the options granted as detailed above.

Options Series 31 and 32 were granted as compensation during the year. Further details of the performance conditions for these options can also be found in Note 23 to the financial statements.

There was no exercise of options during the year.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Share-based payments granted as compensation to KMP - Audited (Cont)

Summary information for Performance Rights as SBP arrangements in existence during 2018
During the financial year, the following performance rights as SBP arrangements for KMP and other personnel were in existence:

	Grant Date	Vesting Date	Number of Rights	Expiry Date	Fair Value at Grant Date
Rights Series 6 *	17/09/2015	*Refer below*	2,666,090	16/09/2019	AUD 0.1510
Rights Series 7 *	07/12/2015	*Refer below*	5,000,000	06/12/2020	AUD 0.1753
Rights Series 8 *	20/11/2015	*Refer below*	13,000,000	01/03/2021	AUD 0.1596
Rights Series 9 *	20/11/2015	*Refer below*	8,500,000	01/03/2021	AUD 0.1867
Rights Series 10 *	30/06/2016	*Refer below*	2,000,000	30/06/2021	AUD 0.1258
Rights Series 11 *	30/06/2016	*Refer below*	1,000,000	30/06/2021	AUD 0.1258
Rights Series 12 *	29/05/2017	*Refer below*	2,000,000	31/05/2019	AUD 0.1700
Rights Series 13 *	31/05/2017	*Refer below*	660,000	31/05/2019	AUD 0.1700
Rights Series 14 *	29/05/2017	*Refer below*	4,482,005	31/05/2020	AUD 0.1700
Rights Series 15	29/05/2017	*None vested*	11,734,853	31/05/2022	AUD 0.17 / AUD 0.104
Rights Series 16	27/06/2018	*None vested*	1,500,000	22/05/2022	GBP 0.0564
Rights Series 17	27/06/2018	*None vested*	750,000	22/05/2022	GBP 0.0564
Rights Series 18	27/06/2018	*None vested*	750,000	22/05/2022	GBP 0.0564
Rights Series 19	27/06/2018	*None vested*	750,000	22/05/2022	GBP 0.0564
Rights Series 20	27/06/2018	*None vested*	750,000	22/05/2022	GBP 0.0564

* *Vested, converted to fully paid ordinary shares and/or cancelled during the year – Please refer to Note 23 to the financial statements for more details of conversions and cancellations.*

** The above Performance Rights have nil exercise price.

There are various performance criteria that need to be met in relation to performance rights granted above before the beneficial interest vests in the recipient. However, if the executives and senior employees receiving the performance rights cease to be employed by the Company, the Board of Directors will determine if the performance rights vest immediately, are cancelled or vest upon the vesting condition being achieved.

Performance Rights Series 8, 10 and 11 were cancelled during the year.

Performance Rights Series 16 to 20 were granted as compensation during the year.

There was no exercise of performance rights during the year.

Further details of the cancellation of Rights Series 8, 10 and 11, performance conditions for Rights Series 16 to 20 (inclusive), and various vesting dates for all performance rights can be found in Note 23 to the financial statements.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Share-based payments granted as compensation to KMP – Audited (Cont)

Reconciliation of options as SBP arrangements and performance rights held by KMP

The table below shows a reconciliation of options as SBP arrangements and performance rights held by each KMP from the beginning to the end of the 2018 year.

The maximum value of the options yet to vest has been determined as the amount of the grant date fair value of the options that is yet to be expensed. The minimum value of options yet to vest is nil, as the options will be forfeited or cancelled if the vesting conditions are not met.

The amount expensed during the year denotes the amount expensed over the vesting period of the options or performance rights, and the percentage indicated denotes the proportion of this expense over the KMP's total compensation, and therefore the proportion of the KMP's total compensation that is linked to the Group's performance for the 2018 year.

For further information on each option and performance rights series, please refer to Note 23 to the financial statements.

Name, option or rights series number, grant date, amount granted on grant date and issue date				Balance at the start of the year		Granted or allocated as compensation	Vested		Exercised	Cancelled or expired *(iv)*		Other changes *(ii)*	Balance at the end of the year		Max value yet to vest	Expensed in 2018	
				Vested and exercisable	Unvested								Vested and exercisable	Unvested			
				No	No	No	No	%	No	No	%	No	No	No	USD	USD	%
Executive Directors																	
Brad Sampson *(i)*																	
Options																	
Series 31	27/06/2018	17,200,000	1/08/2018	-	-	17,200,000	-	-	-	-	-	-	-	17,200,000	941,945	195,766	38
				-	-	*17,200,000*	-	-	-	-	-	-	-	*17,200,000*	*941,945*	*195,766*	*38*
Sean Bennett *(ii)*																	
Performance Rights																	
Series 9	20/11/2015	8,500,000	2/03/2016	-	6,906,250	-	531,250	6	-	(1,025,000)	12	(5,881,250)	-	-	42,978	(812)	(0)
Series 13	31/05/2017	660,000	1/06/2017	-	660,000	-	660,000	100	-	-	-	(660,000)	-	-	-	61,075	10
Series 21	27/06/2018	500,000	*(iii)*	-	-	500,000	500,000	100	-	-	-	-	-	-	-	37,341	6
Series 22	27/06/2018	1,050,000	*(iii)*	-	-	1,050,000	1,050,000	100	-	-	-	-	-	-	-	78,416	12
				-	*7,566,250*	*1,550,000*	*2,741,250*	*NA*	-	*(1,025,000)*	-	*(6,541,250)*	-	-	*42,978*	*176,020*	*38*

(i) The reconciliation shown above for Mr Sampson's options is from his appointment on 4 June 2018.

(ii) The reconciliation shown above for Mr Bennett's performance rights is until his resignation on 4 June 2018. 1,025,000 performance rights were cancelled upon his resignation, with the remaining in the "other changes" heading being the amount Mr. Bennett held at his resignation date. These continue to be held under the terms of his exit arrangement.

(iii) The above performance rights were approved by shareholders at the Company's AGM held on 27 June 2018. They vested upon Mr Bennett's resignation but are yet to be issued and converted to shares at reporting date.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Share-based payments granted as compensation to KMP – Audited (Cont)

Reconciliation of options as SBP arrangements and performance rights held by KMP (cont)

Name, option or rights series number, grant date, amount granted on grant date and issue date				Balance at the start of the year		Granted or allocated as compen-sation	Vested		Exer-cised	Cancelled or expired (iv)		Other changes (ii)	Balance at the end of the year		Max value yet to vest	Expensed in 2018	
				Vested and exer-cisable	Unvested								Vested and exer-cisable	Unvested			
				No	No	No	No	%	No	No	%	No	No	No	USD	USD	%
Non-Executive Directors																	
David Hathorn																	
Options																	
Series 32	27/06/2018	4,000,0000	1/08/2018	-	-	4,000,000	-	-	-	-	-	-	-	4,000,000	81,244	42,423	10
Performance Rights																	
Series 8	20/11/2015	13,000,000	2/03/2016	-	11,000,000	-	-	-	-	(11,000,000)	100	-	-	-	392,302	264,910	62
Series 16	27/06/2018	1,500,000	1/08/2018	-	-	1,500,000	-	-	-	-	-	-	-	1,500,000	-	-	-
				-	*11,000,000*	*5,500,000*	-	-	-	*(11,000,000)*	*NA*	-	-	*5,500,000*	*473,546*	*307,333*	*72*
Jonathan Trollip																	
Performance Rights																	
Series 10	30/06/2016	2,000,000	6/07/2016	-	2,000,000	-	-	-	-	(2,000,000)	100	-	-	-	88,576	37,631	33
Series 17	27/06/2018	750,000	1/08/2018	-	-	750,000	-	-	-	-	-	-	-	750,000	10,995	6,910	6
				-	*2,000,000*	*750,000*	-	-	-	*(2,000,000)*	*NA*	-	-	*750,000*	*99,571*	*44,541*	*39*
Leonard Math																	
Options																	
Series 22	9/04/2014	61,200	15/04/2014	61,200	-	-	-	-	-	(61,200)	100	-	-	-	-	-	-
Series 23	9/04/2014	61,200	15/04/2014	61,200	-	-	-	-	-	(61,200)	100	-	-	-	-	-	-
Series 24	9/04/2014	61,200	15/04/2014	61,200	-	-	-	-	-	(61,200)	100	-	-	-	-	-	-
Performance Rights																	
Series 11	30/06/2016	1,000,000	6/07/2016	-	1,000,000	-	-	-	-	(1,000,000)	100	-	-	-	44,288	18,816	21
Series 18	27/06/2018	750,000	1/08/2018	-	-	750,000	-	-	-	-	-	-	-	750,000	22,030	13,844	15
				-	*1,000,000*	*750,000*	-	-	-	*(1,183,600)*	*NA*	-	-	*750,000*	*66,318*	*32,660*	*36*

(iv) The performance rights for Rights Series 8, 10 and 11 were cancelled following shareholder approval at the Company's AGM held on 27 June 2018. The options for Option Series 22, 23 and 24 were not exercised and expired during the year.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Share-based payments granted as compensation to KMP – Audited (Cont)

<u>Reconciliation of options as SBP arrangements and performance rights held by KMP (cont)</u>

Name, option or rights series number, grant date, amount granted on grant date and issue date				Balance at the start of the year		Granted or allocated as compen-sation	Vested		Exer-cised	Cancelled or expired *(iv)*		Other changes *(ii)*	Balance at the end of the year		Max value yet to vest	Expensed in 2018	
				Vested and exer-cisable	Unvested								Vested and exer-cisable	Unvested			
				No	No	No	No	%	No	No	%	No	No	No	USD	USD	%
Non-Executive Directors (Cont)																	
Timothy Keating																	
Performance Rights																	
Series 20	27/06/2018	750,000	1/08/2018	-	-	750,000	-	-	-	-	-	-	-	750,000	33,064	21,125	28
				-	-	*750,000*	-	-	-	-	-	-	-	*750,000*	*33,064*	*21,125*	*28*
David Netherway																	
Performance Rights																	
Series 19	27/06/2018	750,000	1/08/2018	-	-	750,000	-	-	-	-	-	-	-	750,000	33,064	21,125	25
				-	-	*750,000*	-	-	-	-	-	-	-	*750,000*	*33,064*	*21,125*	*25*
Executives																	
John Crews																	
Performance Rights																	
Series 12	29/05/2017	100,000	29/05/2017	-	100,000	-	-	-	-	-	-	-	-	100,000	2,470	6,338	2
Series 14	29/05/2017	560,004	29/05/2017	-	-	560,004	186,668	33	-	-	-	-	186,668	373,336	4,610	10,174	3
Series 15	29/05/2017	*(v)*	29/05/2017	-	-	-	-	-	-	-	-	-	-	-	172,576	30,232	10
				-	100,000	560,004	186,668	*NA*	-	-	-	-	186,668	473,336	*179,656*	*46,744*	*15*

(v) The amount of performance rights to be allocated for Rights Series 15 is yet to be approved and finalised by the Board. Vesting expenses has been estimated based on the estimated performance rights that may be received by each KMP.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Share-based payments granted as compensation to KMP – Audited (Cont)

<u>**Reconciliation of options as SBP arrangements and performance rights held by KMP (cont)**</u>

Name, option or rights series number, grant date, amount granted on grant date and issue date					Balance at the start of the year		Granted or allocated as compen-sation	Vested		Exer-cised	Cancelled or expired *(iv)*		Other changes *(ii)*	Balance at the end of the year		Max value yet to vest	Expensed in 2018	
					Vested and exer-cisable	Unvested								Vested and exer-cisable	Unvested			
					No	No	No	No	%	No	No	%	No	No	No	USD	USD	%
Executives (Cont)																		
Julien Babey																		
Options																		
Series 22	9/04/2014	284,444	15/04/2014		284,444	-	-	-	-	-	(284,444)	100	-	-	-	-	-	-
Series 23	9/04/2014	284,444	15/04/2014		284,444	-	-	-	-	-	(284,444)	100	-	-	-	-	-	-
Series 24	9/04/2014	284,445	15/04/2014		284,445	-	-	-	-	-	(284,445)	100	-	-	-	-	-	-
Performance Rights																		
Series 6	17/09/2015	521,957	17/09/2015			521,957	-	521,957	100	-	-	-	-	521,957	-	-	26,000	8
Series 12	29/05/2017	350,000	29/05/2017		-	350,000	-	-	-	-	-	-	-	-	350,000	8,644	22,182	7
Series 14	29/05/2017	490,002	29/05/2017		-	-	490,002	163,334	33	-				163,334	326,668	4,034	1,591	1
Series 15	29/05/2017	*(v)*	29/05/2017		-	-	-	-	-	-	-	-	-	-	-	196,109	34,355	11
					853,333	*871,957*	*490,002*	*685,291*	*NA*	-	*(853,333)*	*NA*	-	*685,291*	*676,668*	*208,787*	*84,128*	*27*
Gavin Chamberlain																		
Performance Rights																		
Series 14	29/05/2017	560,004	29/05/2017		-	-	560,004	186,668	33	-	-	-	-	186,668	373,336	4,610	68,665	20
Series 15	29/05/2017	*(v)*	29/05/2017		-	-	-	-	-	-	-	-	-	-	-	-	-	-
					-	-	*560,004*	*186,668*	*33*	-	-	-	-	*186,668*	*373,336*	*4,610*	*68,665*	*20*
Lawrence Davidson																		
Performance Rights																		
Series 15	29/05/2017	*(v)*	29/05/2017		-	-	-	-	-	-	-	-	-	-	-	-	(17,065)	100
					-	-	-	-	-	-	-	-	-	-	-	-	*(17,065)*	*100*

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Share-based payments granted as compensation to KMP – Audited (Cont)

<u>Options and Performance Rights granted during 2018</u>

The following table summarises the options as share-based payments and performance rights granted to KMP during the financial year ending 31 December 2018.

	Options / Rights Series	Number of Options / Rights Granted at Grant Date Number	Value of Options / Rights Granted at Grant Date (1) USD
Executive Directors			
Brad Sampson	Option Series 31	17,200,000	1,180,259
Sean Bennett	Rights Series 21	500,000	37,341
	Rights Series 22	1,050,000	78,416
Non-Executive Directors			
David Hathorn	Rights Series 16	1,500,000	112,022
	Option Series 32	4,000,000	127,825
Jonathan Trollip	Rights Series 17	750,000	56,011
Leonard Math	Rights Series 18	750,000	56,011
Timothy Keating	Rights Series 20	750,000	56,011
David Netherway	Rights Series 19	750,000	56,011
Executives			
John Crews	Rights Series 14	560,004	70,858
Julien Babey	Rights Series 14	490,002	62,000
Gavin Chamberlain	Rights Series 14	560,004	70,858

(1) The value of options or rights granted during the period is recognised in compensation over the vesting period of the grant, in accordance with IFRS 2.

Shares issued on exercise of options or performance rights

No shares were issued from the exercise of options during the financial year ended 31 December 2018.

No shares were issued during the financial year ended 31 December 2018 following the vesting of the performance rights.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Shareholdings (ordinary shares) - Audited

The numbers of ordinary shares in the Company held during the financial year by KMP, including shares held by entities they control, are set out below.

31 December 2018	Balance at 1 Jan 2018	Received as Remuneration	Options Exercised / Rights Converted	Other Movements *(i) (ii) (iii)*	Balance at 31 Dec 2018
Executive Directors					
Sean Bennett *(i)*	2,250,600	-	-	(2,250,600)	-
Non-Executive Directors					
David Hathorn *(ii)*	21,568,105	-	-	1,618,250	23,186,355
Jonathan Trollip *(iii)*	575,003	-	-	216,711	791,714
David Netherway *(iii)*	-	-	-	350,000	350,000
	24,393,708	**-**	**-**	**(65,639)**	**24,328,069**
Executives					
Henko Vos *(iii)*	-	-	-	1	1
Julien Babey	1,043,914	-	-	-	1,043,914
	1,043,914	**-**	**-**	**1**	**1,043,915**
Total	**25,437,622**	**-**	**-**	**(65,638)**	**25,371,984**

(i) Shares held at resignation date.
(ii) Conversion of USD 250,000 convertible loan note at deemed price of AUD 0.20 per Fully Paid Ordinary Share as approved by shareholders at the Company's AGM on 27 June 2018.
(iii) Shares purchased from on-market acquisitions.

31 December 2017	Balance at 1 Jan 2017	Received as Remuneration	Options Exercised / Rights Converted	Other Movements *(i) (ii)*	Balance at 31 Dec 2017
Executive Directors					
Sean Bennett	1,188,100	-	1,062,500	-	2,250,600
Non-Executive Directors					
David Hathorn *(i)*	17,243,516	-	2,000,000	2,324,589	21,568,105
Jonathan Trollip *(i)*	200,000	-	-	375,003	575,003
	18,631,616	**-**	**3,062,500**	**2,699,592**	**24,393,708**
Executives					
Julien Babey	-	-	1,043,914	-	1,043,914
Lawrence Davidson *(ii)*	58,334	-	1,294,122	(1,352,456)	-
Werner Swanepoel *(ii)*	450,000	-	1,090,000	(1,540,000)	-
	508,334	**-**	**3,428,036**	**(2,892,456)**	**1,043,914**
Total	**19,139,950**	**-**	**6,490,536**	**(192,864)**	**25,437,622**

(i) Shares purchased from off-market acquisitions.
(ii) Shares held at resignation dates.

Other than otherwise indicated above, no other KMP held any ordinary shares in the Company during the current or prior years.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Shareholdings (preference shares) – Audited

The numbers of preference shares in the Company held during the financial year by KMP, including shares held by entities they control, are set out below.

31 December 2018	Balance at 1 Jan 2018	Received as Remuneration	Options Exercised / Rights Converted	Other Movements *(i)*	Balance at 31 Dec 2018
Executive Director Sean Bennett *(i)*	25,000	-	-	(25,000)	-
Non-Executive Director David Hathorn *(i)*	25,000	-	-	(25,000)	-
	50,000	**-**	**-**	**(50,000)**	**-**
Total	**50,000**	**-**	**-**	**(50,000)**	**-**

(i) See note (ii). The redemption of Preference Shares occurred during 2018 following the Company's capital raising in March 2018.

31 December 2017	Balance at 1 Jan 2017	Received as Remuneration	Options Exercised / Rights Converted	Other Movements *(i)*	Balance at 31 Dec 2017
Executive Director Sean Bennett *(i)*	-	-	-	25,000	25,000
Non-Executive Director David Hathorn *(i)*	-	-	-	25,000	25,000
	-	**-**	**-**	**50,000**	**50,000**
Total	**-**	**-**	**-**	**50,000**	**50,000**

(ii) During 2017, Sean Bennett and David Hathorn were each issued 25,000 Redeemable (Non-Voting) Preference Shares at GBP 1.00 each in Kore Potash plc (held directly). Under the Scheme of Arrangement, each Director gave an irrevocable undertaking to pay the Company the sum of GBP 25,000 on or before the date that is five years from the date of the undertaking or, if sooner, immediately upon a written demand or demands by the Company. Upon completion of the Scheme of Arrangement, the Redeemable Preference Shares were redeemed during 2018 and the amount payable by the Directors were offset by an amount payable by the Company back to the Directors.

Other than otherwise indicated above, no other KMP held any preference shares in the Company during the current or prior years.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Holdings of options, rights and equity warrants over equity instruments - Audited

The numbers of options, rights and equity warrants over ordinary shares in the Company held during the financial year by KMP, including options and rights held by entities they control, are set out below.

31 December 2018	Balance at 1 Jan 2018	Received as Remuneration	Rights Vested	Other Movements *(i) to (v)*	Balance at 31 Dec 2018	Vested and exercisable at year end
Executive Directors						
Brad Sampson	-	17,200,000	-	-	17,200,000	-
Sean Bennett *(i)*	7,666,250	-	-	(7,666,250)	-	-
Non-Executive Directors						
David Hathorn *(ii)*	13,049,416	5,500,000	-	(10,750,000)	7,799,416	2,299,416
Jonathan Trollip *(iii)*	2,057,091	750,000	-	(2,000,000)	807,091	57,091
Leonard Math *(iv)*	1,183,600	750,000	-	(1,183,600)	750,000	-
Timothy Keating	-	750,000	-	-	750,000	-
David Netherway	-	750,000	-	-	750,000	-
	23,956,357	**25,700,000**	**-**	**(21,599,850)**	**28,056,507**	**2,356,507**
Executives						
John Crews	100,000	560,004	-	-	660,004	186,668
Julien Babey *(v)*	1,725,290	490,002	-	(853,333)	1,361,959	685,291
Gavin Chamberlain	-	560,004	-	-	560,004	186,668
	1,825,290	**1,610,010**	**-**	**(853,333)**	**2,581,967**	**1,058,627**
Total	**25,781,647**	**27,310,010**	**-**	**(22,453,183)**	**30,638,474**	**3,415,134**

(i) This amount consists of 1,025,000 Performance Rights cancelled upon Sean Bennett's resignation, and remaining 6,541,250 held by Sean Bennett at his resignation date.

(ii) This amount consists of
- *250,000 free-attaching equity warrants, which was acquired by the Chairman through the conversion of the convertible loan note on 27 July 2018; less*
- *the remaining 11,000,000 Performance Rights for the Chairman which were originally granted on 20 November 2015, and which were cancelled following shareholder approval at the AGM on 27 June 2018.*

(iii) This amount consists of the remaining Performance Rights which were originally granted to Mr Trollip on 30 June 2016, and which were cancelled following shareholder approval at the AGM on 27 June 2018.

(iv) This amount consists of:
- *183,600 options which expired on 15 April 2018; and*
- *the remaining 1,000,000 Performance Rights which were originally granted to Mr Math on 30 June 2016, and which were cancelled following shareholder approval at the AGM on 27 June 2018.*

(v) These relate to options which expired on 15 April 2018.

Other than otherwise indicated above, no other KMP held any options, rights or equity warrants over ordinary shares in the Company during the year ended 31 December 2018.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Options, rights and equity warrants over equity instruments granted as compensation – Audited (Cont)

31 December 2017	Balance at 1 Jan 2017	Received as Remuneration	Rights Vested	Other Movements *(i) (ii)*	Balance at 31 Dec 2017	Vested and exercisable at year end
Executive Director						
Sean Bennett	8,068,750	660,000	(1,062,500)	-	7,666,250	100,000
Non-Executive Directors						
David Hathorn *(i)*	15,000,000	-	(2,000,000)	49,416	13,049,416	2,049,416
Jonathan Trollip *(i)*	2,000,000	-	-	57,091	2,057,091	57,091
Leonard Math	1,183,600	-	-	-	1,183,600	183,600
	26,252,350	**660,000**	**(3,062,500)**	**106,507**	**23,956,357**	**2,390,107**
Executives						
John Crews	-	100,000	-	-	100,000	-
Julien Babey	2,419,204	350,000	(1,043,914)	-	1,725,290	853,333
Gavin Chamberlain *(ii)*	-	-	-	-	-	-
Lawrence Davidson *(iii)*	1,849,122	165,000	(1,294,122)	(720,000)	-	-
Werner Swanepoel *(iii)*	5,470,000	840,000	(3,335,000)	(2,975,000)	-	-
	9,738,326	**1,455,000**	**(5,673,036)**	**(3,695,000)**	**1,825,290**	**853,333**
Total	**35,990,676**	**2,115,000**	**(8,735,536)**	**(3,588,493)**	**25,781,647**	**3,243,440**

(i) Off-market acquisition.

(ii) To be finalised and issued.

(iii) This amount consists of:

- *2,245,000 Performance Rights cancelled upon Mr. Swanepoel's resignation; and*
- *2,255,000 Performance Rights held at the end of Mr. Swanepoel's resignation date.*

Other than otherwise indicated above, no other KMP held any options, rights or equity warrants over ordinary shares in the Company during the year ended 31 December 2017.

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Remuneration Report (Cont)

Other transactions with KMP during the financial year ended 31 December 2018

No KMP has entered into a material contract (apart from employment) with the Company and the Group. No amount of remuneration is outstanding at 31 December 2018.

David Hathorn (Chairman) and Sean Bennett (previous CEO) were each issued with 25,000 Redeemable (Non-Voting) Preference Shares at GBP 1.00 each in the Kore Potash plc (held directly). Under the Scheme of Arrangement, both Directors gave an irrevocable undertaking to pay the Company the sum of GBP 25,000 on or before the date that is five years from the date of the undertaking or, if sooner, immediately upon a written demand or demands by the Company. At 31 December 2017, the amount owing by the two Directors to the Company was USD 65,631 (GBP 50,000). Upon completion of the Scheme of Arrangement, and upon the Company's capital raising in March 2018, the Redeemable Preference Shares were redeemed and the amounts payable by the Directors were offset by an amount payable by the Company back to the Directors.

On 26 March 2018, the Company entered into a convertible loan note agreement with the Chairman to lend USD 250,000 to the Company. The convertible loan note did not attract interest and was unsecured. At the Company's AGM on 27 June 2018, the shareholders approved the conversion of the convertible loan note into 1,618,250 shares at AUD 0.20 per share and 250,000 free-attaching warrants. The shares and warrants were issued on 27 July 2018.

On 27 June 2018, the shareholders approved the grant of 17,200,000 unlisted options to Brad Sampson, valued at a total of USD 1,171,320 and 4,000,000 unlisted options to David Hathorn, valued at a total of USD 145,600 at the Company's AGM.

The shareholders also approved the cancellation of the below existing Performance Rights and the grant of new Performance Rights to the below Non-Executive Directors at the Company's AGM.

Director	Number of existing Performance Rights	Number of new Performance Rights
David Hathorn	11,000,000	1,500,000
Jonathan Trollip	2,000,000	750,000
Leonard Math	1,000,000	750,000
David Netherway	Nil	750,000
Timothy Keating	Nil	750,000

The new Performance Rights have a total value of USD 336,150.

On 27 June 2018, the shareholders also approved the issue of 500,000 and 1,050,000 Performance Rights to Sean Bennett at the Company's AGM to recognise his contribution to the Company and the transition of his position as CEO to a successor and his role in successfully implementing the re-domicile of the Group in the United Kingdom, the listing of the Company on the AIM and the JSE and the recent completion of a capital raising. These Performance Rights have a total value of USD 115,785.

The details of the unlisted options and Performance Rights granted are in the Company's Notice of General Meeting announced on 1 June 2018.

During the year, the Company paid USD 6,050 to Piaster Pty Ltd as trustee for the Trollip Family Superannuation Fund for Mr Jonathan Trollip's director fees. Mr Trollip is a director of and has a beneficial interest in Piaster Pty Ltd.

Nexia Perth Pty Ltd is engaged to provide accounting, administrative and company secretarial services for the Group on commercial terms. Mr Henko Vos, who is based in Perth, Australia has been appointed as joint company secretary and is also currently an employee with Nexia Perth. During the year, the total amounts paid to Nexia Perth by the Group for providing accounting, administration and company secretarial services were USD 163,445.

FKW Consulting Ltd was engaged to provide company secretarial services for Kore Potash plc on commercial terms prior to Mrs Francesca Wilson's resignation as joint company secretary on 30 September 2018. Mrs Francesca Wilson, who is based in London, UK was appointed as joint company secretary up until 30 September 2018 and is also currently an employee with FKW Consulting Ltd during the year. During the year, the total amounts paid to FKW Consulting Ltd by the Group for providing company secretarial services were USD 11,134.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Other transactions with KMP during the financial year ended 31 December 2018 (cont)

Following Mrs Francesca Wilson's resignation as joint company secretary on 30 September 2018, St James's Corporate Services Limited was appointed on 1 October 2018, and engaged to provide company secretarial services for Kore Potash plc on commercial terms. During the year, the total amounts paid to St James's Corporate Services Limited by the Group for providing company secretarial services were USD 29,100.

There were no other transactions with KMP and its related parties.

Voting of shareholders at last year's AGM held on 27 June 2018

The Company received more than 99.7% of "yes" votes on its remuneration report for the 2017 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

- End of Remuneration Report -

Proceedings on Behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Statement of disclosure of information to auditors

As at the date of this report the serving Directors confirm that:

(a) so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
(b) they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going Concern

During the year ended 31 December 2018, the Group incurred a loss of USD 6,269,366 (2017: USD 4,344,322) and experienced net cash outflows from operating and investing activities of USD 23,098,170 (2017: USD 33,024,083). Cash and cash equivalents totaled USD 6,187,113 as at 31 December 2018 (USD 16,455,490 as at 31 December 2017). The Group has no current source of operating revenue and is therefore dependent on both existing cash resources and future fund raisings to meet overheads and future exploration requirements as they fall due.

The Directors have prepared a cash flow forecast for the period ending 31 December 2020, which indicates that the Group will not have sufficient liquidity to meet its working capital requirements to the end of the going concern period, primarily being corporate costs, exploration expenditure, and costs related to the Kola Project. Forecast costs in the next 12 months are approximately USD 10 million. However, a significant portion of this cost base is not yet committed, pending completion of the fund raise, and further steps can therefore be taken to reduce forecast overheads if required.

The Directors have therefore considered mitigating actions, which include:

(a) completion of a capital raising; and
(b) managing and deferring costs where applicable to coincide with the capital raising activity outlined above to ensure all obligations can be met.

The Directors are planning to raise additional capital in quarter 2 of 2019 to enable the Group to continue to fund its exploration and development programme and fulfill its working capital requirements. The Directors have identified a number of funding options available to the Group, and have begun discussions with its major shareholders with regards to its near and mid-term funding requirements. The Directors note the Group has a history of successfully raising capital on the ASX and more recently on the AIM and JSE.

DIRECTORS' REPORT (CONT)

Going Concern (Cont)

The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above and are of the opinion that there are reasonable grounds to believe that funding will be secured and therefore that the operational and financial plans in place are achievable and accordingly the Group will be able to continue as a going concern and meet its obligations as and when they fall due.

The ability of the Group to continue as a going concern is dependent on achieving the matters set out above. These conditions indicate a material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' REPORT (CONT)

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group and the undertakings included in the consolidation taken as a whole;
- the review and operations and strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement and the Directors' Report was approved by the Board of Directors on 28 March 2019 and is signed on its behalf by:

Non-Executive Chairman	Chief Executive Officer
David Hathorn	Brad Sampson
28 March 2019	28 March 2019

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Board is committed to the principles of good corporate governance and to maintaining the highest standards and best practice of corporate governance. In this regard the Board has given consideration to the provisions set out in the 2016 UK Code and has taken due regard of the principles of good governance set out therein in relation to the size and stage of development of the Company. The Board has also given consideration to the ASX Corporate Governance Principles and Recommendations (ASX Corporate Governance Council, 3rd Edition).

The Board is conscious that the corporate governance environment is constantly evolving and the charters and policies under which it operates its business are monitored and amended as required. Therefore, the 2018 UK Code, released by the Financial Reporting Council in July 2018, which came into effect on 1 January 2019 and applies to accounting reference periods commencing on and after that date, is currently being considered and evaluated by the Board.

The Board currently comprises one executive director and six non-executive directors, including the Chairman.

Since inception, the Company has the following appropriately constituted committees, each with formally delegated duties and responsibilities set out in respective written Terms of Reference:

- Audit and Risk Committee
- Remuneration and Nomination Committee
- Health, Safety and Environmental Committee

The Company also has in place appropriate guidance, training, policies and procedures to ensure compliance with the *Bribery Act 2010* and Australian and South African laws governing anti-bribery and anti-corruption..

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

The Board recognises the value and importance of maintaining the highest standards of corporate governance and aims to comply with the provisions set out in the 2016 UK Code. Although compliance with the UK Code is not compulsory for AIM companies, the Directors intend to apply the provisions, where practicable, so as to adhere to the highest standards of governance. Accordingly, the sections below detail how the Group has complied with the 2016 UK Code.

A LEADERSHIP

A1 The Role of the Board

The Board is responsible for the overall leadership and effective management of the Company, setting the Company's values and standards and ensuring maintenance of a sound system of internal control and risk management. The Board is also responsible for approving company policy and its strategic aims and objectives as well as approving the annual operating and capital expenditure budgets. The Board supports the concept of an effective board leading and controlling the Company and believes the Company has a well-established culture of strong corporate governance and internal controls that are appropriate and proportional, reflecting the Company's culture, size, complexity and risk.

The Board has a formal schedule of regular meetings where it approves major decisions and utilises its expertise to advise and influence the business. The Board will meet on other occasions as and when the business demands. During the financial year under review the Board met on nine occasions.

The Board is supplied with appropriate and timely information in order to discharge its duties. The Board and its committees are supplied with full and timely information, including detailed financial information, to enable the Directors to discharge their responsibilities. All Directors have access to the advice and services of the joint company secretaries, who are responsible for ensuring that board procedures are followed and that applicable rules and regulations are complied with. Independent professional advice is also available to Directors in appropriate circumstances.

A detailed agenda is established for each scheduled meeting and appropriate documentation is provided to Directors in advance of the meeting. Regular Board meetings provide an agenda that will include reports from the CEO, reports on the performance of the business and current trading, and specific proposals where the approval of the Board is sought. Areas discussed include, amongst others, matters relating to the AIM and JSE listings, placing and funding, the Republic of Congo Mining Convention and the Definitive Feasibility Study and the strategic direction of the Company. Minutes of the meetings from Committees of the Board are circulated to all members of the Board, unless a conflict of interest arises, to enable all Directors to have oversight of those matters delegated to Committees.

Board and Committee Meetings Attendance

Attendance of directors and committee members at board and committee meetings held during the year is set out in the table below.

	Board Meetings	Audit and Risk Committee Meetings	Remuneration and Nomination Committee Meetings	Health, Safety and Environment Meetings
David Hathorn *(i)*	9/9	2/2	2/2	2/2
Brad Sampson *(ii)*	4/4	-	-	1/1
Sean Bennett *(iii)*	5/5	-	-	1/1
Jonathan Trollip	8/9	2/2	2/2	-
Leonard Math	8/9	2/2	-	-
Timothy Keating	8/9	-	-	-
David Netherway *(iv)*	8/9	-	2/2	2/2
José Antonio Merino *(v)*	3/4	-	-	-
Pablo Altimiras *(vi)*	2/5	-	-	-

(i) David Hathorn resigned from the Audit and Risk Committee on 20 December 2018, after both committee meetings were held during the year.
(ii) Meetings attended by Brad Sampson following his appointment on 4 June 2018.
(iii) Meetings attended by Sean Bennett until his resignation on 4 June 2018.
(iv) David Netherway was appointed to the Audit and Risk Committee on 20 December 2018, after both committee meetings were held during the year.
(v) Meetings attended by José Antonio Merino following his appointment on 23 May 2018.
(vi) Meetings attended by Pablo Altimiras until his resignation on 23 May 2018.

CORPORATE GOVERNANCE REPORT (CONT)

A LEADERSHIP (CONT)

A2 Division of Responsibilities

The division of responsibilities between the Non-Executive Chairman and the CEO is clearly defined in writing. However, they work closely together to ensure effective decision making and the successful delivery of the Group's strategy.

The CEO is responsible for the running of the Group's business for the delivery of the strategy for the Group, leading the management team and implementing specific decisions made by the Board to help meet shareholder expectations. He also takes the lead in strategic development, by formulating the vision and strategy for the Group.

The CEO reports to each board meeting on all material matters affecting the Group's performance. Given the structure of the Board and the fact that the Chairman and CEO roles are fulfilled by two separate individuals, the Board believes that no individual or small group of individuals can disproportionately influence the Board's decision making.

A3 The Chairman

The Chairman leads the Board, ensuring constructive communications between board members and that all directors are able to play a full part in the activities of the Company. He is responsible for setting board agendas and ensuring that board meetings are effective and that all directors receive accurate, timely and clear information.

The Chairman officiates effective communication with shareholders and ensures that the Board understands the views of major investors and is available to provide advice and support to members of the Executive team. Upon his appointment the Chairman met the independence criteria set out in section B.1.1 of the Code.

A4 Non-Executive Directors

There are currently 6 Non-Executive Directors, of which 3 are independent non-executive directors. The role of the Non-Executive Directors is to understand the Group in its entirety and constructively challenge strategy and management performance, set Executive remuneration levels and ensure an appropriate succession planning strategy is in place. They must also ensure they are satisfied with the accuracy of financial information and that thorough risk management processes are in place. The Non-Executive Directors also assist the Board with issues such as governance, internal control, remuneration and risk management.

Jonathan Trollip is the Senior Independent Non-Executive Director. He supports the Chairman and non-executive directors and is available to shareholders if they have any concerns.

B EFFECTIVENESS

B1 Composition of the Board

The Board consists of the Non-Executive Chairman, the CEO, 2 non-executive directors and 3 further independent non-executive directors. The names, skills and short profiles of each member of the Board, together with details of membership of board committees are set out on pages 21 to 24. Each year the Board considers the independence of each non-executive director in accordance with the Code.

The Board considers Jonathan Trollip, David Netherway and Leonard Math to be independent as they are not involved in any executive capacity, have no other or material business relationships with the Company, have no material investment in the Company nor are associated with any such investor and have no close family or other business relationships with the Company or any of its directors or senior executives.

B2 Appointments to the Board

The Company has a Remuneration and Nomination Committee, the composition of which is set out on page 56.

The Committee is responsible for maintaining a board of directors that has an appropriate mix of skills, experience and knowledge to be an effective decision-making body, ensuring that the Board is comprised of directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance, considering and recommending board candidates for election or re-election and reviewing succession planning.

The Remuneration and Nomination Committee undertakes a detailed selection process as per the recruitment and diversity policy to appoint or re-appoint a Director to the Board. Included in this process are appropriate reference checks which include but not limited to character reference, police clearance certificate and bankruptcy to ensure that the Board remains appropriate for that of an AIM, ASX or JSE quoted company.

Non-executive directors (with the exception of the Chairman whose agreement continues until terminated in accordance with its terms) are appointed for an initial term of three years.

To ensure that they clearly understand the requirements of their role the Company has a Letter of Appointment in place with each non-executive director. Employment contracts are entered into with executive directors and senior executives so that they can clearly understand the requirements of the role and what is expected of them.

B3 Commitment

Non-executive directors are required to disclose prior appointments and other significant commitments to the Board and are required to inform the Board of any changes to or additional commitments. Details of the non-executive directors' external appointments can be found on pages 21 to 24.

Before accepting new appointments, non-executive directors are required to obtain approval from the Chairman and the Chairman requires the approval of the whole Board. It is essential that no appointment causes a conflict of interest or impacts on the non-executive director's commitment and time spent with the Group in their existing appointment.

Details of executive directors' service contracts and of the Chairman's and the non-executive directors' appointment letters are given on page 26. Copies of service contracts and appointment letters are available for inspection at the Company's registered office during normal business hours and at the AGM.

CORPORATE GOVERNANCE REPORT (CONT)

B EFFECTIVENESS (CONTINUED)

B4 Development

All newly appointed directors are provided with an induction programme which is tailored to their existing skills and experience, legal update on directors' duties and one on ones with members of the senior management team. The Board is informed of any material changes to governance, laws and regulations affecting the Group's business.

B5 Information and Support

All directors have access to the advice and services of the joint company secretaries and each director and each board committee member may take independent professional advice at the Company's expense, subject to prior notification to the other non-executive directors and the joint company secretaries.

The appointment and removal of a joint company secretary is a matter for the Board as a whole. The joint company secretaries are accountable directly to the Board through the Chairman. The Company currently has two (2) joint company secretaries, one based in London and one based in Australia.

B6 Evaluation

Whilst the board is aware that the Code recommends that the board and its committees are evaluated on a yearly basis this has not been undertaken during 2018 due to time constraints as a result of work on the AIM and JSE listings and matters relating to the Placing and the Definitive Feasibility Study. However, an evaluation is being undertaken in 2019.

In addition, the non-executive directors, led by Jonathan Trollip as the Senior Independent Non-executive director, will conduct a review of the performance of the Chairman, taking into account the views of the executive director, in 2019.

B7 Executive and non-executive directors – Re-election

All directors are subject to election by shareholders at the first AGM after their appointment and to re-election thereafter at intervals of no more than three years. Non-executive directors who have served longer than nine years are subject to annual re-election.

CORPORATE GOVERNANCE REPORT (CONT)

C ACCOUNTABILITY

C1 Financial and Business Reporting

It is the responsibility of the directors to ensure that the accounts are prepared and submitted. Having assessed the current annual report, along with the accounts, the directors confirm that, taken as a whole, they are fair, balanced and understandable. The directors also confirm that these documents provide the necessary information in order for shareholders to assess the Group's performance, business model and strategy.

The going concern statement provided by the directors is on pages 44 to 45 of the Directors Report. The independent auditor's report is set out on pages 60 to 66.

The CEO and CFO provide, at the end of each six (6) monthly period, a formal statement to the Board confirming that the Group's financial reports present a true and fair view, in all material respects, and that the Group's financial condition and operational results have been prepared in accordance with the relevant accounting standards. The statement also confirms the integrity of the Group's financial statements and that it is founded on a sound system of risk management and internal compliance and controls which implements the policies approved by the Board, and that the Group's risk management and internal compliance and control systems, to the extent they relate to financial reporting, are operating efficiently and effectively in all material respects.

C2 Risk Management and Internal Control

The Board has carried out a robust assessment of the principal risks facing the Group. Details of these risks are set out on page 16. The Board has reviewed the Company's risk management and internal control systems during the year and consider them to be effective.

C3 Audit Committee and Auditors

The Company has an Audit and Risk Committee comprised of Leonard Math, as the Chairman of the Committee, together with Jonathan Trollip and David Netherway. David Hathorn was a member of the Committee during the year but stepped down with effect from 20 December 2018 and was replaced by David Netherway.

The Audit and Risk Committee report on pages 54 to 55 details how the Group has complied with the relevant section of the Code.

D REMUNERATION

The Company has a Remuneration and Nomination Committee comprised of Jonathan Trollip, as the Chairman of the Committee, together with David Hathorn and David Netherway.

The Remuneration and Nomination Committee Report is on page 56 and details how the Company has complied with the relevant section of the Code.

CORPORATE GOVERNANCE REPORT (CONT)

E RELATIONS WITH SHAREHOLDERS

E1 Dialogue with Shareholders

The Group places considerable importance on effective communications with shareholders.

The Group's communication strategy requires communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Group. The strategy provides for the use of systems that ensure a regular and timely release of information about the Group is provided to shareholders.

The Group also posts all reports, stock exchange announcements and media releases and copies of significant business presentations on the Company's website.

The Company's 2 largest shareholders, SGRF and SQM, are represented on the Board. In addition, the Chairman and CEO have frequent direct face-to-face meetings throughout the year with some of the other major shareholders as well as with analysts and brokers.

E2 Constructive use of the AGM

The Board encourages full participation of shareholders at the AGM to ensure a high level of accountability and understanding of the Group's strategy and goals.

The Company provides information in the notice of meeting that is presented in a clear, concise and effective manner. Shareholders are provided with the opportunity at general meetings to ask questions in relation to each resolution before they are put to the vote and discussion is encouraged by the Board.

Directors are usually available at and following general meetings when shareholders have the opportunity to ask questions on the business of the meeting. Specifically, the Chairman of the Audit and Risk Committee and the Chairman of the Remuneration and Nomination Committee are available in person or by conference call at the AGM to answer questions from shareholders.

One of the joint company secretaries, the Company's auditors and the Registrars are also in attendance at general meetings to assist with any queries shareholders may have.

CORPORATE GOVERNANCE REPORT (CONT)

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("the Committee") comprises 3 members, all of whom are independent non-executive directors including the chair, Leonard Math, who is considered by the Board to have recent and relevant financial experience. During the year under review, the Committee also comprised of Jonathan Trollip, David Hathorn and David Netherway. Whereas the 2016 UK Code recommends that the Audit Committee for smaller companies should comprise a minimum of two independent non-executive directors and that the Chairman of the Board may be a member of the committee, the 2018 UK Code recommends that the Chairman of the Board should not be a member of the Audit Committee. Therefore, David Hathorn stepped down from the Audit and Risk Committee and was replaced by David Netherway as an independent non-executive director with effect from 20 December 2018.

The Committee meets formally at least twice a year and otherwise as required and also meets with the Company's external auditors at least twice a year.

The Committee assists the Board in discharging its responsibilities with regard to financial reporting, including reviewing the Group's annual and half year financial statements, accounting policies, key judgments and estimates taken, internal and external audit and controls, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors and advising on the appointment of external auditors.

In addition, the Committee is responsible for ensuring the integrity of the financial information reported to shareholders and internal control systems and ensuring effective risk management and financial control frameworks have been implemented. The Committee also ensures that appropriate procedures, resources and controls are in place to comply with the AIM Rules for Companies and the Market Abuse Regulations, monitors compliance thereof and seeks to ensure that the Company and its nominated advisor are in contact on a regular basis.

The Committee also helps to address risk management, and is committed to maintain a risk management framework that seeks to:

- Avoid the likelihood of unacceptable outcomes and costly surprises;
- Provide greater openness and transparency in decision making and ongoing management processes;
- Provide for a better understanding of issues associated with the Group's activities;
- Comprise an effective reporting framework for meeting corporate governance requirements; and
- Allow an appropriate assessment of innovative processes to identify risks before they occur and allow informed judgement.

The Committee is also responsible for approving, reviewing and monitoring the Company's risk management policy. The objectives of this risk management policy are to:

- Provide a structured risk management framework that will provide Senior Management and the Board with comfort that the risks confronting the organisation are identified and managed effectively;
- Create an integrated risk management process owned and managed by the Group's personnel that is both continuous and effective;
- Ensure that the management of risk is integrated into the development of strategic and business plans, and the achievement of the Group's vision and values; and
- Ensure that the Board is regularly updated with reports by the committee.

Management is responsible for efficient and effective risk management across the activities of the Group. This includes ensuring the implementation of policies and procedures that address risk identification and control, training and reporting. The CEO is responsible for ensuring the process for managing risks is integrated within business planning and management activities.

AUDIT AND RISK COMMITTEE (CONT)

The Board reviews the effectiveness of the implementation of the risk management system and internal control system annually. When reviewing risk management policies and the internal control system the Board takes into account the Company's legal obligations and also considers the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

The Group does not currently have an internal audit function. Once the Group is at a size and scale that warrants an Internal Auditor, the Board will be responsible for the appointment and overseeing of the Internal Auditor.

The Group currently is not subject to any material exposure to environmental and social sustainability risks. The principal areas of risk for the Company are detailed on page 16 of the Annual Report.

During the year, the Committee reviewed the planning of the 2018 annual report including consideration of the financial statements and going concern (including material uncertainty), impairment assessment of the exploration and evaluation assets, other key judgments and estimates, value proposition and business model. The Committee received and considered memoranda from management regarding these matters, and also took into account the views of the external auditor. The Committee concluded that no impairment charge was necessary for the exploration and evaluation assets, and that the going concern basis is the appropriate method to prepare the annual report on.

In order to ensure the independence and objectivity of the external auditor (Deloitte LLP and its associated companies), the Committee has a policy, in place since the Company's inception, regarding the provision of non-audit services by its External Auditor to ensure that such services do not impair the independence or objectivity of the External Auditor. Any non-audit services provided must be pre-approved by the Chair of the Committee.

The Board via the Committee is satisfied that the provision of non-audit services during the year as disclosed in Note 20 is compatible with the Financial Reporting Council's Ethical Standard in the UK as well as other general standard of independence for auditors. The Directors are satisfied that non-audit services did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence under all relevant independence rules.

The Committee assesses the quality of the external audit annually and considers the performance of Deloitte LLP and its associates taking into account the Committee's own assessment, feedback from senior finance personnel and views from Deloitte LLP and its associates on their performance as detailed in a report of their audit findings at the year end, which they took the Committee through at the meeting in March 2019. Based on this review, the Committee was satisfied with the effectiveness of the audit for the year ended 31 December 2018.

CORPORATE GOVERNANCE REPORT (CONT)

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee ("the Committee") has three members, two of whom are independent non-executive directors including the chair, Jonathan Trollip. The Committee also comprises David Netherway and David Hathorn. The 2016 UK Code recommends that the Remuneration Committee for smaller companies should comprise a minimum of two independent non-executive directors and the Chairman of the Board, if considered to be independent upon appointment, may be a member but should not be the chair of the Remuneration Committee.

The Committee is required to meet annually and at such other times as required. Its objectives are to

- maintain a board of directors that has an appropriate mix of skills, experience and knowledge to be an effective decision-making body;
- ensure that the Board is comprised of directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance;
- review and recommend an appropriate remuneration policy, the objective of which shall be to attract, retain and motivate executive directors of the quality required to successfully run the Company, without paying more than is necessary having regard to market comparables; and
- adhere to the principle that no director or senior executive shall be involved in any decisions as to their own remuneration.

In addition, the Committee is responsible for considering and recommending board candidates for election or re-election, reviewing succession planning, determining the terms of employment and total remuneration of the executive director and Chairman and considering the Group's incentive schemes.

HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE

The Health, Safety and Environmental Committee ("the Committee") is chaired by David Netherway and comprises David Hathorn, Brad Sampson and Gavin Chamberlain (COO) and usually meets formally at least twice a year and at such other times as required.

The Committee is responsible for assisting the Board in fulfilling its oversight responsibilities with respect to health, safety and environmental matters affecting the Group, including recommending health, safety and environmental policies and policy changes to be adopted by the Group, reviewing the compliance status and any material non-compliance and, in the event of an incident, reviewing the incident and remedial actions being taken.

CORPORATE GOVERNANCE REPORT (CONT)

DIRECTORS' REMUNERATION AND SHARE OPTION SCHEMES

The non-executive directors (other than José Antonio Merino, as he is precluded by SQM) have received a one-off award of Performance Rights under the Company's Performance Rights Plan which entitles the holder to one ordinary share on vesting. The award of Performance Rights to the non-executive directors was approved by shareholders at the June 2018 AGM. The Performance Rights are not subject to any performance criteria. Given the small quantum of Performance Rights awarded to each non-executive director, the Board is of the view that these Performance Rights do not affect the independent judgement of the independent non-executive directors.

The non-executive Chairman and Executive Director have been awarded Share Options, as approved by shareholders at the June 2018 AGM. The Share Options have been structured to recognise the Company's current state of development and the key project milestones that are critical to the success of the Company, which may result in the Share Options being exercisable within three years from award. Following the achievement of these project milestones and the expiration and/or satisfaction of the conditions of the Share Options, the Board intends to adopt a new incentive scheme that will be more in line with the recommendations of the 2018 UK Code.

OTHER CORPORATE GOVERNANCE MATTERS

Diversity Policy

The Group is committed to an inclusive workplace that embraces and promotes diversity, while respecting International, Sovereign, UK, South African, RoC and Australian laws.

It is the responsibility of all directors, officers, employees and contractors to comply with the Group's Diversity Policy and report violations or suspected violations in accordance with this Diversity Policy.

The Group recognises the value of a diverse work force and believes that diversity supports all employees reaching their full potential, improves business decisions, business results, increases stakeholder satisfaction and promotes realisation of the Group's vision.

Diversity may result from a range of factors including but not limited to gender, age, ethnicity and cultural backgrounds. The Company believes these differences between people add to the collective skills and experience of the Group and ensure it benefits by selecting from all available talent.

Group and Individual Expectations

- Ensure diversity is incorporated into the behaviours and practises of the Group;
- Facilitate equal employment opportunities based on job requirements only using recruitment and selection processes which ensures we select from a diverse pool;
- Engage professional search and recruitment firms when needed to enhance our selection pool;
- Help to build a safe work environment by acting with care and respect at all times, ensuring there is no discrimination, harassment, bullying, victimisation, vilification or exploitation of individuals or groups;
- Develop flexible work practices to meet the differing needs of our employees and potential employees;
- Attract and retain a skilled and diverse workforce as an employer of choice;
- Enhance customer service and market reputation through a workforce that respects and reflects the diversity of our stakeholders and communities that we operate in;
- Make a contribution to the economic, social and educational well-being of all of the communities it serves;
- Meet the relevant requirements of domestic and international legislation appropriate to the Group's operations;
- Create an inclusive workplace culture; and
- Establish measurable diversity objectives and monitor and report on the achievement of those objectives annually.

CORPORATE GOVERNANCE REPORT (CONT)

OTHER CORPORATE GOVERNANCE MATTERS (CONT)

Evaluation of Senior Executives
Arrangements put in place by the Board to monitor the performance of the Group's Executives include:

- A review by the Board of the Group's financial performance;
- Annual performance appraisal meetings incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Group;
- An analysis of the Group's prospects and projects; and
- A review of feedback obtained from third parties, including advisors (where applicable).

Informal evaluations of the CEO and other Senior Executive's individual performance and overall business measures are undertaken progressively and periodically throughout the financial year.

Code of Conduct
The Board acknowledges the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all directors and employees of the Group. The Board has adopted a Code of Conduct for Directors to promote ethical and responsible decision-making by the directors.

The Board has approved a Code of Conduct for Directors, Officers, Employees and Contractors, which describes the standards of ethical behaviour that are required to be maintained. The Code of Conduct was approved prior to the Company's listing on the AIM market and on the JSE. The Group promotes the open communication of unethical behaviour within the organisation.

Compliance with the Code of Conduct assists the Company in effectively managing its operating risks and meeting its legal and compliance obligations as well as enhancing the Group's corporate reputation.

The Code of Conduct describes the Group's requirements on matters such as confidentiality, conflicts of interest, use of Group information, sound employment practices, compliance with laws and regulations and the protection and safeguarding of the Group's assets.

An employee who breaches the Code of Conduct may face disciplinary action. If an employee suspects that a breach of the Code of Conduct has occurred or will occur, he or she must report that breach to the CEO or either of the joint company secretaries, via the Company's confidential "Whistle Blowing" process. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be investigated, acted upon and kept confidential.

Anti-bribery and Anti-corruption
The Group's Anti-bribery and Anti-corruption policy is set out in the Code of Conduct and has been aligned to meet UK, Australian and South African laws governing Anti-Bribery and Anti-Corruption. The Group takes a zero tolerance approach to acts of bribery and corruption by any directors, officers, employees and contractors.

The Group will not offer, give or receive bribes, or accept improper payments to obtain new business, retain existing business or secure any advantage and will not permit others to do so on its behalf.

Dealings with Company Securities
The Group's Securities Dealing Policy is binding on all Directors, Senior Executives and Employees who are in possession of "inside information". All such persons are prohibited from trading in the Company's securities if they are in possession of 'inside information'. Subject to this condition and trading prohibitions applying to certain periods, trading is permissible provided the relevant individual has received the appropriate prescribed clearance. The Board considers that the Share Dealing Code is in compliance with the MAR, AIM, ASX and JSE requirements, and continues to meet the requirements of the Board.

Interests of other stakeholders
The Group's objective is to leverage into resource projects to provide a solid base in the future from which the Group can build its resource business and create wealth for shareholders. The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for the Group to achieve.

To assist in meeting its objective, the Group conducts its business within the Code of Conduct.

CORPORATE GOVERNANCE REPORT (CONT)

OTHER CORPORATE GOVERNANCE MATTERS (CONT)

Market Disclosure

The Company is subject to parallel obligations under the AIM Rules and the Market Abuse Regulation, in addition to the ASX Listing Rules and the JSE Regulations, in relation to the disclosure and control of price sensitive information. The Company has obligations under corporate and securities laws and stock exchange rules to keep the market fully informed of information which may have a material effect on the price or value of Group's securities and to correct any material misrepresentation, mistake or misinformation in the market.

The Group takes continuous disclosure seriously and requires that all of its Directors, Officers, Employees and Contractors observe and adhere to the Group's procedures and policies governing compliance with all laws pertaining to continuous disclosure, tipping and insider trading.

The Company has a formal Disclosure Policy (the "Disclosure Policy") addressing its continuous disclosure obligations and arrangements. The objectives of the Disclosure Policy are to ensure that:

- The communications of the Group with the public are timely, factual and accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements;
- Non-publicly disclosed information remains confidential; and
- Trading of the Group's securities by directors, officers and employees of the Company and its subsidiaries remains in compliance with applicable securities laws.

The Disclosure Policy also provides advice to all Directors, Officers, Employees and Contractors of the Group of their responsibilities regarding their obligation to preserve the confidentiality of undisclosed material information while ensuring compliance with laws respecting timely, factual, complete and accurate continuous disclosure, price sensitive or material information, tipping and insider trading.

The Disclosure Policy further covers disclosures in documents filed with the securities regulators and stock exchanges and written statements made in the Group's annual and quarterly reports, news releases, letters to shareholders, presentations by Senior Management and information contained on Kore Potash's website and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

If there is misuse of price sensitive or material information not yet disclosed to the market by trading or breach in confidentiality, extremely serious penalties may apply to the individual or individuals involved.

Shareholders

Shareholder Information

The Company's website contains a separate section titled "Investors" which contains key documents for its investors. The website also provides:

- Information about the Company;
- An overview of the Group's current projects;
- Copies of its half year reports and annual reports;
- Copies of quarterly cash flow reports and review of operations;
- Investors' presentations; and
- Copies of its announcements to the stock exchanges.

The Company's share registry is maintained electronically by Computershare. Their contact details are disclosed in the Corporate Directory of the Annual Report on page 3.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KORE POTASH PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- **The financial statements of Kore Potash PLC (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the Group's loss for the year then ended;**
- **The group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;**
- **The parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and**
- **The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.**

We have audited the financial statements which comprise:

- the group and parent statements of profit and loss and other comprehensive income;
- the group and parent statements of financial position;
- the group and parent company statements of changes in equity;
- the group and parent statements of cash flows; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to Going Concern

We draw your attention to note 1(b) on pages 72 to 73, which disclose that the Directors have identified a material uncertainty relating to the Group's ability to continue as a going concern.

The group has no current source of operating revenue and is therefore dependent on both existing cash resources and future fund raisings to meet overheads and future exploration requirements as they fall due.

Management has prepared a base case cash flow forecast for the period until December 2020 from the date of approval of the financial statements, which includes a number of actions to manage and/or defer costs. Management's forecast shows that the Group will need to undertake fund raising activity in the next 3 months in order to meet its liabilities as they fall due during this period. Cash outflows in the next 12 months for overheads and exploration activity are forecast at c. $10m.

The Directors have identified a number of potential funding options, based on their assessment of the Group's history of successful raising of capital on ASX and more recently on AIM and JSE, and as such have adopted the going concern assumptions in preparing the financial statements.

Our response
We responded to this key audit matter by:

- Obtaining and testing the mathematical accuracy of management's cash flow forecasts for the going concern period as approved by the board;
- Assessing and challenging the key assumptions within management's going concern forecast, including the forecast levels of overheads and exploration costs throughout the going concern period by obtaining supporting evidence, including signed contracts and other third party documentation, for planned cash flows;
- Assessing the design and implementation of controls related to the going concern assumption;
- Meeting with key financial and operational personnel to ensure the cash flow forecasts included all known and anticipated cash outflows; and
- Reviewing and challenging management's disclosure within the financial statements relating to going concern.

The conditions identified by the Directors, along with the other matters as set forth in note 1(b) to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the group's and the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Going Concern (see material uncertainty related to going concern section); and • Impairment of Exploration and Evaluation assets. Both of the above key audit matters are consistent with last year.
Materiality	The materiality that we used for the group financial statements was $2.8 million which was determined on the basis of 2% of net assets.
Scoping	We have performed a full scope audit of all material balances within the group.
Significant changes to our approach	No significant changes were made in our audit approach in comparison to prior year.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty relating to going concern section, we have determined the matter described below to be a further key audit matter to be communicated in our report.

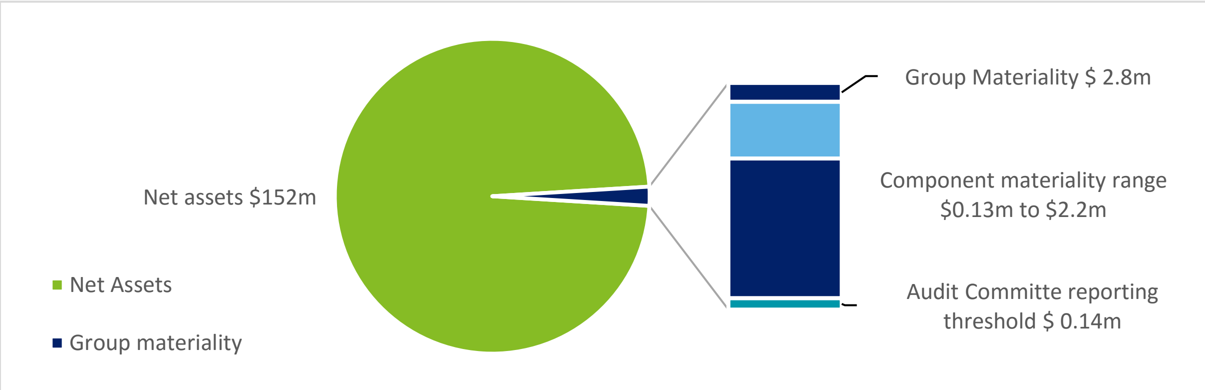
Impairment in Exploration and Evaluation Assets	
Key audit matter description	At 31 December 2018, the Group held $150 million (2017: $140 million) of exploration and evaluation ("E&E") assets on its balance sheet. The assessment of the carrying value of the E&E assets requires management to exercise judgement as described in the 'Critical Accounting Estimates and Judgements' section of the financial statements. This assessment requires consideration of a number of factors in line with IFRS 6 *Exploration for and Evaluation of Mineral Resources*. Further details are included within the Directors' report on page 45 and note 1(p), note 1(u) and note 7 to the financial statements.
How the scope of our audit responded to the key audit matter	We responded to this key audit matter by: - Evaluating management's assessment of the E&E assets held on the balance sheet at 31 December 2018; - Assessing the design and implementation of controls related to E&E assets; - Obtaining and reviewing management's budgets for its E&E assets; - Challenging management's impairment considerations to assess whether the capitalised costs are appropriate, in line with IFRS 6 requirements and management's policy; - Obtaining and reviewing the Definitive Feasibility Study and considering whether its content supports the management's judgement, and discussed its contents with the French Consortium; - Engaged valuation specialists to calculate an appropriate discount rate for the project, and considered the impact on the estimated NPV; and - Challenging management to provide evidence of licence validity, appraisal activity and the project status by obtaining the exploration licence renewal and other key documentation.
Key observations	Based on the procedures performed we are satisfied that management's assessment that no impairment is required in respect of the capitalised E&E costs at 31 December 2018 is appropriate.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	$2.8 million (2017: $3 million)	$2.5 million (2017: $2.75 million)
Basis for determining materiality	Our materiality is determined based on 2% of net assets (same as 2017).	Our materiality is determined based on 2% of net assets (same as 2017).
Rationale for the benchmark applied	The Group's net asset value is the key metric in its financial statements. As it is a pre-revenue business, an income statement metric was determined to be inappropriate.	The parent company's primary role is to hold investments in other group companies, and consequently net assets was determined to be the most appropriate benchmark.



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of $140k (2014: $150k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our Group audit focussed on the exploration assets, both the parent company and all the subsidiaries were subject to full scope audits. The extent of the audit procedures was based on the identified risks of material misstatement and on the materiality of the Group's four business units, being three subsidiary companies and the parent company. Our audit procedures covered all material balances at each business unit. The materiality applied to the components ranged from $0.13 million (2017: $1 million) to $2.2 million (2017: $2 million). The decrease in the range of materiality applied was due to concluding that a component materiality in the current year should be capped based on a relevant profit and loss benchmark, rather than using the full extent of the applicable balance sheet benchmark.

Detailed audit instructions were sent to the auditors of the three in-scope components. These instructions specified areas of audit focus, identified the risks of material misstatement assessed by the Group audit team and set out the information to be reported back to the Group audit team.

The Group team oversaw the work performed by component auditors; the procedures performed included reviewing of the reports provided on the results of the work undertaken by the component audit team as well as a detailed review and challenge of the underlying work to ensure compliance with the relevant professional standards. Throughout the audit we maintained involvement in the work of the component auditors through regular communication with the component auditor and reviews of their workpapers.

The Group team took responsibility for the audit work in respect of the Group's going concern assessment, the impairment assessment for exploration assets, the consolidation process, as well as the audit work on the disclosures in the Group and Parent Company's financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and or the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Opinion on other matters as prescribed by our engagement letter

In our opinion the elements of the Directors' Remuneration Report marked as "audited" have been properly prepared in accordance with the applicable provisions of the Australian Corporation Act 2001 and Australian Corporation Regulation 2001, and the applicable AIM Rules for Companies 2018.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and/or those matters we have expressly agreed to report to them on in our engagement letter and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Thomson, FCA
(Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
28 March 2019

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Parent		Consolidated Entity	
		Dec 2018 USD	Dec 2017 USD	Dec 2018 USD	Dec 2017 USD
Continuing Operations					
Interest income		-	-	72,873	50,858
Net realised and unrealised foreign exchange gains		6,679	-	2,886	2,864,226
Directors remuneration		(158,733)	-	(812,575)	(365,371)
Equity compensation benefits	2(a)	(695,345)	(75,546)	(695,345)	(1,919,924)
Salaries, employee benefits and consultancy expense	2(c)	(19,849)	-	(1,325,505)	(1,595,607)
London listing and re-domicile expenses		(304,030)	-	(1,200,192)	(1,549,554)
Administration expenses	2(b)	(654,635)	(16,774)	(2,323,176)	(1,746,603)
Fair value change in derivative financial liability		110,114	-	110,114	-
Interest and finance expenses		-	-	(81,407)	(39,378)
Loss before income tax expense		(1,715,799)	(92,320)	(6,252,327)	(4,301,353)
Income tax	3	-	-	(17,039)	(42,969)
Loss for the year from continuing operations		**(1,715,799)**	**(92,320)**	**(6,269,366)**	**(4,344,322)**
Other comprehensive income/(loss)					
Items that may be classified subsequent to profit or loss					
Exchange differences on translating foreign operations		-	-	(7,104,236)	13,590,884
Other comprehensive income/(loss) for the year		-	-	(7,104,236)	13,590,884
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		**(1,715,799)**	**(92,320)**	**(13,373,602)**	**9,246,562**
Loss attributable to:					
Owners of the Company		(1,715,799)	(92,320)	(6,249,696)	(4,344,322)
Non-controlling interest		-	-	(19,670)	-
		(1,715,799)	**(92,320)**	**(6,269,366)**	**(4,344,322)**
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(1,715,799)	(92,320)	(12,832,564)	9,246,562
Non-controlling interest		-	-	(541,038)	-
		(1,715,799)	**(92,320)**	**(13,373,602)**	**9,246,562**
Basic and diluted loss per share (cents per share)	24	(0.00)	(0.00)	(0.75)	(0.57)

The accompanying notes from pages 72 to 128 form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	Parent		Consolidated Entity	
		Dec 2018 USD	Dec 2017 USD	Dec 2018 USD	Dec 2017 USD
CURRENT ASSETS					
Cash and cash equivalents	4	-	-	6,187,113	16,455,490
Trade and other receivables	5	12,681,197	58,857	345,155	281,136
TOTAL CURRENT ASSETS		12,681,197	58,857	6,532,268	16,736,626
NON CURRENT ASSETS					
Trade and other receivables	5	-	-	120,922	139,163
Property, plant and equipment	6	-	-	302,255	413,801
Exploration and evaluation expenditure	7	-	-	149,863,323	140,254,520
Investment in subsidiary	8	139,350,094	139,350,094	-	-
TOTAL NON CURRENT ASSETS		139,350,094	139,350,094	150,286,500	140,807,484
TOTAL ASSETS		152,031,291	139,408,951	156,818,768	157,544,110
CURRENT LIABILITIES					
Trade and other payables	9	144,217	10,000	1,702,392	3,258,054
Derivative financial liability	10	503,398	-	503,398	-
TOTAL CURRENT LIABILITIES		647,615	10,000	2,205,790	3,258,054
TOTAL LIABILITIES		647,615	10,000	2,205,790	3,258,054
NET ASSETS		**151,383,676**	**139,398,951**	**154,612,978**	**154,286,056**
EQUITY					
Contributed equity – Ordinary Shares	11	860,852	771,396	860,852	771,396
Redeemable Preference Shares		-	65,631	-	65,631
Reserves	12	152,944,455	138,654,244	213,644,634	206,805,823
Accumulated losses		(2,421,631)	(92,320)	(59,331,800)	(53,356,794)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**151,383,676**	**139,398,951**	**155,173,686**	**154,286,056**
Non-controlling interests		-	-	(560,708)	-
TOTAL EQUITY		**151,383,676**	**139,398,951**	**154,612,978**	**154,286,056**

The accompanying notes from pages 72 to 128 form part of these financial statements.

These Financial Statements for Kore Potash plc, registered number 10933682, were approved by the Board of Directors on 28 March 2019 and were signed on its behalf by:

David Hathorn
Non-Executive Chairman

Brad Sampson
Chief Executive Officer

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

Consolidated Entity	Note	Ordinary Shares USD	Share-Based Payments Reserve USD	Share Premium Reserve USD	Foreign Currency Translation Reserve USD	Merger Reserve USD	Redeemable Preference Shares USD	Accumulated Losses USD	Equity Attributable to the Shareholders of Kore Potash plc USD	NCI USD	Total Equity USD
Balance at 1 January 2017		**200,572,926**	**36,279,828**	**-**	**(22,338,631)**	**-**	**-**	**(75,637,134)**	**138,876,989**	**-**	**138,876,989**
Loss for the period		-	-	-	-	-	-	(4,344,322)	**(4,344,322)**	-	**(4,344,322)**
Other comprehensive income for the year		-	-	-	13,590,884	-	-	-	**13,590,884**	-	**13,590,884**
Total comprehensive (loss)/income for the year		-	-	-	13,590,884	-	-	(4,344,322)	**9,246,562**	-	**9,246,562**
Transfer of previously lapsed options	12(a)	-	(26,624,662)	-	-	-	-	26,624,662	**-**	-	**-**
Issue of redeemable preference shares		-	-	-	-	-	65,631	-	**65,631**	-	**65,631**
Share issue (net of costs)		3,937,270	239,680	-	-	-	-	-	**4,176,950**	-	**4,176,950**
Share based payments	12(a)	-	1,919,924	-	-	-	-	-	**1,919,924**	-	**1,919,924**
Scheme of Arrangement	12(d)	(203,738,800)	-	-	-	203,738,800	-	-	**-**	-	**-**
Balance at 31 December 2017		**771,396**	**11,814,770**	**-**	**(8,747,747)**	**203,738,800**	**65,631**	**(53,356,794)**	**154,286,056**	**-**	**154,286,056**
Loss for the period		-	-	-	-	-	-	(6,249,696)	**(6,249,696)**	(19,670)	**(6,269,366)**
Other comprehensive loss for the year		-	-	-	(6,563,198)	-	-	-	**(6,563,198)**	(541,038)	**(7,104,236)**
Total comprehensive (loss)/income for the year		-	-	-	(6,563,198)	-	-	(6,249,696)	**(12,812,894)**	(560,708)	**(13,373,602)**
Transfer of previously lapsed options	12(a)	-	(888,202)	-	-	-	-	888,202	**-**	-	**-**
Share issue (net of costs)		89,456	-	13,054,936	-	-	-	-	**13,144,392**	-	**13,144,392**
Free-attaching warrants		-	-	-	-	-	-	(613,512)	**(613,512)**	-	**(613,512)**
Redemption of redeemable preference shares		-	-	-	-	-	(65,631)	-	**(65,631)**	-	**(65,631)**
Share based payments	12(a)	-	1,235,275	-	-	-	-	-	**1,235,275**	-	**1,235,275**
Balance at 31 December 2018		**860,852**	**12,161,843**	**13,054,936**	**(15,310,945)**	**203,738,800**	**-**	**(59,331,800)**	**155,173,686**	**(560,708)**	**154,612,978**

The accompanying notes from pages 72 to 128 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

Parent

	Note	Ordinary Shares USD	Share Based Payments Reserve USD	Share Premium Reserve USD	Merger Reserve USD	Reorganisation Reserve USD	Redeemable Preference Shares USD	Accumulated Losses USD	Equity Attributable to the Shareholders of Kore Potash plc USD	NCI USD	Total Equity USD
Balance at 25 August 2017 (date of incorporation)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loss for the period		-	-	-	-	-	-	(92,320)	**(92,320)**	-	**(92,320)**
Other comprehensive income for the period		-	-	-	-	-	-	-	**-**	-	**-**
Total comprehensive (loss)/income for the period		-	-	-	-	-	-	(92,320)	**(92,320)**	-	**(92,320)**
Issue of redeemable preference shares		-	-	-	-	-	65,631	-	**65,631**	-	**65,631**
Share issuance under Scheme of Arrangement		771,396	11,739,224	-	203,738,800	(76,899,326)	-	-	**139,350,094**	-	**139,350,094**
Share based payments	12(a)	-	75,546	-	-	-	-	-	**75,546**	-	**75,546**
Balance at 31 December 2017		**771,396**	**11,814,770**	**-**	**203,738,800**	**(76,899,326)**	**65,631**	**(92,320)**	**139,398,951**	**-**	**139,398,951**
Loss for the period		-	-	-	-	-	-	(1,715,799)	**(1,715,799)**	-	**(1,715,799)**
Other comprehensive income for the year		-	-	-	-	-	-	-	**-**	-	**-**
Total comprehensive (loss)/income for the year		-	-	-	-	-	-	(1,715,799)	**(1,715,799)**	-	**(1,715,799)**
Transfer of previously lapsed options	12(a)	-	(888,202)	-	-	888,202	-	-	**-**	-	**-**
Share issue (net of costs)		89,456	-	13,054,936	-	-	-	-	**13,144,392**	-	**13,144,392**
Free-attaching warrants		-	-	-	-	-	-	(613,512)	**(613,512)**	-	**(613,512)**
Redemption of redeemable preference shares		-	-	-	-	-	(65,631)	-	**(65,631)**	-	**(65,631)**
Share based payments	12(a)	-	1,235,275	-	-	-	-	-	**1,235,275**	-	**1,235,275**
Balance at 31 December 2018		**860,852**	**12,161,843**	**13,054,936**	**203,738,800**	**(76,011,124)**	**-**	**(2,421,631)**	**151,383,676**	**-**	**151,383,676**

The accompanying notes from pages 72 to 128 form part of these financial statements.

KORE POTASH
FROM THE GROUND UP

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Parent 31 Dec 2018 USD	Parent 31 Dec 2017 USD	Consolidated Entity 31 Dec 2018 USD	Consolidated Entity 31 Dec 2017 USD
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		(1,178,545)	-	(6,017,020)	(4,957,110)
Income tax paid		-	-	(37,030)	-
Net cash used in operating activities	14	(1,178,545)	-	(6,054,050)	(4,957,110)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for plant and equipment				(8,452)	(94,262)
Payments for exploration activities		-	-	(17,104,196)	(28,023,569)
Interest received		-	-	68,528	50,858
Net cash used in investing activities		-	-	(17,044,120)	(28,066,973)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		12,894,392	-	12,894,392	5,000,000
Payment for share issue costs		-	-	-	(823,050)
Proceeds from issue of convertible loan note		250,000	-	250,000	-
Amounts advanced to related parties		(11,965,847)	-	-	-
Net cash provided by financing activities		1,178,545	-	13,144,392	4,176,950
Net (decrease)/increase in cash & cash equivalents held		**-**	**-**	**(9,953,778)**	**(28,847,133)**
Cash and cash equivalents at beginning of financial year		-	-	16,455,490	42,609,786
Foreign currency differences		-	-	(314,599)	2,692,837
Cash and cash equivalents at end of financial year	**4**	**-**	**-**	**6,187,113**	**16,455,490**

The accompanying notes from pages 72 to 128 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company is a public company incorporated and registered in England and Wales with primary dual listing on the AIM market and on the ASX, and a secondary listing on the JSE. The consolidated financial statements of the Company as at and for the year ended 31 December 2018 comprise the Company and its subsidiaries which are disclosed in Note 8 (together referred to as the "Group"). The Group is involved in mining exploration activity in the RoC.

On 31 August 2017, Kore Potash Limited announced that it proposed to re-domicile in the United Kingdom by way of a scheme of arrangement (Scheme) between Kore Potash Limited and its shareholders. The Scheme was approved by the shareholders on 27 October 2017 and the Federal Court of Australia on 6 November 2017. On 20 November 2017, the Scheme was implemented and as a result the Company is the new parent and Kore Potash Limited is the wholly-owned subsidiary of the Company.

The registered office of Kore Potash plc's head office in the United Kingdom is 25 Moorgate, London, United Kingdom EC2R 6AY. The registered office Kore Potash Limited in Australia is Level 3, 88 William Street, Perth 6000 WA.

Basis of Preparation

(a) Statement of Compliance

The annual financial statements of the Company and the Group have been prepared in accordance with IFRS as adopted by the European Union. The principal accounting policies adopted by the Group and Company are set out below.

The financial statements were authorised for issue by the Directors on 28 March 2019.

(b) Going Concern

During the year ended 31 December 2018, the Group incurred a loss of USD 6,269,366 (2017: USD 4,344,322) and experienced net cash outflows from operating and investing activities of USD 23,098,170 (2017: USD 33,024,083). Cash and cash equivalents totaled USD 6,187,113 as at 31 December 2018 (USD 16,455,490 as at 31 December 2017). The Group has no current source of operating revenue and is therefore dependent on both existing cash resources and future fund raisings to meet overheads and future exploration requirements as they fall due.

The Directors have prepared a cash flow forecast for the period ending 31 December 2020, which indicates that the Group will not have sufficient liquidity to meet its working capital requirements to the end of the going concern period, primarily being corporate costs, exploration expenditure, and costs related to the Kola Project. Forecast costs in the next 12 months are approximately USD 10 million. However, a significant portion of this cost base is not yet committed, pending completion of the fund raise, and further steps can therefore be taken to reduce forecast overheads if required.

The Directors have therefore considered mitigating actions, which include:

(a) completion of a capital raising; and
(b) managing and deferring costs where applicable to coincide with the capital raising activity outlined above to ensure all obligations can be met.

The Directors are planning to raise additional capital in quarter 2 of 2019 to enable the Group to continue to fund its exploration and development programme and fulfill its working capital requirements. The Directors have identified a number of funding options available to the Group, and have begun discussions with its major shareholders with regards to its near and mid-term funding requirements. The Directors note the Group has a history of successfully raising capital on the ASX and more recently on the AIM and JSE.

The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above and are of the opinion that there are reasonable grounds to believe that funding will be secured and therefore that the operational and financial plans in place are achievable and accordingly the Group will be able to continue as a going concern and meet its obligations as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(b) Going Concern (Cont)

The ability of the Group to continue as a going concern is dependent on achieving the matters set out above. These conditions indicate a material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(c) Basis of Measurement

The consolidated financial statements have been prepared on the basis of historical cost, adjusted for the treatment of certain financial instruments, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(d) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the ultimate parent entity (Kore Potash plc) is US dollars. The functional currency of the subsidiaries are:

- Kore Potash Limited – US dollars (USD)
- Sintoukola Potash S.A. - CFA Franc BEAC (XAF)
- Dougou Mining S.A. - CFA Franc BEAC (XAF)
- Kola Mining S.A. - CFA Franc BEAC (XAF)
- Kore Potash South Africa (Pty) Ltd – South African RAND (ZAR)

The presentational currency of the Group is US dollars.

(e) Foreign Currency Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Where consideration is received in advance of revenue being recognised the date of the transaction reflects the date the consideration is received. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All differences in the consolidated financial report are taken to the Statement of Profit or Loss and Other Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(e) Foreign Currency Transactions and Balances (Cont)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value was determined.

As at the reporting date, the assets and liabilities of the foreign subsidiaries are translated into the reporting currency of the Company at the rate of exchange ruling at the reporting date and the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income are translated at the weighted average exchange rates for the period. The exchange differences on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity is recognised in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income. The functional currency for Sintoukola is expected to change to US dollars upon the commencement of mining.

(f) Basis of Consolidation

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Control is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group, other than in the event of a Group re-organisation as occurred during the year as described below.

The acquisition of Kore Potash Limited by the Company on 20 November 2017 is considered outside the scope of IFRS 3 *Business Combinations* and accordingly has been accounted for as a common control transaction. The investment in Kore Potash Limited acquired by the Company as a result of the internal reorganisation was recognised at a value consistent with the carrying value of the equity items in the Kore Potash Limited accounts immediately prior to the Scheme. In the Parent entity, the difference between the carrying amount of share capital and options issued by the Company under the Scheme and the investment in Kore Potash Limited has been recognised in a Reorganisation Reserve.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting, other than in the Group re-organisation described above. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated Statement of Profit or Loss and Other Comprehensive Income and within equity in the consolidated Statement of Financial Position.

In the Company's financial statements, investments in subsidiaries are carried at cost. A list of controlled entities is contained in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(g) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that are recognised directly in equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(h) Property, Plant and Equipment
Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed at each reporting date to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

Depreciation
The depreciable amount of all fixed assets is depreciated on a straight line basis over their estimated useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for the plant and equipment is in the range of 20% - 40%. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Depreciation of property, plant and equipment in SPSA is included in Capitalised Exploration and Evaluation Expenditure.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(i) Financial Instruments
Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. See Note 1(m) for further details on the recognition and measurement of trade and other receivables and cash and cash equivalents.

(i) Financial Assets
Investments other than investments in subsidiaries are classified as either held-for-trading or not at initial recognition. At the year-end date all investments are classified as not held for trading. An irrevocable election has been made to recognise changes in fair value in other comprehensive income.

Trade and other receivables are initially measured at fair value plus any direct attributable transaction costs. Subsequent to initial recognition, trade and other receivables are measured at amortised cost using the effective interest method, less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(i) Financial Instruments (Cont)

(i) Financial Assets (Cont)

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price as defined in IFRS 15, as the contracts of the Group do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short term nature. A provision for impairment is established based on 12-month expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in profit or loss.

(ii) Financial Liabilities and Equity

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

All other loans including convertible loan notes are initially recorded at fair value, which is ordinarily equal to the proceeds received net of transaction costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

(iii) Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(j) Impairment of Non-Financial Assets Other Than Exploration and Evaluation Assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(k) Revenue Recognition

Revenue is measured at the transaction price received or receivable allocated to the performance obligation satisfied and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT, GST and other sales related taxes. As the expected period between transfer of a promised good or service and payment from the customer is one year or less then no adjustment for a financing component has been made.

Sales of goods are recognised when goods are delivered and control has passed.

Revenue arising from the provision of services is recognised when and to the extent that the customer simultaneously receives and consumes the benefits of the Group's performance or the Group does not create an asset with an alternative use but has an enforceable right to payment for performance completed to date.

Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

(l) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Trade and other payables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade and other payables are measured at amortised cost using the effective interest rate method.

(m) Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

(n) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

(o) Value-Added Tax ("VAT") / Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of VAT / GST, except where the amount of VAT / GST incurred is not recoverable from the relevant jurisdiction's Tax Office. In these circumstances the VAT / GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of VAT / GST.

Cash flows are presented in the Statement of Cash Flow on a gross basis, except for the VAT / GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(p) Capitalisation of Exploration and Evaluation Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount at the reporting date. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is assessed for impairment and the balance is classified as a development asset. The point at which an area of interest is considered developmental is based on finalisation of a definitive feasibility study, a bankable feasibility study and the finalisation of appropriate funding.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining or petroleum permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(q) Share Based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value grant rate is independently determined using the different option pricing models that takes into account the exercise price, the term of the option, the market and non-market based vesting and performance criteria, the impact of dilution, the tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

When share options and performance rights are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

(r) Employee Benefits

(i) *Wages, salaries and annual leave*
Liabilities for wages, salaries and annual leave are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Pension contributions*
Contributions are made by the Group to pension funds as stipulated by statutory requirements and are charged as expenses when incurred.

(iii) *Employee benefit on costs*
Employee benefit on costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(s) Earnings per Share

(i) *Basic earnings per share*
Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) *Diluted earnings per share*
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(t) Issued Capital

Ordinary shares and CDIs are classified as equity.

Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Costs directly attributable to the issue of new shares or options incurred in connection with a business combination, are included in the cost of the acquisition as part of the purchase consideration.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(u) Critical Accounting Judgements and Estimates

In the application of the Group's accounting policies, which are described in this note, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving significant accounting judgment are set out in the tables below:

<table>
<tr><th>Critical accounting judgement</th><th>Details</th></tr>
<tr><td>Impairment of exploration and evaluation assets, recovery of parent company investments and intercompany balances</td><td>
The ultimate recovery of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.
On a regular basis, management consider whether there are indicators as to whether the asset carrying values exceed their recoverable amounts. This consideration includes assessment of the following:
(a) expiration of the period for which the entity has the right to explore in the specific area of interest with no plans for renewal;
(b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
(c) exploration for and evaluation activities have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
(d) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.
Management judgement is required to determine whether the expenditures which are capitalised as exploration and evaluation assets will be recovered by future exploitation or sale or whether they should be impaired. In assessing this, management determines the possibility of finding recoverable ore reserves related to a particular area of interest, which is a subject to significant uncertainties. Many of the factors, judgements and variables involved in measuring resources are beyond the Group's control and may prove to be incorrect over time. Subsequent changes in resources could impact the carrying value of exploration and evaluation assets.
Where an impairment indicator is identified, the determination of the recoverable amount requires the use of estimates and judgement in determining the inputs and assumptions used in determining the recoverable amounts.
The key areas of judgement include:
• Recent exploration and evaluation results and resource estimates;
• Environmental issues that may impact on the underlying tenements;
• Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.
Based on the information the Company has on the above, it was concluded by management that amounts were recoverable, and that no write down of exploration and evaluation assets, the Company's investment in subsidiaries, and intercompany balances was recognised. This may change as new information becomes available.
</td></tr>
</table>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(u) Critical Accounting Judgements and Estimates (Cont)

Critical accounting judgement	**Details**
Classification of capitalised exploration and evaluation costs to date	Management judgement is required as to whether the assets associated with the Kola Project represents an exploration asset to be accounted for under IFRS 6 *Exploration for and Evaluation of Mineral Resources*, or a development asset to be accounted for under IAS 16 *Property, Plant and Equipment* or IAS 36 *Impairment of Assets*. A conclusion that consideration is required under IAS 16 or IAS 36 would mean that a full impairment test of the assets associated with the Kola Project would have been required during 2018. In reaching the judgement that the assets associated with the Kola Project should remain capitalised as exploration and evaluation assets, management has assessed whether technical and commercial viability of extracting mineral resources has been demonstrated. Given the ongoing negotiation with the FC over the final construction cost, and remaining permits to be obtained from the RoC, the Group has concluded that final technical and commercial viability of the Kola Project has yet to be finalised.

(v) Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties at 31 December 2018 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities are set out in the table below.

Estimation Uncertainty	**Details**
Valuation of share-based payments and judgment on the probability and timing of achieving milestones related to share-based payment arrangements in existence	The Group issues options and performance rights as share-based payments arrangements to certain Directors, KMP and employees. The fair values of the options and performance rights are determined using the Black Scholes Option Pricing Model, the Cox, Ross and Rubinstein Binomial Option Pricing Model or the Monte Carlo Option Pricing Model that takes into account the exercise price, the term of the options and performance rights, the impact of dilution, the share price at valuation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the options and performance rights. The share-based payments arrangements are expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. At each reporting date, vesting assumptions are reviewed to ensure they reflect current expectations and immediately recognises any impact of the revision to original estimates. If fully vested share options are not exercised and expire then the accumulated expense in respect of these is reclassified to accumulated losses.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(w) Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors, which is responsible for allocating resources and assessing performance of the operating segments.

(x) New and Revised Accounting Standards and Interpretations Adopted

From 1 January 2018 the following standards and amendments are effective in the Group's financial statements:

- IFRS 9 *Financial instruments*; and
- IFRS 15 *Revenue from contracts with customers.*

The impact of adoption of these standards and the key changes to the accounting policies are disclosed below. Other amendments to IFRSs that became effective for the period beginning on 1 January 2018 did not have any impact on the Group's accounting policies.

Title of Standard	IFRS 9 *Financial instruments*
Nature of change	IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.
Adoption date and Impact	The Group adopted IFRS 9 from 1 January 2018 with no changes to the carrying value of financial assets and financial liabilities required. In accordance with the transition provisions in the Standard, comparatives have not been restated.
Classification of financial assets	IFRS 9 requires the use of two criteria to determine the classification of financial assets: the entity's business model for the financial assets and the contractual cash flow characteristics of the financial assets. The Standard goes on to identify three categories of financial assets – amortised cost; fair value through profit or loss ("FVTPL"); and fair value through other comprehensive income ("FVOCI"). There have been no changes to the categorisation of financial assets following the adoption of IFRS 9 and all of the Group's financial assets remain classified at amortised cost.
Impairment	IFRS 9 mandates the use of an expected credit loss model to calculate impairment losses rather than an incurred loss model, and therefore it is not necessary for a credit event to have occurred before credit losses are recognised. The new impairment model applies to the Group's financial assets. No changes to the impairment provisions were made on transition to IFRS 9. Trade and other receivables are generally settled on a short time frame and the Group's other financial assets are due from counterparties without material credit risk concerns at the time of transition.

Title of Standard	IFRS 15 *Revenue from contracts with customers*
Nature of change	IFRS 15 replaced IAS 18 which covered revenue arising from the sale of goods and the rendering of services and IAS 11 which covered construction contracts. IFRS 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption
Adoption date and Impact	The Group adopted IFRS 15 from 1 January 2018. The implementation of IFRS 15 has not had a material impact on the Group's financial statements as it is currently a pre-revenue business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(y) New and Revised Accounting Standards and Interpretations on Issue but not yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2018 reporting period. Those which may have a significant impact to the Group are set out below. The Group does not plan to adopt these standards early.

Title of Standard	IFRS 16 *Leases*
Nature of change	IFRS 16 replaces the current IAS 17 *Leases* standard. IFRS 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Most leases will be capitalised on the balance sheet by recognising a 'right-of-use' asset and a lease liability for the present value obligation. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and deprecation replacing operating lease expense. The only exceptions are short-term and low-value leases. Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.
Impact	The Group has reviewed all of the Group's outstanding leasing arrangements in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of USD 216,702 (see Note 18). Of these commitments, USD 3,377 relate to a short-term lease which ended on 31 January 2019 which will be recognised on a straight-line basis as expense in profit or loss. For the remaining lease commitments the Group expects to recognise right-of-use assets of approximately USD 208,453 on 1 January 2019 and lease liabilities of USD 208,453. No change is expected on the overall net assets and net current assets of the Group. The Group expects that net losses after tax will increase by approximately USD 4,092 for 2019 as a result of adopting the new rules. Operating cash flows will increase and financing cash flows decrease by approximately USD 172,721 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities. The Group does not have any activities as a lessor and hence there will not be any impact on the financial statements in this regard.
Date of adoption by group	The changes in the Group's accounting policies from the adoption of IFRS 16 will be applied from 1 January 2019 onwards.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

	Parent		Consolidated Entity	
	Dec 2018 USD	Dec 2017 USD	Dec 2018 USD	Dec 2017 USD
NOTE 2: LOSS FOR THE YEAR				
Expenses				
(a) Equity based payments – directors, KMP and other employees	695,345	75,546	695,345	1,919,924
	695,345	75,546	695,345	1,919,924
(b) Administration Expenses				
Accounting, company secretarial and audit fees	236,530	-	399,274	189,270
Insurance expenses	43,370	-	118,779	61,827
Legal fees	-	-	64,944	202,629
Compliance, registration and other tax feese	155,299	6,774	584,808	239,558
Marketing and investor relations	-	-	169,591	127,926
Premises and office related costs	-	-	87,002	100,940
Professional fees	-	-	143,420	24,766
Recruitment fees	179,017	-	179,017	42,253
Travel and accommodation expenses	36,353	-	417,350	673,237
Other expenses	4,066	10,000	158,991	84,197
	654,635	16,774	2,323,176	1,746,603
(c) Salaries, employee benefits and consultancy expense				
Salaries and wages	-	-	409,524	719,381
Termination payment	-	-	-	100,436
Employee benefits – Health insurance benefits	-	-	147,865	234,486
Consultants	19,849	-	768,116	541,304
	19,849	-	1,325,505	1,595,607
(d) Average number of employees	**Number**	**Number**	**Number**	**Number**
Operational	-	-	17	151
Head Office	1	-	26	21
	1	-	43	172

Total staff costs for the Group in the year ended 31 December 2018 were USD 2,279,499 (2017: USD 3,433,660). The staff costs incurred during the year at a subsidiary, SPSA, of USD 1,869,975 has been capitalised as Exploration and Exploration Asset (2017: USD 2,714,279).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 3: INCOME TAX EXPENSE	**Parent**		**Consolidated Entity**	
	Dec 2018	**Dec 2017**	**Dec 2018**	**Dec 2017**
The components of tax expense comprise:	**USD**	**USD**	**USD**	**USD**
Current tax – foreign tax	-	-	17,039	42,969
Deferred tax	-	-	-	-
Total income tax expense	**-**	**-**	**17,039**	**42,969**

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	Parent		**Consolidated Entity**	
	Dec 2018 USD	**Dec 2017 USD**	**Dec 2018 USD**	**Dec 2017 USD**
Loss before tax from continuing operations	(1,715,799)	(92,320)	(6,252,327)	(4,301,353)
Parent company tax on loss from continuing operations at the UK corporation tax rate of 19% (2017: 19.25%)	(326,002)	(17, 541)	-	-
Group tax on loss from continuing operations at the Australian corporation tax rate of 30% (2017: 30%)	-	-	(1,875,698)	(1,290,406)
Different tax rates of subsidiaries operating in different jurisdictions	-	-	509,939	(23,286)
	(326,002)	(17,541)	(1,365,759)	(1,313,692)
Tax effect of:				
Net non-deductible expenses	195,462	14,354	811,221	(69,485)
Deferred tax asset not recognised	130,540	3,187	571,577	1,851,349
Prior year tax losses utilised	-	-	-	(425,203)
	326,002	17,541	1,382,798	1,356,661
Income tax expense	**-**	**-**	**17,039**	**42,969**

The statutory tax rate of Kore Potash plc is 19% (2017: 19.25%), representing the UK corporation tax rate. The Group is subject to varying statutory rates, primarily being Australia (30%), Congo (see Note 7 regarding corporate tax concessions applicable under the new mining convention) and South Africa (28%). The current tax expense of USD 17,039 (2017: USD 42,969) arose on the pre-tax income generated in South Africa for intercompany management services.

No deferred tax has been recognised in respect of the Group's tax losses of USD 11,499,637 (2017: USD 9,189,501) that are available for offset against any future taxable profits in the companies in which the losses arose. Of these tax losses, USD 10,801,215 arose from the Australian entity and USD 698,422 arose from the parent entity (2017: USD 9,178,133 from the Australian entity and USD 11,368 from the parent entity).

The tax losses which arose from the Australian entity can be carried forward indefinitely to be offset against future years' profits. A deduction for prior years' losses will be denied where the Company cannot satisfy a 'continuity of ownership' test or, failing this, the alternative 'same business test'.

With effect from 1 April 2017, new tax legislation has been introduced in the UK with regard to the use of brought forward tax losses. The impact of these rules means that the tax treatment of brought forward losses may be different for losses arising before and after 1 April 2017. The majority of the tax losses which arose from the Parent entity arose after 1 April 2017, and therefore there is a potential restriction on how much these can be used to offset against any future years' profits. Generally, the amount of profit which can be offset against losses carried forward is restricted to 50% of the amount of profits in excess of GBP 5 million. Profits under the annual GBP 5 million group deduction allowance can be offset by losses in full. Where a company is in a group the USD 5 million allowance will apply to the group. Based on the Parent entity's current income tax position the majority of its tax losses can be offset against any future income in the Parent, or can be group relieved.

Deferred tax assets have not been recognised in respect of the losses arising from the Australian entity or the parent entity due to the uncertainty around timing of generating sufficient taxable profits in future to utilise the losses. These losses may also not be utilised to offset taxable profits elsewhere in the group

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

	Parent		Consolidated Entity	
	Dec 2018 USD	Dec 2017 USD	Dec 2018 USD	Dec 2017 USD
NOTE 4: CASH AND CASH EQUIVALENTS				
Cash at bank	-	-	6,187,113	16,455,490
	-	-	6,187,113	16,455,490

	Parent Dec 2018 USD	Parent Dec 2017 USD	Consolidated Dec 2018 USD	Consolidated Dec 2017 USD
NOTE 5: TRADE AND OTHER RECEIVABLES				
Current				
Advance to employees	-	-	112,071	-
Amount due from directors in respect of preference shares issued	-	65,631	-	65,631
Interest receivable	-	-	4,345	-
Net GST, PAYE and VAT recoverable	135,121	-	82,739	28,768
Prepayments	47,073	-	56,400	91,569
Amounts due from / (due to) a subsidiary	12,499,003	(6,774)	-	-
Other receivables	-	-	89,600	95,168
	12,681,197	58,857	345,155	281,136
Non-Current				
Deposits related to investments in DPM and KPM	-	-	120,922	139,163
	-	-	120,922	139,163
Total Trade and Other Receivables	12,681,197	58,857	466,077	420,299

The amount due to a subsidiary is interest-free and is repayable on demand.

	Parent Dec 2018 USD	Parent Dec 2017 USD	Consolidated Dec 2018 USD	Consolidated Dec 2017 USD
NOTE 6: PROPERTY, PLANT AND EQUIPMENT				
Plant and equipment – at cost	-	-	1,855,971	1,947,447
Less accumulated depreciation	-	-	(1,553,716)	(1,533,646)
	-	**-**	**302,255**	**413,801**
Reconciliation:				
Opening balance	-	-	413,801	374,316
Additions	-	-	8,452	97,091
Depreciation capitalised under exploration and evaluation	-	-	(90,023)	(87,961)
Depreciation expensed	-	-	(7,078)	(16,612)
Disposals	-	-	(5,500)	-
Foreign exchange differences	-	-	(17,347)	46,967
Closing balance at period end	**-**	**-**	**302,255**	**413,801**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 7: EXPLORATION AND EVALUATION EXPENDITURE	**Parent**		**Consolidated Entity**	
	Dec 2018 USD	**Dec 2017 USD**	**Dec 2018 USD**	**Dec 2017 USD**
Opening balance	-	-	140,254,520	95,798,269
Exploration and evaluation expenditure capitalised during the year	-	-	16,107,446	30,688,177
Foreign exchange differences	-	-	(6,498,643)	13,768,074
Closing balance at period end	**-**	**-**	**149,863,323**	**140,254,520**
Exploration and evaluation expenditure relating to:				
Kola mining project	-	-	128,878,868	118,082,437
Dongou mining project	-	-	20,984,455	22,172,083
	-	**-**	**149,863,323**	**140,254,520**

(i) On 8 June 2017, a new mining convention was signed by the Group and the Government of the RoC. The convention governs the conditions of construction, operation and mine closure of the Kola and Dougou (including Dougou Extension) mining projects. The terms and conditions of the mining convention include key investment promotion provisions, including the following:

- Corporate tax concessions applicable for the first 10 years of each mining permit as production capacity is extended, which includes zero corporation tax for the first five years from profitability, and a corporation tax rate of 7.5% for the next five years;
- An ongoing corporation tax rate of 15% for the rest of the life of mine;
- Exemptions from withholding taxes including interest, dividends and capital gains during the term of the mining convention;
- VAT and import duty exemptions (including all subcontractors) during construction;
- Royalties of 3% payable to the RoC, which is based on an equivalent to EBITDA;
- Guarantee from the RoC that it will facilitate and support the implementation of the project, as defined in the convention (for example, in granting the necessary consents to permit export of the final product through the use of a dedicated jetty); and
- The RoC to be granted a 10% carried equity interest in the project companies, which are currently wholly-owned by Kore Potash Limited's subsidiary, SPSA.

The mining convention has a term which covers the life of the Kola and Dougou mining permits including any extension (25 years plus 15 year extension, renewable indefinitely upon proven mineable ore resources). The Group was awarded the Sintoukola 2 Exploration Permit dated 9 February 2018 by the government of the RoC.

(ii) The ultimate recoupment of costs carried forward for exploration expenditure phases is dependent on the successful development and commercial exploitation, or alternatively, the sale of the respective areas of interest.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 8: CONTROLLED ENTITIES

Controlled Entities	Country of Incorporation	Percentage Owned 31 Dec 2018 %	Investment 31 Dec 2018 USD	Percentage Owned 31 Dec 2017 %	Investment 31 Dec 2017 USD
Held directly:					
Kore Potash Limited	Australia	100	139,350,094	100	139,350,094
Held through Kore Potash Limited:					
Sintoukola Potash S.A. ("SPSA")	Republic of Congo	97	9,387,413	97	9,387,413
Kore Potash South Africa (Pty) Ltd	South Africa	100	1,192	100	1,192
Held through Sintoukola Potash S.A.:					
Kore Potash Mining S.A. ("KPM")	Republic of Congo	100	18,264	100	18,264
Dougou Potash Mining S.A. ("DPM")	Republic of Congo	100	18,264	100	18,264

The principal activity of Kore Potash Limited during the financial year was for administrational and operational support for the exploration for potash minerals prospects. The registered office of Kore Potash Limited is Level 3, 88 William Street, Perth WA 6000.

The principal activity of SPSA and its two subsidiaries, KPM and DPM, during the financial year was exploration for potash minerals prospect. The registered office for the three entities is 24 Avenue Charles de Gaulle, Immeuble Atlantic Palace BP 662 Pointe Noire, République du Congo.

The principal activity of Kore Potash South Africa (Pty) Ltd during the financial year was for South African administrative and operational support for the exploration for potash minerals prospects. The registered office is 33 Ballyclare Drive, Ballywoods Office Park, Cedarwood House, Bryanston 2021 South Africa.

	Parent		Consolidated Entity	
NOTE 9: TRADE AND OTHER PAYABLES	Dec 2018 USD	Dec 2017 USD	Dec 2018 USD	Dec 2017 USD
Current				
Trade and other creditors	-	-	388,350	502,684
Accruals	144,217	10,000	1,293,613	2,710,325
Income tax payable	-	-	20,429	45,045
Total Trade and Other Payables	**144,217**	**10,000**	**1,702,392**	**3,258,054**

Trade and other creditors are non-interest bearing and are normally settled on 30 day terms.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 10: DERIVATIVE FINANCIAL INSTRUMENTS	Parent		Consolidated Entity	
	Dec 2018 USD	Dec 2017 USD	Dec 2018 USD	Dec 2017 USD
Equity warrants exercisable at AUD 0.30 each expiring on 29 March 2021	503,398	-	503,398	-
	503,398	**-**	**503,398**	**-**

The above amounts relate to the following:
The value of the free-attaching warrants provided to shareholders who participated in the share issue completed on 29 March 2018 (83,523,344 shares issued at AUD 0.20 each). A total of 12,894,659 equity warrants exercisable at AUD 0.30 expiring 29 March 2021 were issued with a Black & Scholes valuation method of USD 0.0476 per warrant.

The derivative financial liability was revalued at 31 December 2018 using the Black Scholes valuation method with the net change in fair value of the derivative financial liability of USD 110,114 taken to the statement of profit or loss and other comprehensive income.

The inputs used in the measurement of these warrants were as follows:

Input into the model	At grant date	At 31 Dec 2018
Spot price	AUD 0.145	GBP 0.072
Expected volatility	91.67%	110.60%
Life of warrants	3 years	2.24 years
Fair value per warrant	USD 0.0476	USD 0.039

NOTE 11: ISSUED CAPITAL	Parent		Consolidated Entity	
	Dec 2018 USD	Dec 2017 USD	Dec 2018 USD	Dec 2017 USD
860,852,693 Fully Paid Ordinary Shares at par value of USD 0.001 each (31 December 2017: 771,395,766 Fully Paid Ordinary Shares at par value of USD 0.001)	860,852	771,396	860,852	771,396
Fully Paid Ordinary Shares	**860,852**	**771,396**	**860,852**	**771,396**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 11: ISSUED CAPITAL (CONT)

Movement in Share Capital of Consolidated Entity

Date	Details	No. of Shares	USD
1 Jan 2017	Opening balance *(i)*	728,944,470	200,572,926
3 Feb 2017	Vesting of performance rights	4,850,060	-
27 Apr 2017	Share placement at AUD 0.25 each	26,504,000	5,000,000
	Less: Costs of issuing free attaching options	-	(239,680)
	Less: Costs of raising capital	-	(1,646,050)
29 May 2017	Shares issued in relation to the balance of a consultant's fee at AUD 0.21 each	5,193,522	823,000
30 Jun 2017	Vesting of performance rights	2,666,090	-
20 Nov 2017	**Balance prior to Scheme of Arrangement implementation *(ii)***	**768,158,142**	**204,510,196**
20 Nov 2017	Recognition of surplus value over nominal value of Kore Potash plc shares in Merger Reserve *(ii) (iii)*	-	(203,738,800)
20 Dec 2017	Vesting of performance rights *(ii) (iii)*	3,237,624	-
31 Dec 2017	**Balance at 31 Dec 2017 *(ii) (iii)***	**771,395,766**	**771,396**
29 Mar 2018	Capital raising at AUD 0.20 each *(iv)*	83,523,344	83,523
29 Mar 2018	Share-based capital raising costs at AUD 0.12 each *(v)*	4,315,333	4,315
27 Jul 2018	Conversion of USD 250,000 convertible loan note calculated by reference to the price of shares being at AUD 0.20 per share *(vi)*	1,618,250	1,618
31 Dec 2018	**Closing balance**	**860,852,693**	**860,852**

(i) At 31 December 2016, Kore Potash Limited was the parent company of the Group and had 728,944,470 Fully Paid Ordinary Shares in issuance with a nominal value of USD 200,572,926.

(ii) The Company became the Group's parent company on 20 November 2017 in accordance with the Scheme of Arrangement with Kore Potash Limited and its shareholders ('the Scheme'). In line with UK Company Law, the Company's shares have a par value of USD 0.001. Under the Scheme, the Company issued 768,158,142 ordinary shares (initially to be held in the form of Chess Depositary Interests (CDIs)) as consideration for the transfer of Kore Potash Limited shares to the Company. Subsequently on 20 December 2017, 3,237,624 ordinary shares (CDIs) were issued by the Company on conversion of certain Performance Rights.

(iii) As a result, the Group's Fully Paid issued capital has a nominal value of USD 771,396 at 31 December 2018. The shares in the Company were issued on a 1:1 basis with shares in Kore Potash Limited which had a nominal value of USD 204,510,196 at the date of the commencement of the Scheme. The surplus value of USD 203,738,800 compared to the nominal value of the Company's shares has been recognised in a new Merger Reserve. Please refer to Note 12(d) for details.

(iv) On 29 March 2018, a total of USD 12,894,659 was raised from existing and new investors through the placing and direct subscription of 83,523,344 ordinary shares in the Company at a placing price of AUD 0.20 per new ordinary share. The par value of the 83,523,344 ordinary shares was USD 83,523.

(v) On 29 March 2018, 4,315,333 ordinary shares were issued to Canaccord Genuity Ltd and Rencap Securities (Pty) Limited as part of their placing fee at a deemed issued price of AUD 0.12 per ordinary share. The par value of the 4,315,333 ordinary share was USD 4,315.

(vi) On 26 March 2018, the Company entered into a convertible loan note with the Chairman, David Hathorn, to lend USD 250,000 to the Company. The convertible loan note did not attract interest and was unsecured. At the Company's AGM on 27 June 2018, the shareholders approved the conversion of the convertible loan note into 1,618,250 shares at AUD 0.20 per share and 250,000 free-attaching warrants. The shares and warrants were issued on 27 July 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 12: RESERVES	Parent		Consolidated Entity	
	Dec 2018 USD	Dec 2017 USD	Dec 2018 USD	Dec 2017 USD
SBP reserve (a)	12,161,843	11,814,770	12,161,843	11,814,770
Share premium reserve (b)	13,054,936	-	13,054,936	-
Foreign currency translation reserve (c)	-	-	(15,310,945)	(8,747,747)
Merger reserve (d)	203,738,800	203,738,800	203,738,800	203,738,800
Reorganisation reserve (e)	(76,011,124)	(76,899,326)	-	-
Total Reserve	**152,944,455**	**138,654,244**	**213,644,634**	**206,805,823**

(a) SBP Reserve				
Opening balance	11,814,770	-	11,814,770	36,279,828
Transfer from Kore Potash Limited (i)	-	11,739,224	-	-
Value of lapsed options transferred to accumulated losses (ii)	(888,202)	-	(888,202)	(26,624,662)
Share based payment vesting expense (iii)	1,235,275	75,546	1,235,275	1,919,924
Free attaching options issued (iv)	-	-	-	239,680
Closing balance	**12,161,843**	**11,814,770**	**12,161,843**	**11,814,770**

(i) In accordance with the Scheme of Arrangement between Kore Potash Limited and its shareholders, 58,191,226 Unlisted Options and 48,077,728 Performance Rights/Shares, valued at USD 11,739,224 were issued on 20 November 2017 from the Company to the holders of Unlisted Options or Performance Rights/Shares in Kore Potash Limited in consideration for the cancellation of those Kore Potash Limited Unlisted Options and Performance Rights/Shares.

(ii) For further details, refer to Note 12(e).

(iii) The value of the above Parent entity's SBPs for the year ended 31 December 2017 refer to the value of Performance Rights vested/cancelled after the Unlisted Options and Performance Rights/Shares were transferred from Kore Potash Limited to the Company. On 20 December 2017, 3,237,624 Performance Rights and Performance Shares vested and converted into 3,237,624 Chess Depositary Interests (CDI's) and 2,245,000 Performance Rights previously granted were cancelled following the resignation of Werner Swanepoel (Project Director). The share based payments of these Performance Rights and Shares was USD 75,546. Further details of the SBP vesting expense for the year ended 31 December 2018 is included in Note 23.

(iv) The cost of USD 239,680 in 2017 relates to the value of the free attaching unlisted options provided to shareholders who participated in the rights issue completed on 27 April 2017 (26,504,000 shares issued at AUD 0.25 each). A total of 5,000,000 unlisted options exercisable at AUD 0.30 expiring 15 November 2019 were issued with a Black Scholes valuation method of AUD 0.0642 per option. The volatility used was 85.68% with risk-free interest rate of 1.76%.

(v) For parameters used in the valuation of for the above options and performance rights see Note 23.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 12: RESERVES (CONT)

(a) SBP Reserve (Cont)

Movement in SBP Reserve of the Consolidated Entity

Date	Details	No. of Options	No. of Rights	USD
1 Jan 2017	**Opening balance**	**53,441,226**	**36,717,020**	**32,279,828**
3 Feb 2017	Exercise of performance rights	-	(7,516,150)	-
27 Apr 2017	Issue of free attaching unlisted options	5,000,000	-	239,680
22 May 2017	Lapsing of unlisted options	(250,000)	-	-
29 May 2017	Issue of performance rights	-	18,216,858	-
1 Jun 2017	Issue of performance rights	-	660,000	-
30 Jun 2017	SBP vesting expenses	-	-	906,265
20 Dec 2017	Exercise of performance rights	-	(3,237,624)	-
20 Dec 2017	Cancellation of performance rights	-	(2,245,000)	-
1 Dec 2017	SBP vesting expenses	-	-	1,013,659
31 Dec 2017	Transfer value of lapsed options to Accumulated Losses	-	-	(26,624,662)
31 Dec 2017	**Balance at 31 Dec 2017**	**58,191,226**	**42,595,104**	**11,814,770**
30 Jun 2018	Lapsing of unlisted options (value of lapsed options transferred to Accumulated Losses)	(8,191,226)	-	(888,202)
30 Jun 2018	SBP vesting expenses *(vi)*	-	-	676,255
1 Aug 2018	Issue of unlisted options *(vii)*	21,200,000	-	-
1 Aug 2018	Cancellation of performance rights *(viii)*	-	(14,000,000)	-
1 Aug 2018	Issue of performance rights *(viii)*	-	4,500,000	-
1 Aug 2018	Cancellation of performance rights *(ix)*	-	(1,025,000)	-
31 Dec 2018	SBP vesting expenses	-	-	559,020
31 Dec 2018	**Closing balance**	**71,200,000**	**32,070,104**	**12,161,843**

(vi) The shareholders approved the issue of 500,000 and 1,050,000 Performance Rights to Sean Bennett at the Company's AGM to recognise his contribution to the Company and the transition of his position as CEO to a successor and his role in successfully implementing the re-domicile of the Group in the United Kingdom, the listing of the Company on the AIM and the JSE and the recent completion of a capital raising. These Performance Rights vested upon Mr Bennett's resignation. The Performance Rights are yet to be issued and converted into shares. The SBP vesting expenses includes the value of these Performance Rights of USD 115,785.

(vii) At the Company's AGM on 27 June 2018, the shareholders approved the grant of 17,200,000 unlisted options to Brad Sampson and the grant of 4,000,000 unlisted options to David Hathorn. The unlisted options were subsequently issued on 1 August 2018. See information on Option Series 31 and Option Series 32 in Note 23 for further details on these options.

(viii) The shareholders also approved the cancellation of the below existing Performance Rights and the grant of new Performance Rights to the below Non-Executive Directors at the Company's AGM.

Director	Number of existing Performance Rights	Number of new Performance Rights
David Hathorn	11,000,000	1,500,000
Jonathan Trollip	2,000,000	750,000
Leonard Math	1,000,000	750,000
David Netherway	Nil	750,000
Timothy Keating	Nil	750,000

The old Performance Rights were subsequently cancelled and the new Performance Rights subsequently issued on 1 August 2018. See information on Rights Series 16 to Rights Series 20 (inclusive) in Note 23 for further details on these Performance Rights.

(ix) 1,025,000 Performance Rights were cancelled upon Mr Bennett's resignation

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 12: RESERVES (CONT)

(a) SBP Reserve (Cont)

The SBP reserve is used to accumulate proceeds received from the issuing of options and accumulate the value of options and performance rights issued in consideration for services rendered and to record the fair value of options and performance rights issued but not exercised. The reserve is transferred to accumulated losses upon expiry or recognised as share capital if exercised.

(b) Share Premium Reserve	**Parent**	**Parent**	**Consolidated Entity**	
	Dec 2018	**Dec 2017**	**Dec 2018**	**Dec 2017**
Movements during the period	**USD**	**USD**	**USD**	**USD**
Opening balance	-	-	-	-
Capital raising on 29 March 2018 at AUD 0.20 each	12,810,869	-	12,810,869	-
Share-based capital raising costs on 29 March 2018 at AUD 0.12 each	395,685	-	395,685	-
Less: Capital raising costs	(400,000)	-	(400,000)	-
Conversion of USD 250,000 convertible loan note on 27 July 2018 calculated by reference to the price of shares being at AUD 0.20 per share	248,382	-	248,382	-
Closing balance	**13,054,936**	-	**13,054,936**	-

The share premium reserve is used to record the difference between the monies received from capital raising and the par value of the Company's shares, being USD 0.001 per fully paid ordinary share (see Note 11).

(c) Foreign Currency Translation Reserve	**Parent**	**Parent**	**Consolidated Entity**	
	Dec 2018	**Dec 2017**	**Dec 2018**	**Dec 2017**
Movements during the period	**USD**	**USD**	**USD**	**USD**
Opening balance	-	-	(8,747,747)	(22,338,631)
Currency translation differences arising during the year	-	-	(6,563,198)	13,590,884
Closing balance	**-**	**-**	**(15,310,945)**	**(8,747,747)**

The foreign currency translation reserve is used to record currency differences arising from the translation of the financial statements of the foreign subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 12: RESERVES (CONT)

(d) Merger Reserve

As described above in Note 11, as part of the Scheme the Company issued 771,395,768 shares with a par value of USD 0.001 each in respect of the shares on Kore Potash Limited, which had issued share capital at the date of the transaction with a value of USD 204,510,196. As a result of this transaction, a Merger Reserve of USD 203,738,800 was created in both the Parent and Consolidated Entity.

(e) Reorganisation Reserve

In accordance with the Scheme of Arrangement, the Company became the new parent on 20 November 2017 and Kore Potash Limited is the wholly-owned subsidiary of the Company. The Company elected to account for the acquisition of Kore Potash Limited as a common control transaction. As a consequence, no acquisition accounting under IFRS 3 *Business Combination* has arisen. The investment in Kore Potash Limited acquired by the Company as a result of the internal reorganisation was recognised at a value consistent with the carrying value of the equity items in the Kore Potash Limited accounts immediately prior to the Scheme. In the Parent entity, the difference between the carrying amount of share capital and options issued by the Company under the Scheme and the investment in Kore Potash Limited totalling USD 76,899,326 was recognised in a Reorganisation Reserve in the parent company accounts during the year ended 31 December 2017.

During the year, 8,191,226 SBP options expired during the year. The value of the options of USD 888,802 was transferred to Accumulated Losses in the Australian subsidiary Kore Potash Limited, and to the Reorganisation Reserve in the Parent company.

	Parent		Consolidated Entity	
Movements during the period	**Dec 2018 USD**	**Dec 2017 USD**	**Dec 2018 USD**	**Dec 2017 USD**
Opening balance	(76,899,326)	-	-	-
Share issuance under Scheme of Arrangement	-	(76,899,326)	-	-
Value of share-based payment options expired during the year	888,202	-	-	-
Closing balance	**(76,011,124)**	**(76,899,326)**	**-**	**-**

NOTE 13: DIVIDENDS

No dividends have been proposed or paid during the year ended 31 December 2018 (2017: Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 14: NOTES TO STATEMENT OF CASH FLOWS	**Parent**		**Consolidated Entity**	
	Dec 2018 USD	**Dec 2017 USD**	**Dec 2018 USD**	**Dec 2017 USD**
Reconciliation of cash flows from operating activities:				
Loss for the year	(1,715,799)	(92,320)	(6,269,366)	(4,344,322)
Adjustments for:				
Depreciation expensed	-	-	7,078	16,612
Loss on asset disposals	-	-	5,974	-
Equity compensation benefits	695,345	75,546	695,345	1,919,924
Net realised foreign exchange gain	-	-	3,793	(2,864,226)
Interest received not classified as operating activities cash inflow	-	-	(72,873)	(50,858)
Fair value change in derivative financial liability	(110,114)		(110,114)	-
Operating loss before changes in working capital				
(Increase)/Decrease in receivables	(149,775)	-	(150,283)	(8,176)
Increase in tax payable	-	-	(19,990)	42,970
Increase in payables	101,798	16,774	(143,613)	330,966
Net cash used in operating activities	(1,178,545)	-	(6,054,050)	(4,957,110)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Overview

The Group has exposure to the following risks from their use of financial instruments:

- market risk,
- credit risk, and
- liquidity risks.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Group will use different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(a) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and are exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cashflow forecasting.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

(a) Market Risk (Cont)

(i) Foreign currency risk (cont)

As a result of the operating activities in the RoC and the ongoing funding of overseas operations from Australia, the Group's Statement of Financial Position can be affected by movements in the Australian Dollar (AUD) / US Dollar (USD) exchange rate, British Pound (GBP) / US Dollar (USD) exchange rate, Congolese Franc (XAF) / US Dollar (USD) exchange rate, Euro (EUR) / US Dollar (USD) exchange rate and the South African Rand (ZAR) / US Dollar (USD) exchange rate. Funds in EUR is held to hedge the Definitive Feasibility Study (DFS) payments.

A substantial portion of the Group's transactions are denominated in USD, with historically, the majority of costs relating to drilling activities also denominated in the unit's functional currency.

The summary quantitative data about the Group's financial instruments' exposure to significant currency risk as presented in USD is as follows:

	31 December 2018				31 December 2017			
	EUR	**GBP**	**XAF**	**ZAR**	**EUR**	**AUD**	**ZAR**	**GBP**
FINANCIAL ASSETS								
Cash at bank	1,143,346	-	309,789	61,406	13,805,462	49,158	100,778	-
Receivables	-	102,702	321,103	9,302	-	47,031	-	65,631
FINANCIAL LIABILITIES								
Payables	(553,000)	(185,730)	(300,369)	(203,418)	(2,184,134)	(189,924)	(846)	(52,956)
Derivative financial liability	-	(503,398)	-	-	-	-	-	-
Net exposure	590,346	(586,426)	330,523	(132,710)	11,621,328	(93,735)	99,932	12,675

The Group did not have significant currency risk from net exposure to financial instruments' denominated in AUD at 31 December 2018 (31 December 2017: no significant currency risk from net exposure to financial instruments' denominated in XAF).

Sensitivity analysis (Group)

A reasonably possible strengthening (weakening) of the EUR, GBP, XAF and ZAR against USD at 31 December 2018 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss for the Group by the amounts shown below. This analysis assumes all other variables, in particular interest rates, remain constant. The impact of the possible strengthening (weakening) of the AUD and any other currencies against USD is minimal and is not analysed.

	Equity		Profit or Loss	
	Strengthening Gain/(Loss) USD	**Weakening Gain/(Loss) USD**	**Strengthening (Gain)/Loss USD**	**Weakening (Gain)/Loss USD**
31 December 2018				
EUR (5% movement)	29,517	(29,517)	(29,517)	29,517
GBP (5% movement)	(29,321)	29,321	29,321	(29,321)
XAF (5% movement)	16,526)	(16,526)	(16,526)	16,526)
ZAR (5% movement)	(6,636)	6,636)	6,636)	(6,636)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

(a) Market Risk (Cont)

(i) Foreign currency risk (cont)

The summary quantitative data about the Parent's financial instruments' exposure to significant currency risk as presented in USD is as follows:

	31 December 2018				31 December 2017			
	EUR	GBP	XAF	ZAR	EUR	AUD	ZAR	GBP
FINANCIAL ASSETS								
Cash at bank	-	-	-	-	-	-	-	-
Receivables	-	102,702	-	-	-	-	-	65,631
FINANCIAL LIABILITIES								
Payables	-	(111,798)	-	-	-	-	-	(10,000)
Derivative financial liability	-	(503,398)	-	-	-	-	-	-
Net exposure	-	(512,494)	-	-	-	-	-	55,631

Sensitivity analysis (Parent)

A reasonably possible strengthening (weakening) of the GBP against USD at 31 December 2018 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss for the Parent by the amounts shown below. This analysis assumes all other variables, in particular interest rates, remain constant.

	Equity		Profit or Loss	
	Strengthening Gain/(Loss) USD	Weakening Gain/(Loss) USD	Strengthening (Gain)/Loss USD	Weakening (Gain)/Loss USD
31 December 2018				
GBP (5% movement)	(25,625)	25,625	25,625	(25,625)

(ii) Interest rate risk

The Group is exposed to movements in market interest rates on short term deposits.

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

	Weighted Average Effective Interest Rate		Fixed Interest Rate		Floating Interest Rate		Non-Interest Bearing	
	Dec 2018 %	Dec 2017 %	Dec 2018 USD	Dec 2017 USD	Dec 2018 USD	Dec 2017 USD	Dec 2018 USD	Dec 2017 USD
FINANCIAL ASSETS								
Cash at bank	1.45%	0.04%	4,000,000	-	2,187,113	16,455,490	-	-
Receivables			-	-	-	-	409,677	346,993
Total financial assets			4,000,000	-	2,187,113	16,455,490	409,677	346,993
FINANCIAL LIABILITIES								
Payables (non-derivative)			-	-	-	-	1,198,994	3,267,317
Derivative financial liablity			-	-	-	-	503,398	-
Total financial liabilities			-	-	-	-	1,702,392	3,267,317

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

(a) Market Risk (Cont)

(ii) Interest rate risk (cont)

Sensitivity analysis
A change of 100 basis point in interest rates at the reporting date would have increased (decreased) equity or profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed the same basis for the Consolidated Entity for 2017.

	Profit or Loss	
	100bp Increase USD	**100bp Decrease USD**
31 December 2018		
Variable rate instrument	21,871	(21,871)
31 December 2017		
Variable rate instrument	164,555	(164,555)

All receivables and payables in the Parent at 31 December 2018 and at 31 December 2017 are non-interest bearing.

Financial assets
Trade receivables from other entities are carried at cost less any allowance for doubtful debts. Other receivables are carried at cost. Interest is recorded as income using the effective interest rate method.

Financial liabilities
Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the group.

Net fair value of financial assets and liabilities
The carrying amount of financial assets and liabilities at 31 December 2018 and 31 December 2017 is equivalent to the fair value.

(b) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and investment deposits. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

(c) Liquidity and capital risk
The Group's total capital is defined as the shareholders' net equity plus any net debt. The objectives when managing the Group's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Group does not have a target debt / equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise. There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

(c) Liquidity and capital risk (cont)

The table below analyses the Group's financial liabilities into maturity groupings based on the remaining period from the balance date to the contractual maturity date.

31 Dec 2018	**Within 1 Month USD**	**1-3 Months USD**	**3-12 Months USD**
Non-derivatives			
Non-interest bearing			
Trade and other payables	451,184	1,285,455	-
Total Financial Liabilities	451,184	1,285,455	**-**

31 Dec 2017	**Within 1 Month USD**	**1-3 Months USD**	**3-12 Months USD**
Non-derivatives			
Non-interest bearing			
Trade and other payables	3,267,317	-	-
Total Financial Liabilities	**3,267,317**	**-**	**-**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

If the Group anticipates a need to raise additional capital within 6 months to meet forecasted operational activities, then the decision on how the Company will raise future capital will depend on market conditions existing at that time.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

(d) Fair Value of Financial Instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

The Directors consider that carrying amounts at financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair value.

	Fair value hierarchy as at 31 December 2018				Amortised
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD	Cost USD
Financial assets					
Financial assets held at amortised cost					
- Trade and other receivables	-	-	-	-	409,677
Total	**-**	**-**	**-**	**-**	**409,677**
Financial liabilities					
Financial liabilities held at amortised cost:					
- Trade and other payables	-	-	-	-	1,702,392
Financial liabilities held at fair value:					
- Derivative financial liability	-	503,398	-	503,398	-
Total	**-**	**503,398**	**-**	**503,398**	**1,702,392**

	Fair value hierarchy as at 31 December 2017				Amortised
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD	Cost USD
Financial assets					
Financial assets held at amortised cost					
- Trade and other receivables	-	-	-	-	346,993
Total	**-**	**-**	**-**	**-**	**346,993**
Financial liabilities					
Financial liabilities held at amortised cost:					
- Trade and other payables	-	-	-	-	3,267,317
Total	**-**	**-**	**-**	**-**	**3,267,317**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

(d) Fair Value of Financial Instruments (Cont)

The information on the fair values of various financial assets and financial liabilities for the Parent are as follows:

	Fair value hierarchy as at 31 December 2018				Amortised
	Level 1	Level 2	Level 3	Total	Cost
	USD	USD	USD	USD	USD
Financial assets					
Financial assets held at amortised cost					
- Trade and other receivables	-	-	-	-	12,634,124
Total	**-**	**-**	**-**	**-**	**12,634,124**
Financial liabilities					
Financial liabilities held at amortised cost:					
- Trade and other payables	-	-	-	-	144,217
Financial liabilities held at fair value:					
- Derivative financial liability	-	503,398	-	503,398	-
Total	**-**	**503,398**	**-**	**503,398**	**144,217**

	Fair value hierarchy as at 31 December 2017				Amortised
	Level 1	Level 2	Level 3	Total	Cost
	USD	USD	USD	USD	USD
Financial assets					
Financial assets held at amortised cost					
- Trade and other receivables	-	-	-	-	65,631
Total	**-**	**-**	**-**	**-**	**65,631**
Financial liabilities					
Financial liabilities held at amortised cost:					
- Trade and other payables	-	-	-	-	16,774
Total	**-**	**-**	**-**	**-**	**16,774**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 16: SEGMENT INFORMATION

Management has determined that the Company and the Group has one reporting segment being mineral exploration in Central Africa.

As the Group is focused on mineral exploration in Central Africa, management make resource allocation decisions by reviewing the working capital balance, comparing cash balances to committed exploration expenditure and reviewing the current results of exploration work performed. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date and capital available to the Company.

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

On 29 January 2019 the Company publicly announced the outcomes of the Kola DFS on the AIM market, ASX and on JSE. The Kola DFS was undertaken by the FC during 2017 and 2018. The highlights of the Kola DFS are detailed on pages 10 to 11 of the Annual Report and the full announcement can be found on the Company's website.

The FC who undertook the Kola DFS was contracted to deliver a proposal for an EPC contract within 3 months of the completion of the DFS. The FC submitted an EPC proposal on 23 March 2019 which was past the agreed due date of 28 February 2019. The Company is now assessing its options for the way forward on the Kola Project which could include seeking competitive EPC proposals from European companies.

On 13 February 2019, 1,886,996 Class C Performance Rights were converted into 1,886,996 fully paid ordinary shares following satisfaction of vesting conditions.

There are no other significant events that have occurred since reporting date requiring separate disclosure.

NOTE 18: OPERATING LEASE ARRANGEMENTS

Leasing Arrangements

Operating leases relate to leases of offices and other property with lease terms of up to 5 years. The Group does not have an option to purchase the leased property at the expiry of the lease periods.

Non-Cancellable Operating Lease Commitments

	Parent	Parent	Consolidated Entity	
	Dec 2018	Dec 2017	Dec 2018	Dec 2017
	USD	USD	USD	USD
Not later than 1 year	-	-	176,097	115,483
Later than 1 year and not later than 5 years	-	-	40,604	85,632
Later than 5 years	-	-	-	-
	-	**-**	**216,702**	**201,115**

No liabilities have been recognised in respect of non-cancellable operating leases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 19: COMMITMENTS FOR EXPENDITURE

Exploration and Evaluation Expenditure Commitments

In order to maintain current rights of tenure to exploration permits, the Group is required meet minimum expenditure requirements by performing exploration and development work. As at year end, the minimum expenditure requirement has not yet been determined with respect to the Group's Sintoukola 2 exploration permit. However, when the minimum expenditure requirement is confirmed this will need to be satisfied over a period of 3 years.

The are no minimum expenditure requirements with respect to the Group's mining licences. One of the key investment promotion provisions for the Mining Convention includes that the RoC is to be granted a 10% carried equity interest in the project companies, which are currently wholly-owned by the Group's subsidiary, SPSA.

If the Group decides to relinquish certain licences and/or does not meet the obligations of the new mining convention, assets recognised in the statement of financial position may require review to determine the appropriateness of the carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

Kola DFS Commitment

On 28 February 2017 the Company signed a contract with TechnipFMC, VINCI Construction Grands Projets, Egis and Louis Dreyfus Armateur (the FC), for the implementation of the DFS.

At the date of this report, the Group had the following DFS commitment:

	Parent	Parent	Consolidated Entity	
	Dec 2018	Dec 2017	Dec 2018	Dec 2017
	USD	USD	USD	USD
Not later than 1 year	-	-	935,563	9,259,776
Later than 1 year and not later than 5 years	-	-	1,575,750	-
Later than 5 years	-	-	-	-
	-	**-**	**2,511,313**	**9,259,776**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 20: AUDITORS' REMUNERATION

	Parent		Consolidated Entity	
	Dec 2018 USD	Dec 2017 USD	Dec 2018 USD	Dec 2017 USD
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts				
Deloitte – External Audit	105,000	35,000	165,108	103,679
Total audit fees	105,000	35,000	165,108	103,679
Fees payable to the Company's auditor and their associates for other non-audit services to the Group				
Half-year review	39,217	-	57,665	40,763
Review of prior years for South African subsidiary	-	-	6,546	-
Services in connection with the AIM listing	-	-	148,632	411,015
Tax, Research and Development consulting	-	-	113,866	34,188
Total non-audit services	39,217	-	326,709	485,966
Total fees payable to the Company's auditor and their associates	**144,217**	**35,000**	**491,817**	**589,645**

NOTE 21: RELATED PARTY TRANSACTIONS

Directors remuneration

The expense of USD 812,575 recognised (2018: USD 365,371) includes directors fees paid and remuneration for the current and outgoing Chief Executive Officer.

The Company paid USD 6,050 (2017: USD 13,652) to Piaster Pty Ltd as trustee for the Trollip Family Superannuation Fund for Mr Jonathan Trollip's director fees. Mr Trollip is a director of and has a beneficial interest in Piaster Pty Ltd.

On 27 June 2018, the shareholders approved the grant of 17,200,000 unlisted options to Brad Sampson, valued at a total of USD 1,171,320 and 4,000,000 unlisted options to David Hathorn, valued at a total of USD 145,600 at the Company's AGM.

The shareholders also approved the cancellation of the below existing Performance Rights and the grant of new Performance Rights to the below Non-Executive Directors at the Company's AGM.

Director	Number of existing Performance Rights	Number of new Performance Rights
David Hathorn	11,000,000	1,500,000
Jonathan Trollip	2,000,000	750,000
Leonard Math	1,000,000	750,000
David Netherway	Nil	750,000
Timothy Keating	Nil	750,000

The new Performance Rights have a total value of USD 336,150.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 21: RELATED PARTY TRANSACTIONS (CONT)

Directors remuneration (cont)

On 27 June 2018, the shareholders also approved the issue of 500,000 and 1,050,000 Performance Rights to Sean Bennett at the Company's AGM to recognise his contribution to the Company and the transition of his position as CEO to a successor and his role in successfully implementing the re-domicile of the Group in the United Kingdom, the listing of the Company on the AIM and the JSE and the recent completion of a capital raising. These Performance Rights have a total value of USD 115,785.

The details of the unlisted options and Performance Rights granted are in the Company's Notice of General Meeting announced on 1 June 2018.

No other director has entered into a material contract (apart from employment) with the Company since the incorporation of the Company and there were no material contracts involving directors' interests at the half-year end. Remuneration arrangements of KMP are disclosed in the Directors' Remuneration Report on pages 27 to 29 of this Annual Report.

Loans to KMP and its related parties

David Hathorn (Chairman) and Sean Bennett (previous CEO) were each issued with 25,000 Redeemable (Non-Voting) Preference Shares at GBP 1.00 each in the Kore Potash plc (held directly). Under the Scheme of Arrangement, both Directors gave an irrevocable undertaking to pay the Company the sum of GBP 25,000 on or before the date that is five years from the date of the undertaking or, if sooner, immediately upon a written demand or demands by the Company. At 31 December 2017, the amount owing by the two Directors to the Company was USD 65,631 (GBP 50,000). Upon completion of the Scheme of Arrangement, and upon the Company's capital raising on 23 March 2018, the Redeemable Preference Shares were redeemed and the amounts payable by the Directors were offset by an amount payable by the Company back to the Directors.

On 26 March 2018, the Company entered into a convertible loan note agreement with the Chairman to lend USD 250,000 to the Company. The convertible loan note did not attract interest and was unsecured. At the Company's AGM on 27 June 2018, the shareholders approved the conversion of the convertible loan note into 1,618,250 shares at AUD 0.20 per share and 250,000 free-attaching warrants. The shares and warrants were issued on 27 July 2018.

Other transactions with the Company and the Group

No KMP has entered into a material contract (apart from employment) with the Company and the Group. Please refer to the Remuneration Report in the Directors' Report for the remuneration paid to the KMP. No amount of remuneration is outstanding at 31 December 2018 (31 December 2017: nil).

Nexia Perth Pty Ltd is engaged to provide accounting, administrative and company secretarial services for the Group on commercial terms. Mr Henko Vos, who is based in Perth, Australia has been appointed as joint company secretary and is also currently an employee with Nexia Perth. During the year, the total amount paid to Nexia Perth by the Group for providing accounting, administration and company secretarial services was USD 163,445 (2017: USD 117,387).

FKW Consulting Ltd was engaged to provide company secretarial services for the Company on commercial terms prior to Mrs Francesca Wilson's resignation as joint company secretary on 30 September 2018. Mrs Francesca Wilson, who is based in London, UK was appointed as joint company secretary up until 30 September 2018 and is also currently an employee with FKW Consulting Ltd during the year. During the year, the total amount paid to FKW Consulting Ltd by the Group for providing company secretarial services was USD 11,134 (2017: 13,383).

Following Mrs Francesca Wilson's resignation as joint company secretary on 30 September 2018, St James's Corporate Services Limited was appointed on 1 October 2018, and engaged to provide company secretarial services for the Company on commercial terms. During the year, the total amount paid to St James's Corporate Services Limited by the Group for providing company secretarial services was USD 29,100.

There were no other transactions with KMP and its related parties.

NOTE 22: KMP DISCLOSURES

The following were KMP of the Company and the Group at any time during the reporting period and unless otherwise indicated were KMP for the entire period.

Executive Directors	
Brad Sampson	Chief Executive Officer (appointed on 4 June 2018)
Sean Bennett	Chief Executive Officer (appointed on 20 November 2015, resigned on 4 June 2018)
Non-Executive Directors	
David Hathorn	Non-Executive Chairman (appointed on 20 November 2015)
Jonathan Trollip	Non-Executive Director (appointed on 21 April 2016)
Leonard Math	Non-Executive Director (appointed on 24 April 2014)
Timothy Keating	Non-Executive Director (appointed on 15 November 2016)
David Netherway	Non-Executive Director (appointed on 12 December 2017)
José Antonio Merino	Non-Executive Director (appointed on 23 May 2018)
Pablo Altimiras	Non-Executive Director (appointed on 15 November 2016, resigned on 23 May 2018)
Executives	
Henko Vos	Joint Company Secretary (appointed on 16 November 2016)
St James's Corporate Services Limited	Joint Company Secretary (appointed on 1 October 2018)
Francesca Wilson	Joint Company Secretary (appointed on 29 November 2017, resigned on 30 September 2018)
John Crews	Chief Financial Officer (appointed on 22 May 2017)
Julien Babey	Business Development and Head of RoC (appointed on 1 January 2016)
Gavin Chamberlain	Chief Operating Officer (appointed 1 October 2017)
Lawrence Davidson	Chief Financial Officer and Risk Officer (resigned on 1 January 2018) Joint Company Secretary (resigned on 25 January 2018)

(i) David Hathorn and Sean Bennett were appointed as the directors of Kore Potash plc on the date of incorporation of the Company on 25 August 2017.

(ii) In accordance with the Scheme of Arrangement between Kore Potash Limited and its shareholders, Jonathan Trollip, Leonard Math, Timothy Keating and Pablo Altimiras were appointed as the directors of the Company on 17 November 2017.

KMP compensation

The KMP compensation included in "Directors Remuneration", "Equity Compensation Benefits" "Employee and Consultant Expenses" and "Exploration Expenditure" is as follows:

	Consolidated Entity	
	Dec 2018 USD	**Dec 2017 USD**
Short-term employee benefits	1,807,001	1,510,100
Post-employment benefits	6,050	13,652
Termination benefits	325,705	256,986
Equity compensation benefits	981,042	1,286,133
	3,119,798	**3,066,871**

There were seven directors who held office at the end of the 2018 and 2017 years. Details of directors' remuneration are provided in the Directors' Remuneration Report on pages 27 to 44 of this Annual Report.

Individual directors and executives compensation disclosures

Information regarding individual directors and executives' compensation and equity instruments disclosures is provided in the Remuneration Report section of the Directors' Report. Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS

Recognised share-based payments

The expense recognised for employee and consultant services during the year is shown in the table below:

	Parent		Consolidated Entity	
	Dec 2018 USD	Dec 2017 USD	Dec 2018 USD	Dec 2017 USD
Expense arising from equity-settled share-based payment transactions	695,345	75,545	695,345	1,919,924

In addition, the amounts capitalised to exploration and evaluation expenditure from share-based payment transactions for staff whose services are directly attributable to the operational activities of the Kola and Dougou mining projects are as follows:

	Parent		Consolidated Entity	
	Dec 2018 USD	Dec 2017 USD	Dec 2018 USD	Dec 2017 USD
Amounts capitalised to exploration and evaluation expenditure arising from equity-settled share-based payment transactions	539,930	-	539,930	-

Parent

In accordance with the Scheme of Arrangement between Kore Potash Limited and its shareholders, 58,191,226 Unlisted Options and 48,077,728 Performance Rights/Shares were issued on 20 November 2017 from the Company to the holders of Unlisted Options or Performance Rights/Shares in Kore Potash Limited in consideration for the cancellation of those Kore Potash Limited Unlisted Options and Performance Rights/Shares.

The value of the above Parent entity's share-based payments in 2017 refer to the value of Performance Rights vested/cancelled after the Unlisted Options and Performance Rights/Shares were transferred from Kore Potash Limited to the Company. On 20 December 2017, 3,237,624 Performance Rights and Performance Shares vested and converted into 3,237,624 Chess Depositary Interests (CDI's) and 2,245,000 Performance Rights previously granted were cancelled following the resignation of Werner Swanepoel (Project Director). The share based payments of USD 75,545 in 2017 relate to KMP.

Consolidated Entity

The Group granted shares rights and options to KMP and other employees as part of as an incentive for future services and as a reward for past services. The table above shows the vesting expense recognised during the year of USD 695,345 (2017: USD 1,919,924) and vesting expenses capitalised to exploration and evaluation expenditure of USD 539,930 (2017: Nil).

Details of the share options outstanding during the year are as follows:

	2018		2017	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning at year	8,191,226	AUD 0.33	8,441,226	AUD 0.35
Granted during the year	21,200,000	GBP 0.11	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	(8,191,226)	AUD 0.33	(250,000)	AUD 0.90
Outstanding at the end of the year	21,200,000	GBP 0.11	8,191,226	AUD 0.33

The share options outstanding at 31 December 2018 had a weighted average exercise price of GBP 0.11 and a weighted average contractual life of 8 years.

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP

Option Series 19 to 21

During the 2013 financial year, 250,000 options exercisable at AUD 0.90 expiring 22 May 2017 were issued to a previous Director, Mr Robert Franklyn, following shareholder approval at the AGM held on 22 May 2013. The details of the options are as per below.

The options were valued using the Black Scholes Option Pricing Model. The table below shows the fair value of the options and the inputs used in determining the fair value.

Inputs into the model	*Tranche 1 (Series 19)*	*Tranche 2 (Series 20)*	*Tranche 3 (Series 21)*
Grant date	22 May 2013	22 May 2013	22 May 2013
Share price at grant date	AUD 0.39	AUD 0.39	AUD 0.39
Exercise price	AUD 0.90	AUD 0.90	AUD 0.90
Expiry date	22 May 2017	22 May 2017	22 May 2017
Expected volatility	100%	100%	100%
Dividend yield	0%	0%	0%
Risk free rate	2.75%	2.75%	2.75%
Vesting date	22 May 2014	22 May 2015	22 May 2016
Vesting period (years)	0.90	1.90	2.90
Fair value per option calculated based on above inputs	AUD 0.2181	AUD 0.2181	AUD 0.2181
Number of options	83,333	83,333	83,334

The above options expired during the 2017 financial year on 22 May 2017.

Option Series 22 to 24

On 9 April 2014, the Company granted 6,509,013 Options exercisable at AUD 0.33 expiring 15 April 2018 to employees under the Group's Employee Share Option Plan.

The options were subject to the following vesting conditions:
- 1/3rd which vested on 15 April 2014;
- 1/3rd which vested on 15 April 2015; and
- 1/3rd which vested on 15 April 2016.

None of the options had any voting rights, any entitlement to dividends or any entitlement to the proceeds of liquidation in the event of a winding up.

The fair value of the equity-settled share options granted was estimated as at the grant date using the Binomial Option Pricing Model taking into account the terms and conditions upon which the instruments were granted. Expected volatility was based on the historical share price volatility over the previous years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Option Series 22 to 24 (Cont)

The input used in the measurement of the fair value at grant date of equity settled share based payments plan were as follows:

Inputs into the model	*Tranche 1 (Series 22)*	*Tranche 2 (Series 23)*	*Tranche 3 (Series 24)*
Grant date share price	AUD 0.26	AUD 0.26	AUD 0.26
Exercise price	AUD 0.33	AUD 0.33	AUD 0.33
Expected volatility	100%	100%	100%
Option life	4 years	4 years	4 years
Dividend yield	0%	0%	0%
Risk free interest rate	2.5%	2.5%	2.5%
Weighted average grant date fair value	AUD 0.1242	AUD 0.1391	AUD 0.1522
Number of options	2,169,671	2,169,671	2,169,671

During the 2014 year, a total of 817,787 of options lapsed, 408,893 from Tranche 2 (Option Series 23) and 408,894 from Tranche 3 (Option Series 24).

The remaining options expired during the 2018 financial year on 15 April 2018.

Option Series 25 to 27

On 12 May 2014, the Company granted 1,000,000 options exercisable at AUD 0.33 expiring 15 April 2018 to an employee under the Group's Employee Share Option Plan.

The options were subject to the following vesting conditions:

- 1/3rd which vested on 15 April 2014;
- 1/3rd which vested on 15 April 2015; and
- 1/3rd which vested on 15 April 2016.

None of the options had any voting rights, any entitlement to dividends or any entitlement to the proceeds of liquidation in the event of a winding up.

The fair value of the equity-settled share options granted was estimated as at the grant date using the Binomial Option Pricing Model taking into account the terms and conditions upon which the instruments were granted. Expected volatility was based on the historical share price volatility over the past years.

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Option Series 25 to 27 (Cont)
The input used in the measurement of the fair value at grant date of equity settled share based payments plan were as follows:

Inputs into the model	**Tranche 1 *(Series 25)***	**Tranche 2 *(Series 26)***	**Tranche 3 *(Series 27)***
Grant date share price	AUD 0.22	AUD 0.22	AUD 0.22
Exercise price	AUD 0.33	AUD 0.33	AUD 0.33
Expected volatility	100%	100%	100%
Option life	4 years	4 years	4 years
Dividend yield	0%	0%	0%
Risk free interest rate	2.5%	2.5%	2.5%
Weighted average grant date fair value	AUD 0.0948	AUD 0.1073	AUD 0.1194
Number of options	333,333	333,333	333,333

The above options expired during the 2018 financial year on 15 April 2018.

Option Series 28 to 30
On 30 May 2014, the Company issued 1,500,000 Options exercisable at AUD 0.33 expiring 26 June 2018 to the following previous Directors under the Group's Employee Share Option Plan

Mr John Iain Macpherson	1,100,000 Options
Mr Robert Samuel Middlemas	400,000 Options

The options were subject to the following vesting conditions:
- 1/3rd which vested on 15 April 2014;
- 1/3rd which vested on 15 April 2015; and
- 1/3rd which vested on 15 April 2016.

None of the options had any voting rights, any entitlement to dividends or any entitlement to the proceeds of liquidation in the event of a winding up.

The fair value of the unlisted options granted was estimated as at the grant date using the Binomial Option Pricing Model taking into account the terms and conditions upon which the instruments were granted. Expected volatility was based on the historical share price volatility over the previous years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Option Series 28 to 30 (Cont)

The input used in the measurement of the fair value at grant date of equity settled share based payments plan were as follows:

Inputs into the model	**Tranche 1 *(Series 28)***	**Tranche 2 *(Series 29)***	**Tranche 3 *(Series 30)***
Grant date share price	AUD 0.25	AUD 0.25	AUD 0.25
Exercise price	AUD 0.33	AUD 0.33	AUD 0.33
Expected volatility	100%	100%	100%
Option life	4 years	4 years	4 years
Dividend yield	0%	0%	0%
Risk free interest rate	2.5%	2.5%	2.5%
Weighted average grant date fair value	AUD 0.1177	AUD 0.1303	AUD 0.1432
Number of options	500,000	500,000	500,000

The above options expired during the 2018 financial year on 26 June 2018.

Option Series 31 and 32

At the Company's AGM on 27 June 2018, the Company's shareholders approved the grant of 17,200,000 unlisted options to Brad Sampson and 4,000,000 unlisted options to David Hathorn. The vesting conditions for the unlisted options include milestones being achieved in relation to the Kola Project, as follows:

Vesting conditions	***Brad Sampson (Option Series 31)***	***David Hathorn (Option Series 32)***
Completion of project financing	5,733,333	4,000,000
Completion of project	11,466,667	-
Total	**17,200,000**	**4,000,000**
Expiry	27/06/2028	27/06/2020

The fair value at grant date of the unlisted options issued to Brad Sampson and to David Hathorn was estimated at GBP 0.0518 and GBP 0.0241 respectively, using the Black Scholes Option Pricing Model taking into account the terms and conditions as set out above. The input used in the measurement of the fair value at grant date of the unlisted options were as follows:

Input into the model	***Option Series 31***	***Option Series 32***
Grant Date Share Price	GBP 0.06	GBP 0.06
Expected Volatility	108.90%	108.90%
Options Life	10 years	2 years
Grant date fair value	GBP 0.0518	GBP 0.0241

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Rights Series 4 to 6

On 17 September 2015, the Company issued 7,998,270 Performance Rights to the following employees of the Group under the Group's Employee Performance Rights Plan.

Employee	*Class A*	*Class B*	*Class C*
Lawrence Davidson	376,374	376,374	376,374
Julien Babey	521,957	521,957	521,957
Other employees	1,767,759	1,767,759	1,767,759
Total	**2,666,090**	**2,666,090**	**2,666,090**

Rights and each class' vesting conditions is as follows:-

Rights Series 4 - Class A Performance Rights (Employee)

Performance Rights vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 24 months from the date of issue:-

- the Company's market capitalisation averaging over a period of 60 consecutive days of trading a daily average of not less than AUD 85 million; and
- completing 12 months of continuous service with the Company.

Rights Series 5 - Class B Performance Rights (Employee)

Performance Rights vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 36 months from the date of issue:

- the Company's market capitalisation averaging over a period of 60 consecutive days of trading a daily average of not less than AUD 100 million; and
- completing 24 months of continuous service with the Company.

Rights Series 6 - Class C Performance Rights (Employee)

Performance Rights vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 48 months from the date of issue:

- the Company's market capitalisation averaging over a period of 60 consecutive days of trading a daily average of not less than AUD 120 million; and
- completing 36 months of continuous service with the Company.

The fair value of the performance rights granted was estimated as at the grant date using the Monte-Carlo Pricing Model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Inputs into the model	Series 4 – Class A	Series 5 – Class B	Series 6 – Class C
Grant date share price	AUD 0.185	AUD 0.185	AUD 0.185
Expected volatility	80%	80%	80%
Rights life	2 years	3 years	4 years
Grant date fair value	AUD 0.1451	AUD 0.1507	AUD 0.1510

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Rights Series 4 to 6 (Cont)
During the 2017 and 2018 years, the Class A, Class B and Class C Performance Rights vested and the following shares were subsequently issued to the following employees of the Group:

Employee	*Shares (i)*	*Shares (ii)*	*Shares (iii)*
Lawrence Davidson	376,374	376,374	376,374
Julien Babey	521,957	521,957	521,957
Other employees	1,767,759	1,767,759	1,767,759
Total	**2,666,090**	**2,666,090**	**2,666,090**

(i) The shares from Class A Performance Rights were issued during the 2017 year.
(ii) The shares from Class B Performance Rights were issued during the 2018 year.
(iii) The shares from Class C Performance Rights were issued subsequent to year end on 13 February 2019.

Rights Series 7 - Performance Rights (Previous Project Director)
On 29 February 2016, the Company granted 5,000,000 Performance Rights to Mr Werner Swanepoel, Project Director, under the Group's Employee Performance Rights Plan. The rights were contractually agreed to on 7 December 2015 pursuant to Mr Swanepoel's employment agreement. The Performance Rights vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Joining K2P	
(1) - sign on bonus	250,000
(1) - allocated after 1 year service	250,000
(1) - allocated after 2 years service	250,000
(1) - allocated after 3 years service	250,000
Kola Resource & Mine	
(2) - DFS Completion	1,000,000
(3) - Off-take secured to support debt finance for mine build	500,000
(4) - Complete finance package for mine build	500,000
Dougou Resource	
(5) - Development advanced to commencement of DFS	500,000
Yangala Resource	
(6) - Development advanced to completion of PFS	500,000
Share Price Allocation Matrix	1,000,000
25% initial tranche (Note 1(a))	*250,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))	
100%	*1,000,000*
TOTAL	**5,000,000**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Rights Series 7 - Performance Rights (Previous Project Director) (Cont)

Note 1: Share Price Allocation Matrix
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
  (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
  (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
  (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
  (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
  (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the operational performance rights granted (4,000,000) is calculated based on the share price at grant date. The fair value of these operational performance rights is AUD 0.19.

The fair value of the remaining performance rights granted with a share price threshold (1,000,000) is estimated as at the grant date using the Monte-Carlo Pricing Model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Inputs into the model	**Series 7**
Grant date share price	AUD 0.19
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1167

On 29 February 2016, 250,000 Fully Paid Ordinary Shares were issued following the vesting of the Performance Rights as a sign on bonus for the Project Director. In addition, subsequent to year end on 3 February 2017, 250,000 Fully Paid Ordinary Shares were issued to the Project Director following the vesting of the Performance Rights due to one year of service being completed on 7 December 2016. On 18 December 2017, 2,245,000 Performance Rights was cancelled upon Mr. Swanepoel's resignation. The remaining 2,255,000 Performance Rights were outstanding as at 31 December 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Rights Series 8 - Performance Rights (Chairman)

On 2 March 2016, following shareholders' approval, the Company granted 13,000,000 Performance Rights to Mr David Hathorn under the Group's Employee Performance Rights Plan. Performance Rights vested as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Joining K2P	
(1) - allocated after 1 year service	1,000,000
(1) - allocated after 2 years service	1,000,000
(1) - allocated after 3 years service	1,000,000
Share Price Allocation Matrix	10,000,000
20%	*2,000,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))	
100%	*10,000,000*
TOTAL	**13,000,000**

Note 1: Share Price Allocation Matrix

Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
  (i) where the 30 day average daily VWAP is less than AUD 0.50, nil.
  (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 5,333 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
  (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 5,333 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
  (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any previous Vesting Period, nil.
  (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 5,333 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the operational performance rights granted (3,000,000) was calculated based on the share price at grant date. The fair value of these operational performance rights was AUD 0.20.

The fair value of the remaining performance rights granted with a share price threshold (10,000,000) is estimated as at the grant date using the Monte-Carlo Pricing Model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of these performance rights were as follows:

Inputs into the model	**Series 8**
Issue date share price	AUD 0.165
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1475

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Rights Series 8 - Performance Rights (Chairman) (Cont)
On 3 February 2017 and on 20 December 2017, 2,000,000 Fully Paid Ordinary Shares were issued to the Chairman following the vesting of the Performance Rights due to his one and two years of service being completed on 20 November 2016 and 20 November 2017, respectively.

The remaining 11,000,000 Performance Rights were cancelled following shareholder approval at the Company's AGM on 27 June 2018.

Rights Series 9 - Performance Rights (Previous CEO)
On 2 March 2016, following shareholders' approval, the Company granted 8,500,000 Performance Rights to Mr Sean Bennett under the Group's Employee Performance Rights Plan. Performance Rights vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Joining K2P	
(1) - sign on bonus	531,250
(1) - allocated after 1 year service	531,250
(1) - allocated after 2 years service	531,250
(1) - allocated after 3 years service	531,250
Kola Resource & Mine	
(2) - DFS Completion	850,000
(3) - Off-take secured to support debt finance for mine build	850,000
(4) - Complete finance package for mine build	850,000
Dougou Resource	
(5) - Development advanced to commencement of DFS	850,000
Yangala Resource	
(6) - Development advanced to completion of PFS	850,000
Share Price Allocation Matrix	2,125,000
25% initial tranche (Note 1(a))	*531,250*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))	
100%	*2,125,000*
TOTAL	**8,500,000**

Note 1: Share Price Allocation Matrix
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
  (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
  (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
  (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
  (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
  (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

***Rights Series 9 - Performance Rights (Previous CEO)* (Cont)**
The fair value of the operational performance rights granted (6,375,000) is calculated based on the share price at grant date. The fair value of these operational performance rights is AUD 0.20.

The fair value of the remaining performance rights granted with a share price threshold (2,125,000) is estimated as at the grant date using the Monte-Carlo Pricing Model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Inputs into the model	**Series 9**
Issue date share price	AUD 0.165
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1469

The following Fully Paid Ordinary Shares were issued to the previous CEO during the 2017 and 2018 years:

Date	***Shares***	
2 March 2016	531,250	Following vesting due to sign-on bonus.
3 February 2017	531,250	Following 1 year of service being completed on 20 November 2016.
20 November 2017	531,250	Following 2 years of service being completed on 20 November 2017.
Total	1,593,750	

On 4 June 2018, 1,025,000 Performance Rights were cancelled following the resignation of the previous CEO. The remaining 5,881,250 was outstanding at year end.

Rights Series 10 - Performance Rights (Non-Executive Director - J Trollip)
On 6 July 2016, following shareholders' approval, the Company granted 2,000,000 Performance Rights to Mr Jonathan Trollip under the Group's Employee Performance Rights Plan. Performance Rights vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Share Price Allocation Matrix	2,000,000
25% initial tranche (Note 1(a))	*500,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b)) 100%	*1,500,000*
TOTAL	**2,000,000**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Rights Series 10 - Performance Rights (Non-Executive Director - J Trollip) (Cont)

Note 1: Share Price Allocation Matrix
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
  (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
  (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 1,000 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
  (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 1,000 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
  (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
  (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 1,000 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the performance rights granted with a share price threshold (2,000,000) was estimated as at the grant date using the Monte-Carlo Pricing Model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Inputs into the model	Series 10
Issue date share price	AUD 0.190
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1258

The above Performance Rights were cancelled following shareholder approval at the Company's AGM on 27 June 2018.

Rights Series 11 - Performance Rights (Non-Executive Director - L Math)

On 6 July 2016, following shareholders' approval, the Company granted 1,000,000 Performance Rights to Mr Leonard Math under the Group's Employee Performance Rights Plan. Performance Rights vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Share Price Allocation Matrix	1,000,000
25% initial tranche (Note 1(a))	*250,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b)) 100%	*750,000*
TOTAL	**1,000,000**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Rights Series 11 - Performance Rights (Non-Executive Director - L Math) (Cont)

Note 1: Share Price Allocation Matrix
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
   (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
   (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
   (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting period is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
   (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
   (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the performance rights granted with a share price threshold (1,000,000) is estimated as at the grant date using the Monte-Carlo Pricing Model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Inputs into the model	**Series 11**
Issue date share price	AUD 0.190
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1258

The above Performance Rights were cancelled following shareholder approval at the Company's AGM on 27 June 2018.

Rights Series 12

On 29 May 2017, the Group granted 2,000,000 performance rights to its employees, under the Group's Employee Performance Rights Plan, to recognise their overall contribution and performance during 2016. These performance rights vest as one fully paid ordinary share for each performance right in 2 years on 31 May 2019, on the condition that the employee is still employed by the Group.

The fair value of the performance rights was estimated at AUD 0.17 per performance rights, calculated based on the share price at grant date using the Cox, Ross and Rubinstein Binomial Option Pricing Model.

The inputs used in the measurement of the fair value at grant date of these performance rights were as follows:

Inputs into the model	***Rights Series 12***
Grant date spot price	AUD 0.17
Expected volatility	75%
Life of performance share	2 years
Grant date fair value	AUD 0.17

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Rights Series 13

In addition, following shareholders' approval at the Group's 2017 AGM on 31 May 2017, the Group granted 660,000 performance rights to Mr Sean Bennett, the Group's previous CEO, under the Group's Employee Performance Rights Plan. These performance rights were granted on the same basis as the 2,000,000 Performance Shares as detailed above. The 660,000 performance rights vested in full upon Mr Bennett's resignation on 4 June 2018.

The fair value of the performance rights was estimated at AUD 0.17 per performance rights, calculated based on the share price at grant date using the Cox, Ross and Rubinstein Binomial Option Pricing Model.

The inputs used in the measurement of the fair value at grant date of these performance rights were as follows:

Inputs into the model	*Rights Series 13*
Grant date spot price	AUD 0.17
Expected volatility	75%
Life of performance share	2 years
Grant date fair value	AUD 0.17

Rights Series 14

On 29 May 2017, the Group announced that under an STIP the Board resolved and agreed to issue up to 4,482,005 performance rights for employees for 2017. Under the STIP, the final amount of performance rights issued may be reduced by the Board (in its sole discretion) depending upon each employee's performance during the 2017 year. Under the STIP, in accordance with the Group's remuneration strategy, the employee's performance is assessed by the Board against a range of objectives including delivery of the Kola DFS on time and in budget, progressing the Kola ESIA and maintaining control of costs within the business. The performance rights vest a third on award, a third after 1 year of continuous service and a third after 2 years continuous service, as one fully paid ordinary share for each performance right.

The fair value of the performance rights was estimated at AUD 0.17 per performance right, calculated based on the share price at grant date using the Cox, Ross and Rubinstein Binomial Option Pricing Model.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Inputs into the model	*Rights Series 14*
Grant date spot price	AUD 0.17
Expected volatility	75%
Life of performance share	2 years
Grant date fair value	AUD 0.17

During the 2018 year, the Board approved the allocation of 2,845,314 STIP performance rights to various KMP and other employees. In addition, during the 2017 year, at the Board's discretion, 735,000 was allocated to two employees (including Mr Werner Swanepoel, who was allocated 490,000 STIP performance rights), which vested immediately and were converted into fully paid ordinary shares upon their resignation.

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Rights Series 15

On 29 May 2017, the Group announced that the Board resolved and agreed to issue up to 11,734,853 performance rights available to employees under the LTIP. These performance rights vest as one fully paid ordinary share for each performance right, of which the final amount issued may be reduced by the Board (in its discretion) depending upon the employee's performance against the following objectives:

Non-market performance conditions

- Completing the DFS in line with the Group's objectives and milestones
- Successful completion of the financing of the Kola Project
- Achieving the appropriate level of off-take for the Kola Project

Market performance conditions

- The Company's share price being between AUD 0.50 and AUD 2.00 (or GBP equivalent), vesting on the basis of one fully paid ordinary share for each performance right vesting, and calculated using a Share Price Allocation Matrix (straight-line basis).

The fair value of the performance rights attached to the non-market performance conditions is estimated at AUD 0.17 per performance right, calculated based on the share price at grant date using the Cox, Ross and Rubinstein Binomial Option Pricing Model.

The input used in the measurement of the fair value at grant date of the performance rights attached to non-market performance conditions were as follows:

Inputs into the model	*Rights Series 15*
Grant date spot price	AUD 0.17
Expected volatility	75%
Life of performance share	5 years
Grant date fair value	AUD 0.17

The fair value of the performance rights attached to the market performance condition is estimated at AUD 0.104 per performance right at grant date, using the Monte-Carlo Simulation Model, and taking into account the terms and conditions upon which the performance rights were granted.

The input used in the measurement of the fair value at grant date of the performance rights attached to market performance conditions were as follows:

Inputs into the model	*Rights Series 15*
Grant date spot price	AUD 0.17
Expected volatility	75%
Life of performance share	5 years
Grant date fair value	AUD 0.104

As at reporting date, the Board has not yet determined the allocation of the LTIP performance rights. The allocation will be determined against each objective for each employee on a case by case basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Rights Series 16 to 20

At the Company's AGM on 27 June 2018, the Company's shareholders approved the grant of performance rights to the following Non-Executive Directors:

Series	*Director*	*Number of Performance Rights*
Rights Series 16	David Hathorn	1,500,000
Rights Series 17	Jonathan Trollip	750,000
Rights Series 18	Leonard Math	750,000
Rights Series 19	David Netherway	750,000
Rights Series 20	Timothy Keating	750,000

The performance rights are a one-off award and will unconditionally vest in three equal tranches on the first, second and third anniversary of the Company's admission to the AIM market. They will vest as one fully paid ordinary share for each performance right, and will expire on 22 May 2022.

The fair value of the performance rights granted was estimated as at the grant date at GBP 0.0564 per performance right, using the Black Scholes Option Pricing Model taking into account the terms set out above.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Inputs into the model	*Rights Series 16*	*Rights Series 17*	*Rights Series 18*
Grant date share price	GBP 0.06	GBP 0.06	GBP 0.06
Expected volatility	90.12%	90.12%	90.12%
Rights life	4 years	4 years	4 years
Grant date fair value	GBP 0.0564	GBP 0.0564	GBP 0.0564

Inputs into the model	*Rights Series 19*	*Rights Series 20*
Grant date share price	GBP 0.06	GBP 0.06
Expected volatility	90.12%	90.12%
Rights life	4 years	4 years
Grant date fair value	GBP 0.0564	GBP 0.0564

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Details of options and performance rights issued to KMP (cont)

Rights Series 21 and 22

At the Company's AGM on 27 June 2018, the Company's shareholders approved the grant 500,000 (Rights Series 21) and 1,050,000 (Rights Series 22) performance rights to Sean Bennett, the Company's previous CEO, to recognise his contribution to the Company and the transition of his position as CEO to a successor and his role in successfully implementing the re-domicile of the Group in the United Kingdom, the listing of the Company on the AIM and JSE and the recent completion of a capital raising.

The performance rights have no vesting conditions and will be exercisable on and from the date of their issue, with each performance right being convertible into one fully paid ordinary share.

At reporting date, both parcels of performance rights were yet to be issued and converted to shares.

The fair value at grant date of the performance rights was estimated at GBP 0.0564 per performance right, using the Black Scholes Option Pricing Model. The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	*Rights Series 21*	*Rights Series 22*
Grant date share price	GBP 0.06	GBP 0.06
Expected volatility	90.12%	90.12%
Rights life	4 years	4 years
Grant date fair value	GBP 0.0564	GBP 0.0564

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Share based payment arrangements in existence

The following options from share based payment arrangements were in existence during the current and prior periods:

	Grant Date	Vesting Date	Number of Options	Expiry Date	Fair Value at Grant Date	Exercise Price
Option Series 19 *	22/05/2013	22/05/2014	83,333	22/05/2017	AUD 0.2181	AUD 0.90
Option Series 20 *	22/05/2013	22/05/2015	83,333	22/05/2017	AUD 0.2181	AUD 0.90
Option Series 21 *	22/05/2013	22/05/2016	83,334	22/05/2017	AUD 0.2181	AUD 0.90
Option Series 22 **	9/04/2014	10/04/2014	2,169,671	15/04/2018	AUD 0.1242	AUD 0.33
Option Series 23 **	9/04/2014	10/04/2015	1,760,778	15/04/2018	AUD 0.1391	AUD 0.33
Option Series 24 **	9/04/2014	10/04/2016	1,760,777	15/04/2018	AUD 0.1522	AUD 0.33
Option Series 25 **	12/05/2014	10/04/2014	333,333	15/04/2018	AUD 0.0948	AUD 0.33
Option Series 26 **	12/05/2014	10/04/2015	333,333	15/04/2018	AUD 0.1073	AUD 0.33
Option Series 27 **	12/05/2014	10/04/2016	333,334	15/04/2018	AUD 0.1194	AUD 0.33
Option Series 28 **	30/05/2014	10/04/2014	500,000	26/06/2018	AUD 0.1177	AUD 0.33
Option Series 29 **	30/05/2014	10/04/2015	500,000	26/06/2018	AUD 0.1303	AUD 0.33
Option Series 30 **	30/05/2014	10/04/2016	500,000	26/06/2018	AUD 0.1432	AUD 0.33
Option Series 31 ***	27/06/2018	*Refer below*	17,200,000	27/06/2028	GBP 0.0518	GBP 0.11
Option Series 32 ***	27/06/2018	*Refer below*	4,000,000	27/06/2020	GBP 0.0241	GBP 0.11

* *Option Series expired during the previous financial year.*

** *Option Series expired during the current financial year.*

*** *These options were issued to Brad Sampson (Option Series 31) and David Hathorn (Option Series 32). The vesting conditions for these Options include milestones being achieved in relation to the Kola Project. The fair value of the options granted was estimated as at the grant date using the Black Scholes Option Pricing Model taking into account the terms and conditions upon which the instruments were granted. The input used in the measurement of the fair value at grant date of the options were as follows:*

Input into the model	***Option Series 31***	***Option Series 32***
Grant Date Share Price	*GBP 0.06*	*GBP 0.06*
Expected Volatility	*108.90%*	*108.90%*
Options Life	*10 years*	*2 years*
Grant date fair value	*GBP 0.0518*	*GBP 0.0241*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Share based payment arrangements in existence (cont)

The following Performance Rights from share based payment arrangements were in existence during the current and prior periods:

	Grant Date	Vesting Date	Number of Rights	Expiry Date	Fair Value at Grant Date
Rights Series 4 (1)	17/09/2015	1 Dec 2016	2,666,090	16/09/2017	AUD 0.1451
Rights Series 5 (2)	17/09/2015	*Refer below*	2,666,090	16/09/2018	AUD 0.1507
Rights Series 6 (3)	17/09/2015	*Refer below*	2,666,090	16/09/2019	AUD 0.1510
Rights Series 7 (4)	07/12/2015	*Refer below*	5,000,000	06/12/2020	AUD 0.1753
Rights Series 8 (5)	20/11/2015	*Refer below*	13,000,000	01/03/2021	AUD 0.1596
Rights Series 9 (6)	20/11/2015	*Refer below*	8,500,000	01/03/2021	AUD 0.1867
Rights Series 10 (7)	6/07/2016	*Refer below*	2,000,000	30/06/2021	AUD 0.1258
Rights Series 11 (7)	6/07/2016	*Refer below*	1,000,000	30/06/2021	AUD 0.1258

(1) Fully vested on 1 December 2016 pursuant to the satisfaction of performance criteria. Performance Rights were converted to fully paid ordinary shares on 3 February 2017.

(2) On 3 February 2017, 402,720 Performance Rights vested and were converted into fully paid ordinary shares. In addition, on 30 June 2017, 2,263,370 Performance Rights vested and were converted into fully paid ordinary shares.

(3) On 30 June 2017, 402,720 Performance Rights vested and were converted into fully paid ordinary shares. In addition, on 20 December 2017, 376,374 Performance Rights vested and were converted to fully paid ordinary shares on the resignation of Mr Lawrence Davidson. The remaining 1,886,996 Performance Rights vested on 17 May 2018 pursuant to the satisfaction of performance criteria and were converted into fully paid ordinary shares on 13 February 2019.

(4) 250,000 Performance Rights vested and were converted to fully paid ordinary shares on 29 February 2016. In addition, on 3 February 2017, 250,000 fully paid ordinary shares were issued to Mr Werner Swanepoel following the vesting of the Performance Rights due to one year of service being completed on 7 December 2016. On 20 December 2017, 2,245,000 of these Performance Rights were cancelled following his resignation. The remaining 2,255,000 Performance Rights of this series has not yet vested.

(5) On 3 February 2017, 1,000,000 fully paid ordinary shares were issued following vesting of one year service conditions on 20 November 2016. On 20 December 2017, 1,000,000 fully paid ordinary shares were issued to Mr David Hathorn following the vesting of the Performance Rights due to his two years of service being completed on 20 November 2017. The remaining 11,000,000 Performance Rights were cancelled on 27 June 2018 following shareholder approval at the Company's AGM.

(6) 531,250 performance rights vested and converted to fully paid ordinary shares on 2 March 2016. In addition, on 3 February 2017, 531,250 fully paid ordinary shares were issued to Mr Sean Bennett following vesting of one year service condition on 20 November 2016. On 20 December 2017, 531,250 Fully Paid Ordinary Shares were issued to him following the vesting of the Performance Rights due to two years of service being completed on 20 November 2017. On 4 June 2018, 1,025,000 of these Performance Rights were cancelled following his resignation. Out of the remaining 5,881,250 Performance Rights of this series, 531,250 vested on 4 June 2018 (upon resignation) and is yet to be converted into shares, and the remaining has not yet vested.

(7) These Performance Rights were cancelled on 27 June 2018 following shareholder approval at the Company's AGM.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Share based payment arrangements in existence (Cont)

The following Performance Rights from share based payment arrangements were in existence during the current and prior periods (cont):

	Grant Date	Vesting Date	Number of Rights	Expiry Date	Fair Value at Grant Date
Rights Series 12 [(8) (9)]	29/05/2017	*Refer below*	2,000,000	31/05/2019	AUD 0.1700
Rights Series 13 [(8) (10)]	31/05/2017	4 June 2018	660,000	31/05/2019	AUD 0.1700
Rights Series 14 [(8) (11)]	29/05/2017	*Refer below*	4,482,005	31/05/2020	AUD 0.1700
Rights Series 15 [(12)]	29/05/2017	*None vested*	11,734,853	31/05/2022	AUD 0.17 / AUD 0.104

(8) The fair value of the performance rights granted was estimated as at the grant date using the Cox, Ross and Rubinstein Binomial Option Pricing Model taking into account the terms and conditions upon which the instruments were granted. The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	*Rights Series 12*	*Rights Series 13*	*Rights Series 14*
Grant date share price	*AUD 0.17*	*AUD 0.17*	*AUD 0.17*
Expected volatility	*75.00%*	*75.00%*	*75.00%*
Rights life	*2 years*	*2 years*	*2 years*
Risk free rate	*1.66%*	*1.66%*	*1.66%*
Grant date fair value	*AUD 0.1700*	*AUD 0.1700*	*AUD 0.1700*

(9) The On 20 December 2017, 595,000 Performance Rights vested and were converted into ordinary shares following the resignation of certain employees.

(10) These Performance Rights fully vested on 4 June 2018 following Mr Sean Bennett's resignation, and are yet to be converted into fully paid ordinary shares as at 31 December 2018.

(11) On 20 December 2017, 735,000 Performance Rights vested and were converted into ordinary shares following the resignation of certain employees. In addition, 948,438 Performance Rights vested on 21 May 2018 following Board assessment and approval of the award portion of these rights, and are yet to be converted into fully paid ordinary shares at reporting date. The remaining 2,798,567 Performance Rights have not yet been vested.

(12) The fair value of the performance rights granted was estimated as at the grant date using the Cox, Ross and Rubinstein Binomial Option Pricing Model (for performance rights with performance conditions) and the Monte Carlo Simulation Model (for performance rights with market conditions) taking into account the terms and conditions upon which the instruments were granted. The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	*Rights Series 15 (Performance Conditions)*	*Rights Series 15 (Market Conditions)*
Grant date share price	*AUD 0.17*	*AUD 0.17*
Expected volatility	*75.00%*	*75.00%*
Rights life	*5 years*	*5 years*
Risk free rate	*2.05%*	*2.05%*
Grant date fair value	*AUD 0.1700*	*AUD 0.1040*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 23: SHARE-BASED PAYMENTS (CONT)

Share based payment arrangements in existence (Cont)

The following Performance Rights from share based payment arrangements were in existence during the current and prior periods (cont):

	Grant Date	Vesting Date	Number of Rights	Expiry Date	Fair Value at Grant Date
Rights Series 16 [13]	27/06/2018	*None vested*	1,500,000	22/05/2022	GBP 0.0564
Rights Series 17 [13]	27/06/2018	*None vested*	750,000	22/05/2022	GBP 0.0564
Rights Series 18 [13]	27/06/2018	*None vested*	750,000	22/05/2022	GBP 0.0564
Rights Series 19 [13]	27/06/2018	*None vested*	750,000	22/05/2022	GBP 0.0564
Rights Series 20 [13]	27/06/2018	*None vested*	750,000	22/05/2022	GBP 0.0564

(13) These performance rights were issued to the following Non-Executive Directors following shareholder approval at the Company's AGM on 27 June 2018:

Series	*Director*	*Number*
Rights Series 16	*David Hathorn*	*1,500,000*
Rights Series 17	*Jonathan Trollip*	*750,000*
Rights Series 18	*Leonard Math*	*750,000*
Rights Series 19	*David Netherway*	*750,000*
Rights Series 20	*Timothy Keating*	*750,000*

The performance rights are a one-off award and will unconditionally vest in three equal tranches on the first, second and third anniversary of the Company's admission to the AIM market. These performance rights will expire on 22 May 2022.

The fair value of the performance rights granted was estimated as at the grant date using the Black Scholes Option Pricing Model taking into account the terms and conditions upon which the instruments were granted. The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	*Rights Series 16 to 20 (Inclusive)*
Grant date share price	*GBP 0.06*
Expected volatility	*90.12%*
Rights life	*4 years*
Grant date fair value	*GBP 0.0564*

The Performance Rights outstanding at 31 December 2018 had a weighted average remaining contractual life of 1.3 years.

NOTE 24: LOSS PER SHARE

Classification of securities as ordinary shares
The Company has only one category of ordinary shares included in basic earnings per share.

Classification of securities as potential ordinary shares – share options and rights outstanding
The Company has granted share options in respect of a total of 71,200,000 ordinary shares at 31 December 2018 (31 December 2017: 58,191,226), 13,144,659 equity warrants (31 December 2017: None) and 32,070,104 performance rights (31 December 2017: 42,595,104). Options, equity warrants and rights are considered to be potential ordinary shares. However, as the Company and Group are in a loss position they are anti-dilutive in nature, as their exercise will not result in a diluted earnings per share that shows an inferior view of earnings performance of the Company and Group than is shown by basic earnings per share. The options, warrants and performance rights have not been included in the determination of basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT)

NOTE 24: LOSS PER SHARE (CONT)

	Parent		Consolidated Entity	
	Dec 2018 USD Cents	**Dec 2017 USD Cents**	**Dec 2018 USD Cents**	**Dec 2017 USD Cents**
Basic and diluted loss per share from continuing operations	(0.00)	(0.00)	(0.75)	(0.57)

	Parent		Consolidated Entity	
Earnings reconciliation	**Dec 2018 USD**	**Dec 2017 USD**	**Dec 2018 USD**	**Dec 2017 USD**
Loss attributable to ordinary shareholders	(1,715,799)	(92,320)	(6,249,696)	(4,344,322)

	Parent		Consolidated Entity	
	Dec 2018 Number	**Dec 2017 Number**	**Dec 2018 Number**	**Dec 2017 Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	838,752,968	756,305,819	838,752,968	756,305,819

Headline earnings/loss per share

It is a JSE listing requirement to disclose headline earnings/loss per share, a non-IFRS measure. It is considered to be a useful metric as it presents the earnings/loss per share after removing the effect of re-measurements to assets and liabilities (for example impairment of property, plant and equipment) otherwise recognised in the profit/loss for the year. During the current and prior year there was no difference between earnings/loss per share and headline earnings/loss per share and therefore no reconciliation between the two measures has been presented.

NOTE 25: CONTINGENT LIABILITIES AND ASSETS

As at the date of this report, the Company's subsidiary, SPSA, has been in litigation before the Administrative Chamber of the Supreme Court of the Republic of Congo and before the Labour Tribunal. These two proceedings result from an action taken by a former employee, as well as a group of 30 claimants following the retrenchment of these 31 employees on 20 November 2014.

On 14 June 2018 the Supreme Court confirmed that the retrenchments had followed due process and cancelled the previous decision of the Minister of Labour against SPSA. The Labour Tribunal action is anticipated to be favourably concluded following the Supreme Court findings. In order to bring to a conclusion the litigation and ensure equitable treatment following the amicable settlement with 4 employees, who waived any further recourse whatsoever, SPSA proposed to make an offer to remaining employees. This offer was made and was subject to acceptance by all staff within a set timeframe. The offer lapsed on 5 September 2018 as the criteria were not met.

On 28 August 2018, 25 former employees working on the exploration site from 2009 to 2013 instituted further action before the Labour Tribunal, claiming compensation for unpaid overtime and damages. The legal proceedings are ongoing, with the next scheduled court date being on 13 May 2019.

The Directors have concluded that any possible exposure and cash flow out from the Group as a result of the two legal proceedings would be immaterial.

There are no other significant contingent liabilities or assets.

ASX ADDITIONAL INFORMATION (UNAUDITED)

The shareholder and CDI holder information set out below was applicable as at 1 March 2019.

Registered office and principal place of business

Principal and Registered Office (UK)
25, Moorgate, London
United Kingdom EC2R 6AY
Telephone: +44 20 7131 4000
Facsimile: +44 20 7131 4001

Australian Office
Level 3, 88 William Street,
Perth WA 6000
Telephone: +61 (8) 9463 2463
Facsimile: +61 (8) 9463 2499

Sintoukola Potash S.A.
24 Avenue Charles de Gaulle
Immeuble Atlantic Palace
BP 662 Pointe Noire
République du Congo
Telephone: +242 222 9419

South Africa Office
33 Ballyclare Drive
Ballywoods Office Park
Cedarwood House
Bryanston 2021
South Africa
Telephone: +27 11 469 9140
Facsimile: +27 86 613 2973

Registers of securities are held at the following address:

Computershare Investor Services Plc
The Pavilions, Bridgwater Road
Bristol BS99 6ZZ
United Kingdom
Telephone: +44 (0)370 707 1258
Fax: +44 (0)370 703 6101

Computershare Investor Services Pty Ltd
Level 11, 172 St George's Terrace
Perth WA 6000
Telephone: +61 (8) 9323 2000
Facsimile: +61 (8) 9323 2033

Computershare Investor Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
South Africa
Telephone: +27 11 370 5000

Number of holders of ordinary shares

862,739,689 fully paid ordinary shares and CDIs are held by 1,814 individual shareholders.

ASX ADDITIONAL INFORMATION (UNAUDITED) (CONT)

Distribution of fully paid ordinary share and CDI holders

Size of Holding	Number of holders	Units	Percentage %
1 to 1,000	389	184,522	0.02
1,001 to 5,000	533	1,547,781	0.18
5,001 to 10,000	245	2,017,222	0.23
10,001 to 100,000	434	15,761,964	1.83
100,001 and over	213	843,228,200	97.74
	1,814	862,739,689	100.00

The number of Australian holdings comprising less than a marketable parcel was 1,106 given a share value of AUD 0.0480 per share.

Substantial shareholders and CDI holders

Substantial shareholders and CDI holders listed in the Company's share register as at 1 March 2019:

Name	Number of fully paid ordinary shares / CDIs	Number of unlisted options / equity warrants held
Princess Aurora Company Pte Limited *(i)*	163,735,000	25,000,000
Sociedad Quimica y Minera de Chile S.A.	150,789,000	23,000,000
Harlequin Investments Ltd *(ii)*	103,500,000	649,415
Dingyi Group Investment Limited *(iii)*	75,783,010	-
Coronation Fund Managers *(iv)*	26,282,254	3,794,659
	520,089,264	52,444,074

(i) Includes 131,370,000 held by Forest Nominees Limited on behalf of Princess Aurora Company Pte Limited and 32,365,000 held directly.
(ii) 100% of shareholdings held in Huntress (CI) Nominees Limited.
(iii) Includes 54,927,486 held by JP Morgan Nominees Australia Pty Limited on behalf of Dingyi Group Investment Limited and 20,855,524 held directly.
(iv) Shares for Coronation Fund Managers are held in different nominee accounts, including in Happiness Trust, which is included in the twenty largest holders list on the next page.

On-market buy-back
There is no current on-market buy-back.

ASX ADDITIONAL INFORMATION (UNAUDITED) (CONT)

Twenty largest holders of quoted equity securities (ordinary shares / CDIs)

Top 20 Shareholders and CDI holders as at 1 March 2019	Number of Shares / CDIs	% Held
Forest Nominees Limited *(i)*	153,595,810	17.80
Sociedad Quimica y Minera de Chile S.A.	150,789,000	17.48
Huntress (CI) Nominees Limited *(ii)*	112,898,007	13.09
JP Morgan Nominees Australia Pty Limited *(iii)*	79,858,173	9.26
Princess Aurora Company Pte. Ltd	32,365,000	3.75
Citicorp Nominees Pty Limited	25,033,647	2.90
Mr David Hathorn	23,186,355	2.69
Dingyi Group Investment Limited	20,855,524	2.42
Pershing Nominees Limited	19,575,851	2.27
HSBC Custody Nominees (Australia) Limited - GSCO ECA	16,220,642	1.88
Interactive Investor Services Nominees Limited	15,999,908	1.85
Hero Nominees Limited	15,193,004	1.76
The Bank of New York (Nominees) Limited	14,189,850	1.64
HSBC Custody Nominees (Australia) Limited	12,341,956	1.43
Jim Nominees Limited	8,903,368	1.03
BNP Paribas Noms Pty Ltd <DRP>	8,415,568	0.98
SBS Nominees Limited	5,754,038	0.67
Mr David Stevens	4,900,000	0.57
Happiness Trust *(iv)*	4,863,828	0.56
Puma Nominees Limited	4,027,658	0.47
FTK Investments Limited	3,710,560	0.43
Total	**732,677,747**	**84.92**

(i) Includes 131,370,000 fully paid ordinary shares which are beneficially held by Princess Aurora Company Pte Limited.
(ii) Includes 103,500,000 fully paid ordinary shares which are beneficially held by Harlequin Investments Limited.
(iii) Includes 54,927,486 fully paid ordinary shares which are beneficially held by Dingyi Group Investment Limited.
(iv) One of the nominees in which Coronation Fund Managers holds fully ordinary paid shares.

Unquoted equity securities

Class	Number of unquoted equity securities	Number of holders	Number of holders holding 20% or more in the class
Unlisted options exercisable at AUD 0.30 expiring 15 Nov 2019	50,000,000	13	2
Unlisted options exercisable at GBP 0.11 expiring 27 June 2020	4,000,000	1	1
Unlisted options exercisable at GBP 0.11 expiring 27 June 2028	17,200,000	1	1
Equity warrants exercisable at AUD 0.30 expiring 29 Mar 2021	13,144,659	30	2
Performance Rights expiring 6 December 2020 (Emp)	2,255,000	1	1
Performance Rights expiring 1 March 2021 (Dir)	5,881,250	1	1
Performance Rights expiring 31 May 2019 (2016 Awards)	2,065,000	12	1
Performance Rights expiring 31 May 2020 (Short Term Plan)	3,747,005	11*	1*
Performance Rights expiring 31 May 2022 (Long Term Plan)	11,734,853	**	**
Performance Rights expiring 22 May 2022 (Dir)	4,500,000	5	1
	114,527,767	N/A	N/A

*These Performance Rights relate to Employee Performance Rights to be allocated following employee assessment and Board approval. At the date of the report, the Performance Rights for 11 employees were approved by the Board.

**These Performance Rights relate to Employee Performance Rights to be allocated following employee assessment and Board approval.

ASX ADDITIONAL INFORMATION (UNAUDITED) (CONT)

Unquoted equity security holdings greater than or equal to 20%

Unlisted options exercisable at AUD 0.30 expiring 15 Nov 2019	Number of unlisted options	Percentage
Sociedad Quimica Y Minera De Chile S.A	20,000,000	40%
Princess Aurora Company Pte Limited	20,000,000	40%
All others	10,000,000	20%
	50,000,000	100%

Unlisted options exercisable at GBP 0.11 expiring 27 June 2020	Number of unlisted options	Percentage
David Hathorn	4,000,000	100%

Unlisted options exercisable at GBP 0.11 expiring 27 June 2028	Number of unlisted options	Percentage
Brad Sampson	17,200,000	100%

Equity warrants exercisable at AUD 0.30 expiring 29 March 2021	Number of unlisted options	Percentage
Princess Aurora Company Pte Limited	5,000,000	39%
Sociedad Quimica Y Minera De Chile S.A	3,000,000	23%
All others	4,894,659	38%
	12,894,659	100%

Performance Rights expiring 6 December 2020 (Emp)	Number of Performance Rights	Percentage
Werner Swanepoel	2,255,000	100%

Performance Rights expiring 1 March 2021 (Dir)	Number of Performance Rights	Percentage
Sean Bennett	5,881,250	100%

Performance Rights expiring 31 May 2019 (2016 Awards)	Number of Performance Rights	Percentage
Sean Bennett	660,000	32%
All others	1,405,000	68%
	2,065,000	100%

Performance Rights expiring 31 May 2020 (Short Term Plan)	Number of Performance Rights	Percentage
Gaby Mokosso	765,294	20%
All others	2,981,711	80%
	3,747,005	100%

ASX ADDITIONAL INFORMATION (UNAUDITED) (CONT)

Unquoted equity security holdings greater than or equal to 20% (continued)

Performance Rights expiring 22 May 2022 (Dir)	Number of Performance Rights	Percentage
David Hathorn	1,500,000	33%
All others	3,000,000	67%
	4,500,000	100%

Voting Rights
The voting rights attaching to ordinary shares are:

On a show of hands, every member present in person or by proxy shall have one vote, and upon a poll, each share shall have one vote.

Options, Performance Rights and Equity Warrants do not carry any voting rights.

Securities exchange listing
Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the ASX. The Company's ASX code is "KP2". On the ASX they are traded as CDIs. On 29 March 2018, the Company completed secondary listings on the AIM market operated by the London Stock Exchange and on the JSE.

Restricted securities
There are no restricted securities or securities in voluntary escrow at the date of this report.

Company Secretary
The names of the joint company secretaries are St James's Corporate Services Limited and Henko Vos.

ASX ADDITIONAL INFORMATION (UNAUDITED) (CONT)

Tenement Details and Ownership
The Company is incorporated and registered in England and Wales and wholly owns Kore Potash Limited of Australia. Kore Potash Limited has a 97% holding in SPSA in the RoC. SPSA is the 100% owner of Kola Potash Mining S.A. which holds the Kola Mining Lease and 100% owner of Dougou Potash Mining S.A. which holds the Dougou Mining Lease (Figure 2). In addition SPSA were recently awarded the Sintoukola 2 Exploration Permit of which it is the sole owner. The Kola Deposit is located within the Kola Mining Lease. The Dougou Mining lease hosts the Dougou Deposit and the Dougou Extension Deposit.

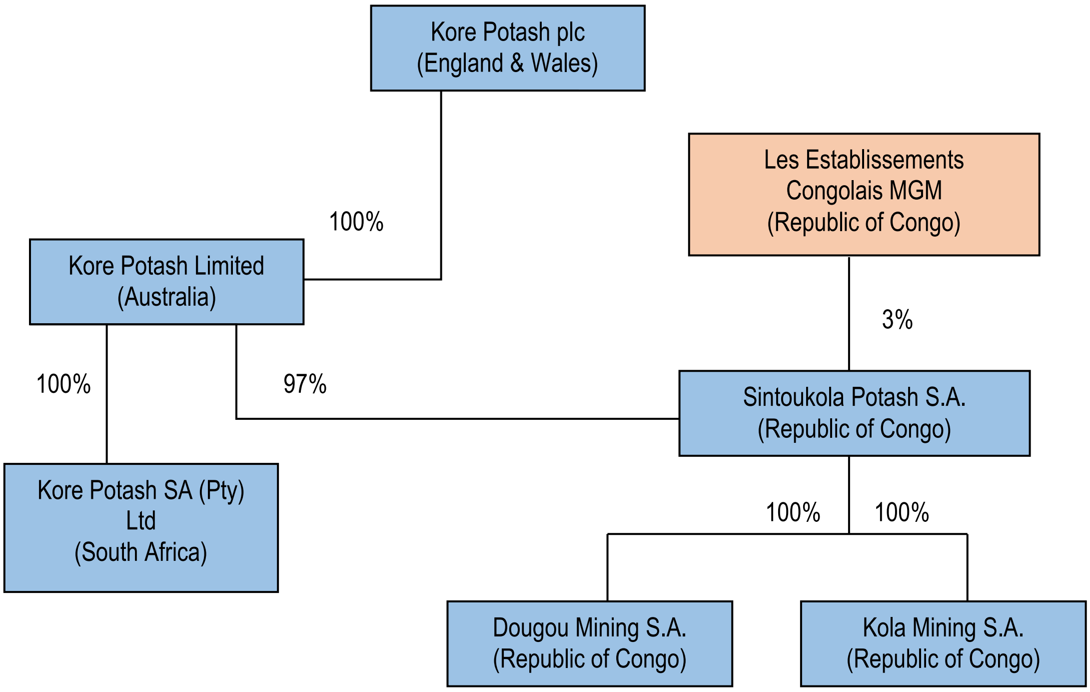


Figure 2: Kore Potash plc and its subsidiaries and partners

Project Overview
A project overview for the Group is included in the Review of Operations and Strategic Report on page 7.