

Dougou Extension Solution Mining Project Scoping Study

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ISSUED CAPITAL

(As at – 29 April 2019)
862,739,689 Ordinary Shares
AIM Code: KP2
ASX Code: KP2
JSE Code: KP2

London, England – 29 April 2019 – **Kore Potash plc** (ASX, AIM, JSE: KP2) ("**Kore Potash**" "**Kore**" or "**the Company**"), is pleased to announce the results of a Scoping Study undertaken to assess the viability of producing 400 thousand tonnes per annum (**ktpa**) of Muriate of Potash (**MoP**) from a portion of the sylvinite in the Dougou Extension (**DX**) Deposit by a solution mining method (all together the "**Scoping Study**"). The Scoping Study supports a low opex and strong cash generative operation with attractive estimated base case up-front capital costs of US\$327 million. The DX Deposit is located within the Company's Dougou mining permit, southwest of the Company's flagship Kola sylvinite Deposit, which would be a separate development.

Cautionary Statement

- The Scoping Study referred to in this announcement has been undertaken to investigate the potential for a new potash development in the Republic of Congo.
- The Scoping Study is a preliminary technical and economic study of the potential viability of the DX project and is based on low level technical and economic assessments (-15% and +30% accuracy) that are not sufficient to support the estimation of Ore Reserves. Further evaluation work and appropriate studies are required before the Company will be in a position to estimate any Ore Reserves or to provide any assurance of an economic development case.
- The Scoping Study is based on the material assumptions outlined in this announcement and Appendix B. These include assumptions on availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.
- To achieve the range of outcomes indicated in the Scoping Study, base case funding in the order of US\$327 million will likely be required. Investors should note that there is no certainty that the Company will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares.
- It is also possible that the Company could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce the Company's proportionate ownership of the project.
- Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.
- Of the Mineral Resources scheduled for extraction in the Scoping Study production plan, 100% are Indicated Mineral Resources. While modifying factors were sufficiently advanced and applied to the Indicated Mineral Resources, there is no certainty of eventual conversion to Ore Reserves or that the production target itself will be realised.
- The Mineral Resources underpinning the production targets and forecast financial information in this combined AIM/JSE/ASX Release were prepared by a competent person in accordance with the requirements of the JORC Code (2012).

Highlights

- Scoping Study demonstrates low technical risk and attractive economics for DX Project
- Utilises a highly efficient potash extraction method that is well understood and is in use across multiple potash operations globally
- Attractive life-of-mine cost of sales, free on board (FOB) of approximately US\$82.74/t MoP
- Mine life of approximately 17 years based on solution mining of 52 million tonnes of Indicated Mineral Resource @ 43.1% KCl from a total Indicated Mineral Resource base of 111 million tonnes @ 37.2% KCl
- Estimated base case initial capital cost of approximately US\$327 million (real 2019) to produce approximately 400 ktpa white granular MoP
- Estimated two-year construction period provides the company with near term production options.
- Base case real ungeared IRR of approximately 19.3% and base case post-tax ungeared NPV_{10 (real)} of approximately US\$221 million on an attributable basis at life-of-mine average MoP price for granular product of US\$360/t
- Average base case annual post construction, post-tax, free cash flow of approximately US\$74 million and approximately 4.25 years post-tax payback period from first production
- Infrastructure overlaps with the Kola sylvinitic and Dougou carnallite projects will have a positive impact on the future development costs and construction timeframes of those two projects
- Several areas of the Scoping Study were completed to a higher level of confidence than is normal for a scoping study. As a result, the work required to complete a PFS, once commenced, is estimated to require only 9 months, with the drilling of an additional 4 diamond drill holes being the item currently controlling the overall timeframe.

Table 1: Key Project Metric Estimates (real 2019 basis):

| Approximate project physicals | Units | |
|--|--------|-------------|
| Total MoP production | Mt | 7,074 |
| MoP granular product grade (K60) | %KCl | 95% |
| Average annual MoP production | ktpa | 400 |
| Average annual mining rate | ktpa | 404 |
| Approximate capital cost | | |
| Pre-production capital cost (-15% to +30%) | \$M | 278 – 425 |
| Capital intensity | \$/tpa | 695 – 1,063 |
| Approximate operating costs | | |
| Operating Cost (CFR Africa) | \$/t | 108 |

| Approximate project financials | Units | |
|---|-------|--------------|
| Total revenue | US\$M | 2,547 |
| Average annual revenue | US\$M | 134 |
| Average annual EBIDTA | US\$M | 90 |
| EBITDA margin | % | 67.1% |
| Ave. post tax annual free cash flow | US\$M | 74 – 75 |
| Free cashflow margin | % | 55 – 56% |
| Total post tax free cash flow | US\$M | 993 – 1,132 |
| Post tax, un-g geared NPV _(10% real) | US\$M | 128 – 267 |
| Post tax, un-g geared IRR | % | 14.3 – 22.9% |
| Payback period from first production | years | 3.35 – 5.25 |
| Average forecast MoP granular price | \$/t | \$360 |

Brad Sampson, CEO of Kore, commented, “The completion of the Dougou Extension Solution Mining Project Scoping Study confirms the district scale development potential of this world-class potash basin. We are incredibly excited at the prospect of accelerating the Company into production and cashflow generation via the DX project while we continue to optimise the flagship Tier-1 Kola sylvinitic project.

We believe that the US\$327 million capital cost estimate to construct the DX Project makes the project attractive from a capital perspective and the successful completion of the Scoping Study allows the Company to rapidly progress to pre-feasibility study, which will further define and de-risk the project.

The development of the DX Project will give advantages in terms of overlapping infrastructure reducing the future capital cost of Kola.”

Forward-Looking Statements

- This release contains a series of forward-looking statements. Generally, the words "expect," "potential," "intend," "estimate," "will" and similar expressions identify forward-looking statements. By their very nature 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 release regarding the Company's business or proposed business, which are not historical facts, are forward-looking statements that involve risks and uncertainties, such as Mineral Resource estimates, market prices of potash, capital and operating costs, changes in project parameters as plans continue to be evaluated, continued availability of capital and financing and general economic, market or business conditions, 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.
- The Company has concluded that it has a reasonable basis for providing these forward-looking statements and the forecast financial information included in this release. This includes a reasonable basis to expect that it will be able to fund the development of the DX project upon successful delivery of key development milestones and when required. The detailed reasons for these conclusions are outlined throughout this release (including Section 16) and in Appendix B.
- No Ore Reserve has been declared. This combined AIM/JSE/ASX Release has been prepared in compliance with the current JORC Code (2012) and the ASX Listing Rules. All material assumptions, including enough progression of all JORC modifying factors, on which the production target and forecast financial information are based have been included in this release.

This Announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 ("MAR"). Upon the publication of this Announcement, this inside information is now considered to be in the public domain.

1. Introduction and Project Overview

Kore remains committed to the development of its flagship Kola project and is concurrently investigating the potential for a new reduced-scale potash development in the Republic of Congo. The Company anticipates being in position to update investors on its review of the Kola EPC proposal within the next two months.

Following a review of the strategic options within the Sintoukola District, the Company has formed the view that a reduced-scale potash development has strong potential to expedite the Company's path to cash flow generation and consequently, accelerate the development of the Kola project.

The DX Solution Mining Project (the **Project**) provides a more rapid path to production with a significantly smaller capital cost than required for the Kola project. Development of this project will establish Kore Potash as the first potash producer in the Republic of Congo in over 40 years. The smaller scale of the Project comes with relatively low operational and financial risks.

Development of the Project is expected to create a very low-cost potash operation producing approximately 400,000 tonnes of K60 MoP annually. The mining target is the Dougou Extension Sylvinite Mineral Resource, where current geological data suggests a continuous sylvinite deposit with exceptionally high KCl grade. Selective solution mining and processing technology will be employed, resulting in minimal waste brine which will be disposed underground. Solution mining is the most effective means of exploiting an underground potash resource at a reduced scale, and the method is proven across other operations globally.

The Project is located (Figure 1) within 20km of the Company's flagship Kola project and closer to the coast; it will have some infrastructure overlap with the Kola project, and the development of the Project is expected to have a positive impact on the costs and timeline associated with the development of Kola.

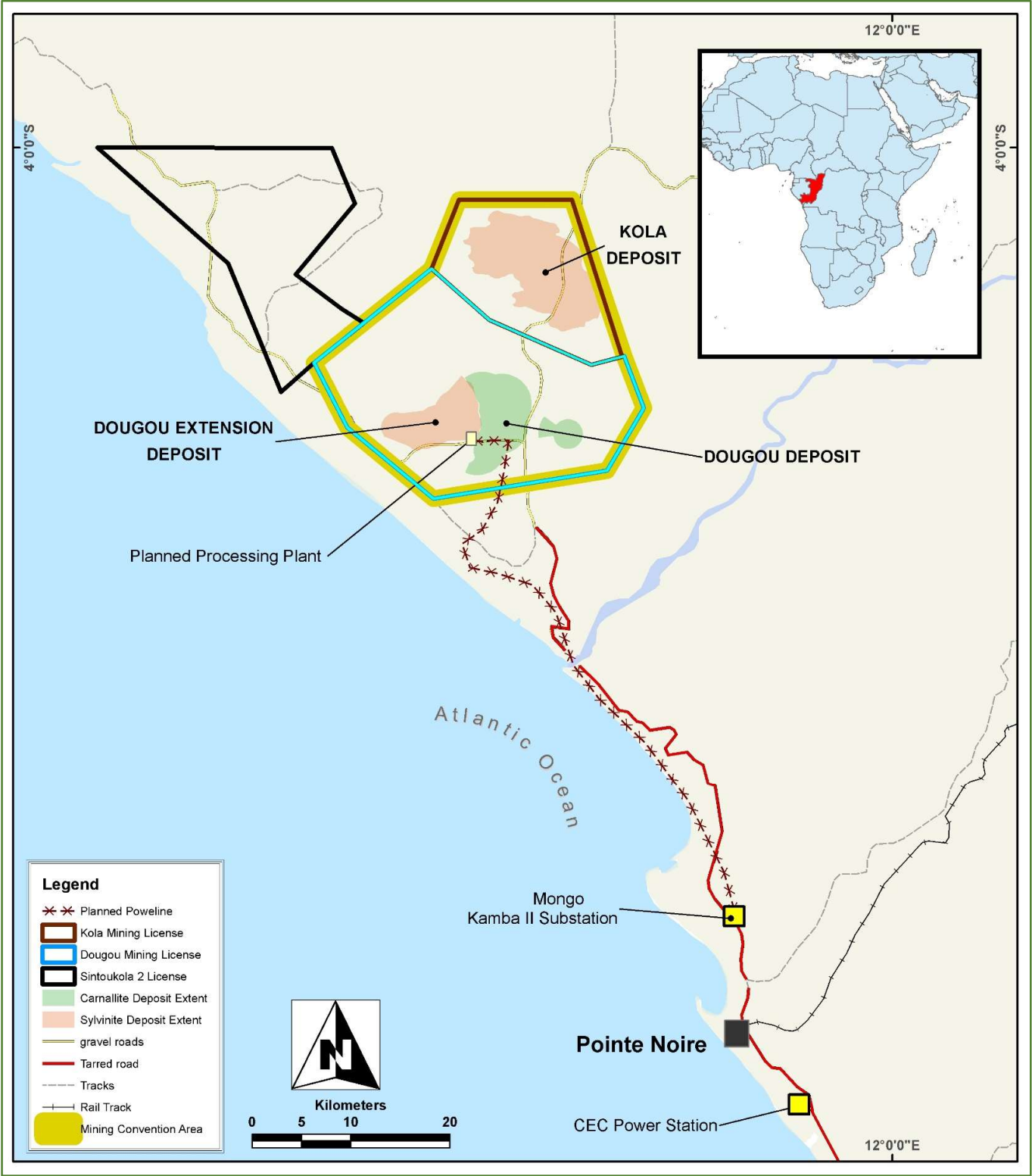


Figure 1: Location Map showing Dougou Extension Deposit

2. Study Team

The Scoping Study was conducted by a team composed of Kore Potash staff, contractors to Kore Potash and Innovare Technologies, a specialist solution mining technology consultancy.

Innovare Technologies was responsible for the mining, drilling methodology and process design. The solution mine design and trade-offs were carried out by Max Ramey, a qualified and experienced solution mining expert with almost 30 years of experience in solution mining around the world. The drilling methodology work was done by Sandy Debusschere, an experienced driller in both the energy and potash sectors, with experience covering over 400 potash wells. The process design was undertaken by John McEwan, a chemical engineer with over 40 years of experience in chemical plants, including 13 years specifically in potash projects. The infrastructure design and trade-offs were executed by Kore through the consulting services of Ryan Leland, an independent consulting project manager and mechanical engineer with 20 years of experience in the potash industry gained in both process and mining operational roles.

3. Production Capacity

The Scoping Study considered a range of project capacities from 200 ktpa up to 400 ktpa. To test the flexibility and scalability of the project, capital and operational cost estimates were completed for all options and then tested in the economic evaluation. Based on the economic evaluation (Table 1), this document talks to the selected option of 400 ktpa.

A summary of the outcomes for a capacity of 250 ktpa are presented in comparison to the selected 400 ktpa case in Table 1.

Table 1: Economic Evaluation of Plant Capacities

| Capacity | Initial Capex | Opex | NPV ₍₁₀₎ | IRR (%) |
|----------|---------------|------------|---------------------|---------|
| ktpa | US\$'000 | US\$/t MoP | US\$'000 | % |
| 250 | 242,755 | 121.27 | 108,069 | 15.19% |
| 400 | 326,724 | 107.74 | 220,875 | 19.32% |

4. Geology and Mineral Resource Estimate

The “Maiden Sylvinite Mineral Resource at Dougou Extension” announcement by Kore Potash dated 20th August 2018 provides a description of the geology and Mineral Resource Estimate (Table 2) for Dougou Extension (prepared in accordance with the JORC 2012 Code).

The sylvinite at Dougou Extension is hosted by two flat-lying or gently dipping ‘seams’ at a depth of approximately 400-450 metres below surface and separated by 8 to 15 metres of rock-salt. The uppermost seam is the Top Seam (TS) and the lowermost is the Hanging Wall Seam (HWS). These seams may be of sylvinite or carnallite. However, these potash types are never mixed in the same location and carnallite, if present, always occurs below the sylvinite. The Dougou Extension Mineral Resource Estimate was for the sylvinite only and is the basis of this Scoping Study.

The Scoping Study considers the exploitation of a portion of the Indicated Mineral Resource, where sylvinite of the HWS and TS is best developed, comprising 52.5 Mt of sylvinite at an average grade of 43.1% KCl. The average thickness and grade of sylvinite modelled for the seams is:

- TS: thickness 5.2m grading 31.7% KCl
- HWS: thickness 3.6m grading 60.1% KCl.

In some areas, both seams are present as sylvinite, in other areas only one is present as sylvinite.

Table 2: Mineral Resource Estimate for Dougou Extension

| Mineral Resource Category | Gross | | | Net Attributable (97%) | | |
|---------------------------------------|----------------|-------------|------------------------------|------------------------|-------------|------------------------------|
| | Million Tonnes | Grade KCl % | Contained KCl million tonnes | Million Tonnes | Grade KCl % | Contained KCl million tonnes |
| Measured | - | - | - | - | - | - |
| Indicated | 111 | 37.2 | 41 | 108 | 37.2 | 40 |
| Sub-Total Measured + Indicated | 111 | 37.2 | 41 | 108 | 37.2 | 40 |
| Inferred | 121 | 38.9 | 47 | 117 | 38.9 | 46 |
| TOTAL | 232 | 38.1 | 88 | 225 | 38.1 | 86 |

Notes: First reported 20 August 2018, in an announcement titled "Maiden Sylvinite Mineral Resource at Dougou Extension" in accordance with the JORC Code, using a minimum cut-off-grade of 15% KCl. Rounding errors may occur. Average density of the TS of 2.11 t/m³ and HWS of 2.03 t/m³.

The seams are overlain and underlain by massive halite (rock-salt). The interval of rock-salt above the seams and the overlying Anhydrite Member (an Aquitard) is between 5 and 80 metres.

The Scoping Study considers exploitation of 52 Mt of Indicated Mineral Resource only. The remaining 179.5 Mt of sylvinite Mineral Resource at Dougou Extension present potential to increase the life of the project or the scale or both.

5. Geotechnical and Hydrogeology

For the Scoping Study, a minimum 5 metre 'salt-back' (rock-salt between the cavern and the top of the Salt Member) is planned, and in most areas, this will be between 10 and 30 metres thick. In addition to this, there is a 10 to 16-metre-thick Anhydrite Member (comprised mostly anhydrite and clay) above the salt-back, separating it from the water-bearing sediments of the 'cover rocks'. This unit has been shown by test work at the nearby Kola deposit to be a very effective aquitard, having extremely low permeability.

There is currently insufficient data to accurately quantify the expected subsidence and cavern stability, and further geotechnical study is required in pre-feasibility study to provide a basis for cavern design and layout. 3D Seismic data is not available, so the presence of fractures or faults is not currently understood. For the Scoping Study, it was assumed that the anhydrite member has adequate inherent rock strength to remain intact during solution mining.

Cavern extraction ratio is limited to 30% for the Scoping Study. This is considered a conservative assumption as existing solution mining operations routinely extract 35% or more. It is assumed that caverns can be operated to balance brine inflows and outflows, as is common industry practice. For this Scoping Study no modelling of subsidence has been done. Subsidence assumptions have been based on depth, grade, total extraction, and subsidence data from past projects and operations.

6. Mining Method and Schedule

A trade-off of mining and drilling methods was completed by Innovare and the decision made to proceed with a selective dissolution mining method utilising vertically drilled dual well caverns.

The dual well method is simply two single well caverns that are solution mined until the caverns merge. Figure 2 and Figure 3 illustrate the method.

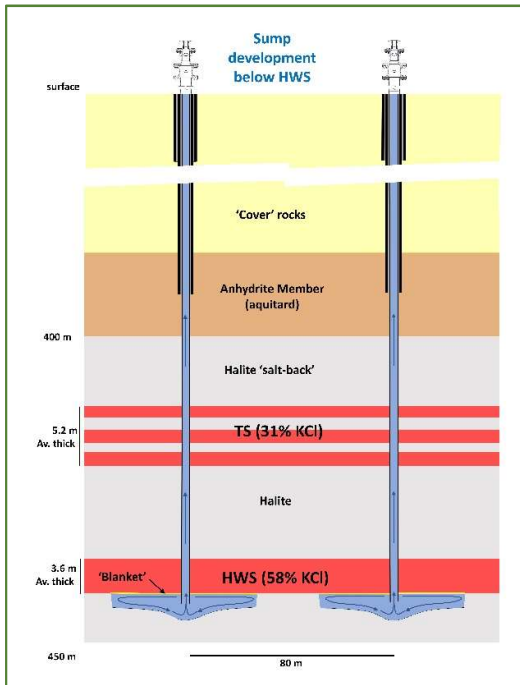


Figure 2: Sump development Phase

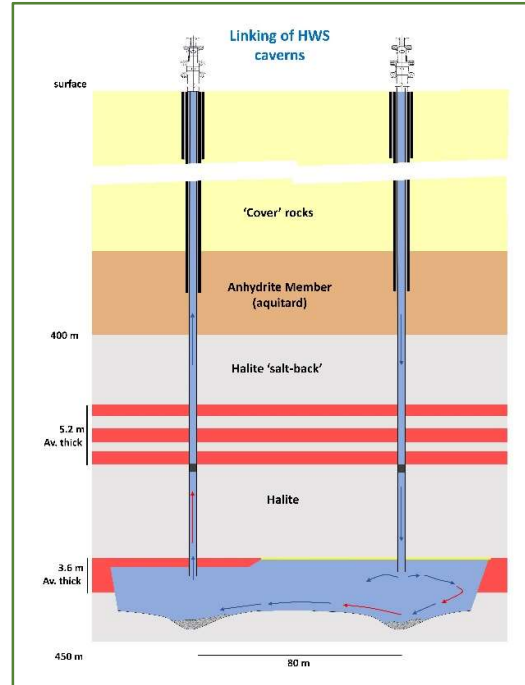


Figure 3: Cavern Connection and roof development Phase

The solution mining plan for the dual well method is to create a sump in the NaCl under the HWS, with the top of the sump at the base of the HWS, for two wells located about 80 m apart. It is estimated that it will take approximately 6 months to solution mine the sumps to connection.

Upon connection of the two sumps, brine is injected down one well and produced from the other. This process is continued for another 6 months to develop extended surface area for the solution mining. Upon completion of the cavern development, the HWS is then selectively mined with a nearly saturated NaCl injection fluid. As the solution mining of the HWS is complete, the process is repeated for the TS.

The sylvinite HWS is uniformly between 50 and 65% sylvite (KCl) throughout with the remainder comprised of rock-salt (halite with minor anhydrite and insoluble material). The selective solution mining method will use a brine saturated with halite (NaCl) so that only the sylvite is dissolved; the undissolved interstitial rock-salt will 'settle' out so that the cavern is expected to develop laterally very effectively. The uniformly high KCl grade is advantageous in this regard. The sylvinite TS is lower grade being comprised of sub-layers of sylvinite of 30 to 67% sylvite content, separated by halite 'inter-layers' of between 0.5 and 2.5 m thickness. Cavern development may deploy a roof blanket and use of freshwater to selectively dissolve the halite layers first, then switch to an NaCl saturated brine to dissolve the remaining sylvite. As per the HWS, the purity of the individual sylvinite sub-layers is an advantage. It is likely that the rock-salt and then sylvinite dissolution will lead to collapse of the remaining layers, increasing permeability of the remaining material and further aiding the selective dissolution of the last of the sylvite.

Successful application of the selective dissolution method requires maintenance of adequate permeability through the potash zone during operation. Our experts have advised that a rule of thumb is a minimum grade of 30% KCl are sufficient to create adequate permeability for the economic selective solution mining process to be sustained. The average grade of the Dougou Extension mine plan is 43.1% KCl, and the lowest grade in the top seam 31.3% both of which meet this criterion.

Approximately 43% of the Indicated Mineral Resource was utilised for the Scoping Study, with the grade and tonnes of each of the two seams planned for extraction shown in Table 3. Within the planned extraction area, additional drilling and seismic survey information is required to improve confidence, and to delineate features that may impact on the solution mining.

Table 3: Sylvinite Resource Distribution

| Area | Cavern type (seams extracted) | Seam | KCl (%) | Sylvinite tonnage (Mt) | Contained KCl (Mt) | KCl production target (Mt) |
|----------------------|----------------------------------|------|-------------|---------------------------|-----------------------|-------------------------------|
| 1 | HWS and TS | HWS | 58.5 | 16.8 | 16.1 | 4.83 |
| | | TS | 31.3 | 20.1 | | |
| 2 | HWS only | HWS | 58.7 | 5.8 | 3.4 | 1.02 |
| 3 | TS only | TS | 31.4 | 9.8 | 3.1 | 0.93 |
| Average/Total | | --- | 43.1 | 52.5 | 22.6 | 6.78 |

Current potash solution mining operations and projects in Canada that are deeper than the Dougou Extension and thus operate in higher stress regimes, are managed such that approximately 65% of the Mineral Resource are left in place to provide pillar support for stabilization of the solution mining caverns and to reduce the surface subsidence rate. The Scoping Study assumes a conservative estimate of 70% of the KCl Mineral Resource (Table 4) is to be left in place.

Allowance has been made for areas of the deposit affected by localised negative geological features such as structures, areas of undulation of the seam and areas with basal carnallite. Surface topographical features such as drainage and steep sided valleys which affect positioning of wells on surface have also been considered in the mine layout.

Table 4: Dougou Extension Production plan

| Seams | From (yr) | To (yr) | Required Annual KCl (tpa) | Estimated Annual KCL per Cavern (tpa) | Estimated Number of Operating Caverns (at one time) | Estimated KCl per Cavern (t) | Total KCl production (t) | Life of caverns (yrs) | Estimated Total Caverns (#) | Average Caverns per Year |
|------------|--------------|---------|---------------------------------|---|---|---------------------------------------|--------------------------------|-----------------------------|--------------------------------------|-----------------------------------|
| HWS and TS | 0 | 11.5 | 404,000 | 25,250 | 16 | 151,333 | 4,830,000 | 6.0 | 32 | 2.8 |
| HWS | 11.5 | 14 | 404,000 | 25,250 | 16 | 79,749 | 1,020,000 | 3.2 | 13 | 5.4 |
| TS | 14 | 17 | 404,000 | 25,250 | 16 | 71,584 | 930,000 | 2.8 | 13 | 5.9 |

To achieve a 30% extraction ratio, the solution mining cavern density is designed at approximately 15 solution caverns per square kilometre.

The solution mining operation requires 16 dual-well caverns to achieve design capacity, for a total of 32 vertical wells. Therefore, initially 32 well pads will be constructed, along with associated access. Once the planned drilling is complete at each well, a wellhead will be established consisting of piping, valving, and instrumentation to properly control each well.

The wellheads will be connected into the wellfield pipeline system, which will run from the wellfield to the process plant. A series of pipes is used to carry brine, water, and blanket fluid to each wellhead. The wellfield pipeline loops back to the process plant, where mine brine is introduced to the plant for KCl extraction, and then recirculated back to the wellfield for reuse. All wellfield pumps are located near the wellfield, and all instrumentation from the wellfield will be fed back to the plant control system.

The make-up water for the process plant is planned to be sourced from boreholes to be drilled into the upper aquifer.

During the development of the sumps, the brine contains primarily NaCl. A portion of this brine is used as process brine for mining of the caverns. The remainder will be disposed of through a disposal well into a local saline aquifer.

Although no specific testing has been carried out to verify the expected solution mining production for the Dougou Extension resource, K2P believes it has a reasonable basis for believing that the production target of 400,000 tpa can be achieved with the selected method, for the following reasons:

- Innovare as potash solution mining experts have assessed and recommended the proposed mining method based on their combined years of experience including experience with the application of this method in similar styles of potash deposits.
- The assumed rate of dissolution was selected by Innovare based on past operational experience, and dissolution testing in other sylvinite projects. The rate of dissolution is one factor determining the number of caverns required to achieve the targeted production rate. The number of caverns required will be further investigated during feasibility studies and following dissolution test work.

7. Processing

Plant and Flowsheet: The process plant will be located east of the Dougou Extension resource, (Figure 4) with a minimum buffer distance of 500m. The site perimeter fencing will be 400m x 250m, and the process plant platform will be 230m x 150m. The process plant building is 20m wide x 160m long, and 36m high. The process plant building will house all processing equipment, along with associated electrical and instrumentation. The control room will be located in the process plant building. The building will have no exterior walls, and a simple roof will be installed to keep rain off the personnel and equipment.

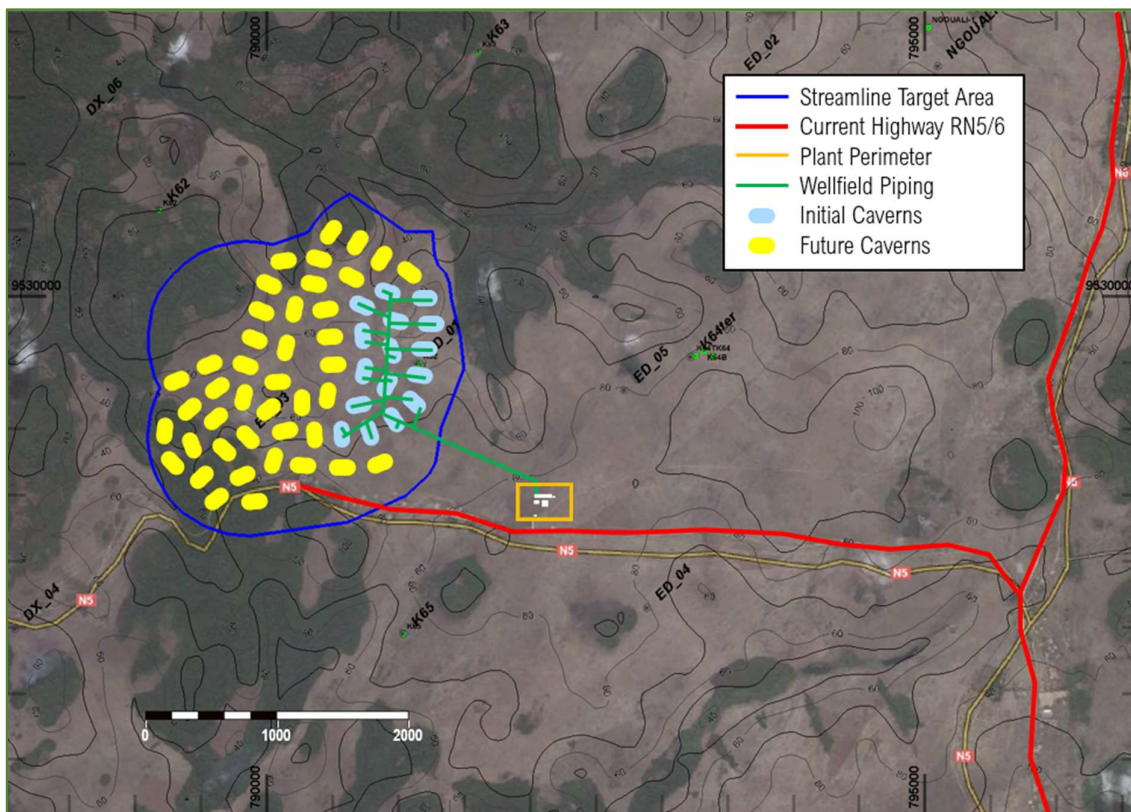


Figure 4: Plant Location in Relation to Wellfield

The process design shown in Figure 5 below consists of the following industry standard process steps:

- **Injection and solution recovery:** Return brine from processing will be heated to 100°C and pumped to the wellfield for re-injection into the mine caverns for dissolution and recovery of potassium chloride (KCl) from the underground Sylvinitic ore deposit containing both KCl and sodium chloride (NaCl) minerals. The KCl mineral will be selectively dissolved from the ore due to the almost saturated NaCl and under saturated KCl in the return brine.
- **Cooling and crystallisation:** From the crystalliser feed tank, the brine will be pumped to the vacuum crystalliser for pre-cooling to approximately 47°C and then pumped to the surface crystallizers. In the four-stage surface cooled crystallisers, the mother liquor will be cooled to an end point of 10°C resulting in KCl solids precipitation. Spent brine from the 4th stage crystallizer will be pumped to the concentrate tank for return to the wellfield.
- **KCl de-brining:** Slurry containing KCl solids from the surface crystallizers will be pumped to the drum filter. A liquid ring vacuum pump will pull through the filter cake to promote water removal from the filter cake.
- **KCl drying:** A rotary drum dryer will be used to dry most of the residual moisture from the potash product.
- **Compaction:** Dried product will be conveyed to a twin-screw feeder for feed to a double-roll compactor where it will be compacted. The flakes exiting the compactor will be broken by a flake breaker followed by a cage mill for further size reduction. Granular product will be sent for post-processing, while oversize and undersize material will be recirculated through compaction. Post-processing for product includes drying, cooling and glazing to harden the granular material.
- **Product Load Out:** Anti-caking agent and de-dusting oil will be added to the final cooled granular potash product.

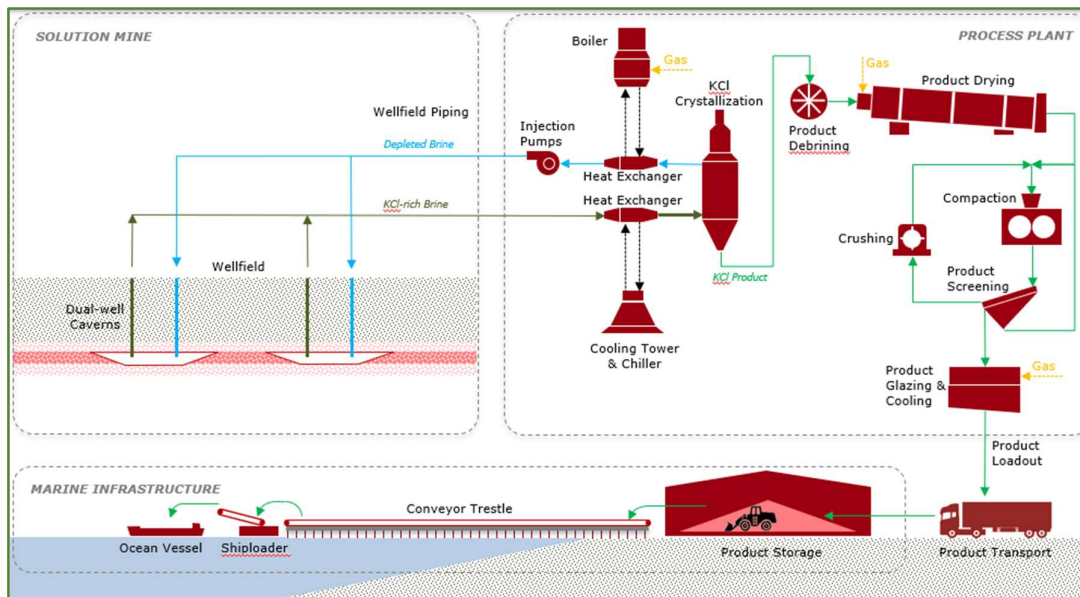


Figure 5: Process Flow Diagram

The long, narrow plant design, (Figure 6) makes it possible to position the mechanical equipment more densely than usual plant designs. Maintenance access is convenient from both sides of the building, so no service aisles will be included in the building interior. All removal of equipment will either be through the sides, or through the roof of the building. Elevated grated floors will be constructed for personnel access to all equipment, and several maintenance access lanes will be created for removal of some large components.

A covered loadout area 20m x 24m x 20m high will be located at the end of the process plant, where trailers will be directly loaded with product. A 50m x 50m x 28m high Utilities Building will be positioned adjacent to the process plant, housing the boiler, power infrastructure, and other utilities. The maintenance and warehouse facility will be 24m x 40m x 28m high, and also close to the process plant. The Administration Building will contain the security area, office space, and lab facilities for the operation.

Although no specific testing has been carried out to verify the expected process plant production for the Dougou Extension resource, K2P believes it has a reasonable basis for a production target of 400,000 tpa to be achieved with this method for the following reasons:

- During the Scoping Study, a potash process technology specialist, Whiting Equipment Canada, provided the Swenson process design, equipment list and estimated equipment costs relating to the crystallization process. The same Swenson process technology is successfully used at other global potash operations over a large range of plant capacities.
- The proposed methods are commonly used in potash solution mining operations, including large scale production facilities. Although these methods can be more energy-intensive than the conventional flotation methods commonly used in conjunction with conventional underground mining, they are known to typically yield higher KCl recovery and higher recovered KCl grade.
- It is possible that pockets of carnalite within the sylvinites may be encountered during mining that will input $MgCl_2$ into the brine. The risk of this occurring including its effect on KCl recovery has been considered in the Scoping Study. Mg content in brine is planned to be managed by bleeding out brine from the process stream without material impact on plant performance.

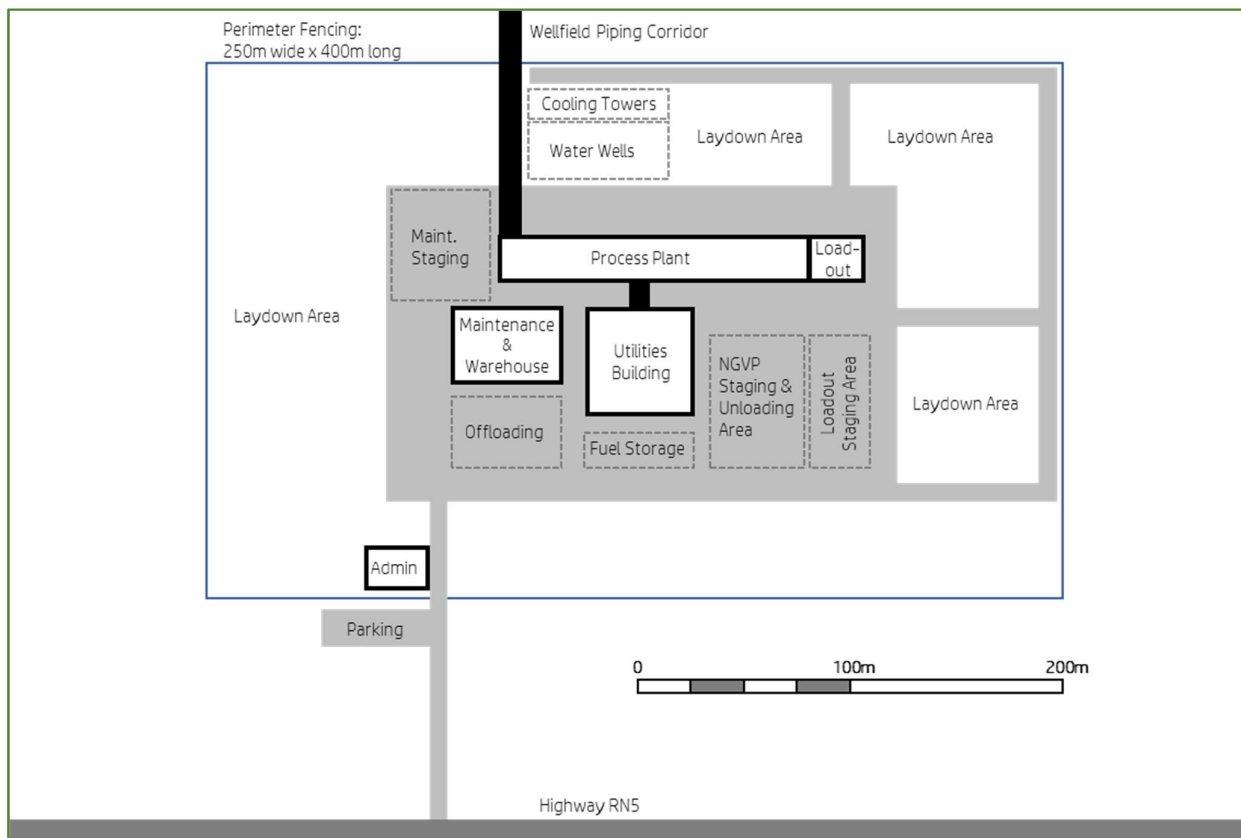


Figure 6: Process Plant Layout

8. Infrastructure

This Scoping Study included investigation of the options available for location and methodology of the various infrastructure requirements, including:

- Method of Natural Gas Supply
- Process Plant location
- Method of MoP ground transport and storage
- Method of ship loading
- Location of marine infrastructure
- Road requirements

Based on the trade-off analysis, a combination of new and re-habilitated roads will be used for the hauling of gas (Figure 7) and product (Figure 8).



Figure 7: Gas Transport Route



Figure 8: Product Transport Route

Upgrading of sections existing roadway to improve access to site for a product transport route has been planned. Road maintenance equipment has been included in the capital cost estimate to allow maintenance of roadways to be done by Kore. A marine trestle to facilitate trans-shipment of product will be used to load ships off the economic development zone near Pointe Indienne, utilising trucks to transport (Figure 8) product from site to a storage facility at the economic development zone.

9. Water, Gas and Power Supply

All process water requirements for processing and mining will be supplied from new water wells. Pump testing of aquifers was carried out at both the process plant and mine site in the Kola Definitive Feasibility Study and these indicated capacity in the aquifers to supply water at the required rate.

Gas will be trucked in using pressurised gas transport trailers. Power will be supplied from the CEC power station at Pointe Noire via an overhead power line.

10. Social and Environmental

The existing ESIA for the Dougou license area was approved in 2016. The company believes that a revised ESIA incorporating the Dougou Extension requirements for the sylvinitic process plant and solution mine wellfield will be required.

The revised ESIA will utilise existing baseline documentation of both the Dougou ESIA and the Kola ESIA completed in 2018. The existing baseline information on the Dougou Extension area is believed to be adequate for the revised ESIA to be prepared and submitted for approval within 12 months.

A Decree D'Utilité Publique (**DUP**) and a Resettlement Action Plan (**RAP**) will be required to be developed for Longo-Bondi and possibly Youngou villages. It is unlikely that physical resettlement of any people from these villages will be required.

The mining licence for Dougou was approved on 9th May 2017 and is valid for 25 years, with an option to extend it by 15 years at that point. This mining licence covers the DX project area.

11. Operating Costs

The operating cost forecast for the Project (Table 5) has been estimated to an accuracy of approximately -15% +30%.

Table 5: Dougou Extension Project Operating Cost Estimates (CFR Africa)

| Cost Category (real 2019) | Total unit Cost (US\$/t) |
|--|-----------------------------|
| Opex | |
| Solution mining and wellfield | 5.25 |
| Process Plant | 53.79 |
| Maintenance | 4.04 |
| Offsite | 13.57 |
| Land Transport | 3.89 |
| General and Admin | 2.21 |
| FOB | 82.74 |
| Marine Transport | 25.00 |
| Total Operating cost (CFR Africa) | 107.74 |

The Scoping Study confirms that the operating cost of DX is highly competitive. The mine gate operating cost is estimated at US\$78.85/t and the export (FOB) cost is estimated at US\$82.74/t. This ranks DX costs in the lowest quartile of producers when compared to existing producers and 'committed' projects. The forecast CFR operating cost of \$107.74 is based on shipping to African destinations. The operating cost estimates excludes sustaining capital.

12. Capital Costs

A capital cost estimate was factored from recent Innovare Technologies in-house data escalated to 2019, with an accuracy of -15% +30%.

The summary of the capital cost estimate (CAPEX) is shown in Table 6.

Table 6: Capital Cost estimate (real 2019)

| Description | Initial Capex (kUSD) | Deferred Capex (kUSD) | LoM Capex (kUSD) |
|-------------------------------|-------------------------|--------------------------|---------------------|
| Solution mining and wellfield | 53,963 | 10,884 | 64,847 |
| Process Plant | 122,404 | 18,870 | 141,274 |
| Offsite infrastructure | 35,649 | 6,196 | 41,844 |
| Sub-total Direct Costs | 212,016 | 35,950 | 247,966 |
| Field Construction Indirect | 11,914 | - | 11,914 |
| Other Indirect Costs | 8,051 | - | 8,051 |
| Owner's Costs | 8,481 | - | 8,481 |
| EPCM | 22,677 | - | 22,677 |
| Contingency | 58,421 | - | 58,421 |
| Escalation | 5,164 | - | 5,164 |
| Total Capital Costs | 326,724 | 35,950 | 362,674 |

The pre-production capital cost of US\$326 million equates to a pre-production capital intensity of US\$815/t MoP annual capacity.

Sustaining capital of US\$153 million over the 17 years life of mine, and deferred capital of US\$36 million relating to road construction, transport equipment and drill equipment, have also been allowed.

13. Financial Analysis

The base case economic evaluation delivers a real post-tax, ungeared IRR of approximately 19.3% and NPV_{10(real)} of approximately US\$221M on an attributable basis. The evaluation is based on a granular MoP price of US\$360/t MoP CFR Africa (real 2019).

The key assumptions underpinning the base case economic evaluation are as follows:

- 17-year initial project life from first production based on depletion of the sylvinitic;
- Approximately 400 ktpa average production of MoP;
- Granular MoP represents 100% of total MoP production and sales;
- All cashflows (Figure 9) are on a real 2019 basis;
- NPVs are ungeared and calculated after-tax applying a real discount rate of 10% (based on a review of 7 recent potash projects, 4 of which were in Africa).

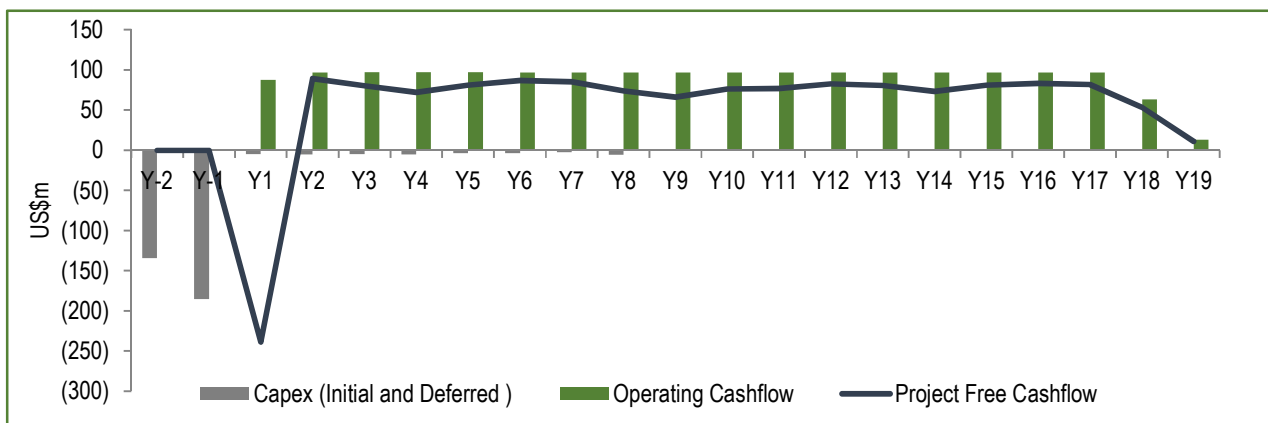


Figure 9: Estimated Annual Cash Flow over life of project (real 2019)

The economic evaluation was also run to determine the sensitivity to key drivers and these are shown in Table 7 and Table 8.

Table 7: NPV 10 real Sensitivities

| NPV 10 (real) USDm | | | | | |
|----------------------------|------|------|--------------|-----|-----|
| Sensitivity Range | -10% | -5% | 0% | 5% | 10% |
| Price | 134 | 177 | 221 | 264 | 308 |
| Sensitivity Range | -30% | -15% | 0% | 15% | 30% |
| Opex | 300 | 261 | 221 | 181 | 141 |
| Initial Capex | 312 | 266 | 221 | 175 | 130 |
| Sustaining Capex | 237 | 229 | 221 | 213 | 205 |
| Sensitivity Range (months) | -6 | -3 | 24 (base) | +3 | +6 |
| Construction period | 335 | 274 | 221 | 205 | 192 |

Table 8: Real IRR Sensitivities

| IRR (%) | | | | | |
|----------------------------|-------|-------|--------------|-------|-------|
| Sensitivity Range | -10% | -5% | 0% | 5% | 10% |
| Price | 15.8% | 17.6% | 19.3% | 21.0% | 22.7% |
| Sensitivity Range | -30% | -15% | 0% | 15% | 30% |
| Opex | 22.4% | 20.9% | 19.3% | 17.7% | 16.1% |
| Initial Capex | 27.5% | 22.8% | 19.3% | 16.6% | 14.4% |
| Sustaining Capex | 19.9% | 19.6% | 19.3% | 19.0% | 18.7% |
| Sensitivity Range (months) | -6 | -3 | 24 (base) | +3 | +6 |
| Construction period | 29.4% | 23.2% | 19.3% | 18.2% | 17.4% |

Further analysis to determine effect of gearing was done and is reflected in Table 9.

Table 9: Impact of Gearing Options on Financial Indicators

| Gearing | 0% | 40% | 50% | 60% |
|------------------------|-------|-------|-------|-------|
| NPV _{10 real} | 221 | 225 | 227 | 228 |
| IRR (Real) | 19.3% | 22.1% | 23.1% | 24.4% |

14. Product Marketing

MoP produced from the Project is planned to be marketed into African and Brazilian markets to feed expected demand growth and displace higher cost MoP. The key targeted destination countries and their current demand for granular MoP are:

- South Africa 100 ktpa (GrMoP)
- Nigeria 400 ktpa (GrMoP/Blenders)
- Other West Africa 200 ktpa (GrMoP/ Blenders)
- Brazil 9,700 ktpa (GrMoP)

Note: Nigerian demand has been based on estimated demand supplied by our marketing consultant, WABCO.

15. Development Schedule

The development schedule has been based on an EPCM execution strategy with an overall execution schedule (Figure 10) of approximately 2 years from final investment decision.

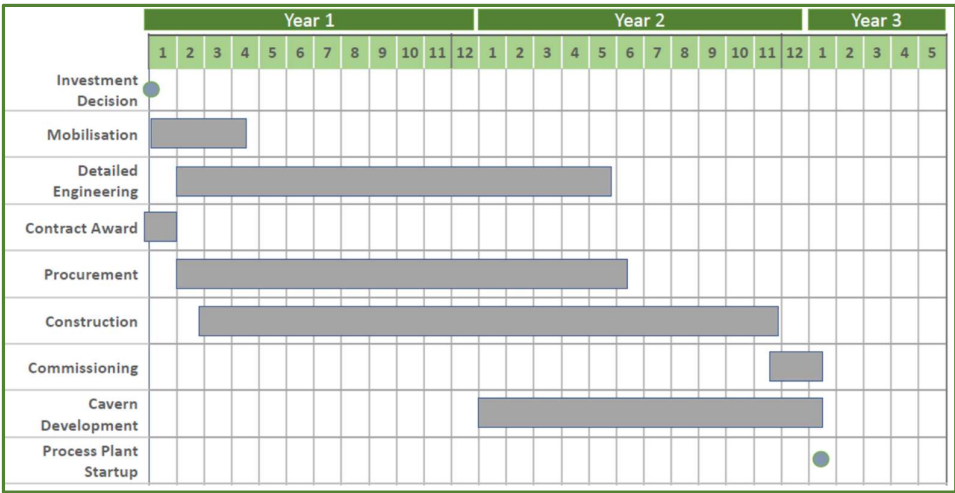


Figure 10: Proposed Execution Schedule

16. Reasonable Basis for Funding Assumption

The Directors of Kore Potash have formed the view that there is a reasonable basis to believe that requisite future debt and equity funding for development of the DX Project will be available when required. Kore shareholders should be aware of the risk that future funding for development of the DX Project may dilute their ownership of the Company or Kore’s economic interest in the Project (or the DX Project).

There are several grounds on which this reasonable basis is held:

- Kore Potash has two large strategic shareholders:
 - SQM (18%): a Chilean company with a market capitalisation in excess of US\$11B that is an integrated producer and distributor of specialty plant nutrients, including having an established business in the global potash market; and
 - SGRF (19%): the sovereign wealth fund of Oman, which holds a range of natural resource investments, including on the African continent.

- These two groups invested a total of US\$40 million into Kore Potash in late 2016. They collectively bring a considerable and highly relevant combination of substantial financial capacity, specific potash experience, Latin American, Middle Eastern and African operating experience, and financing expertise.
- The Scoping Study has been completed by a team of world-class solution mining experts in Innovare Technologies. The Scoping Study meets the expected level of detail required for a Scoping Study.
- The technical and financial parameters detailed in the Scoping Study are highly robust and economically attractive. Further improvements will be investigated in the pre-feasibility study phase of project.
- The funding for the construction of the Project would be required in approximately 2021 after completion of a further drilling and seismic investigation, and pre-feasibility and feasibility studies. The consensus around price forecasts for MoP in 2023 supports the use of a MoP granular price of US\$360/t MoP granular CFR.
- Kore's options for raising the required funding may include selling down part of its interest in the Dougou Extension Solution Mining Project to a third party to form a joint venture. Introduction of a joint venture partner may also provide further comfort for potential debt project financiers and could reduce Kore's share of the equity funding requirements for the project. Kore shareholders should be aware that any sale of a joint venture interest in the project to a third party would most likely dilute Kore's economic ownership of the project.
- The Kore Potash Board and management team is highly experienced in the broader resources industry. They have played leading roles previously in the exploration and development of several large and diverse mining projects in Africa. In this regard, key Kore personnel have a demonstrated track record of success in identifying, acquiring, defining, funding, developing and operating quality mineral assets of significant scale.

17. Key Risks and Opportunities

Some key risks in the Scoping Study, which will be areas of focus in the pre-feasibility study, are:

- **Geology:** Resource may contain lower KCl quantity or grade than expected or higher than expected presence of carnallite. An additional drilling campaign and a 2D seismic investigation to improve confidence in the resource and better define sylvinite/carnallite interfaces will be required in pre-feasibility study.
- **Geotechnical:** Cavern stability and surface subsidence will require geo-technical modelling in pre-feasibility study.
- **Mining:** The mine design in the Scoping Study was based on assumptions around normal dissolution rates applicable to the potash industry for selective dissolution and these will require test work to confirm the assumptions in the pre-feasibility study.
- **Execution:** The current execution schedule is a Level 1 schedule and will need to be further detailed in pre-feasibility study to ensure impacts and long lead items are detailed in the next level of schedule.

18. Next Steps

Work on the optimisation of Kola continues with the French Consortium and the company expects to update shareholders further within the next 2 months.

Kore also intends to progress work to define the technical and commercial feasibility of solution mining of the DX deposit.

The next planned phases of work on the DX project which are expected to take place over a 9-month duration from commencement include:

- A 2-dimensional seismic survey campaign primarily designed to improve delineation of the sylvinite / carnallite interface within the two seams.
- A diamond drill hole programme to drill 4 holes to improve overall understanding of the Deposit.
- Studies required to achieve pre-feasibility level assessment of:
 - Marine loading and transport options.
 - Cavern formation.
- Test work to improve understanding on the operational control of dissolution in the DX seams.

Work is underway to prepare for commencement of the seismic surveys and drilling which will account for the bulk of the spend in the planned work programme. The Company intends to commence these works as soon as possible.

The Company believes that successful completion of these work streams will provide sufficient basis for a pre-feasibility level assessment of DX solution mining.

– ENDS –

| | | |
|---|--|---|
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|---|--|---|

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Appendix A: Competent Persons Statement

The information relating to Exploration Results and Mineral Resources in this report is based on, or extracted from previous reports referred to herein, and available to view on the Company's website www.korepotash.com. The Dougou Extension sylvinite Mineral Resource Estimate was reported on 20 August 2018 in an announcement titled 'Maiden Sylvinite Mineral Resource at Dougou Extension'. Kore Potash confirms that it is not aware of any new information or data that would materially affect the information included in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in that 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 in this report have not been materially modified from the original market announcement.

Innovare Technologies, John Mc Ewan, Sandy Debusschere, and Max Ramey are not associates or affiliates of Kore Potash or any of its affiliates. Innovare Technologies will receive a fee for the preparation of the Report in accordance with normal professional consulting practices. This fee is not contingent on the conclusions of the Report and Innovare Technologies, John McEwan, Sandy Debusschere, and Max Ramey will receive no other benefit for the preparation of the Report. John McEwan, Sandy Debusschere, and Max Ramey do not have any pecuniary or other interests that could reasonably be regarded as capable of affecting their ability to provide an unbiased opinion in relation to the Dougou Extension Potash Project. Innovare Technologies does not have, at the date of the Report, and has not had within the previous years, any shareholding in or other relationship with Kore Potash or the Dougou Extension Potash Project and consequently considers itself to be independent of Kore Potash.

Max Ramey is a registered member in good standing (Member # 2632850RM) of Society for Mining, Metallurgy and Exploration (SME) which is recognised and accepted under the JORC Code. John McEwan is a senior member in good standing (Member # 900062459) of American Institute of Chemical Engineers (AIChE). John McEwan and Max Ramey both have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Sandy Debusschere has over 40 years of drilling experience. John McEwan, Sandy Debusschere, and Max Ramey consent to the inclusion in the Report of the matters based on their information in the form and context in which it appears.

Appendix B: Material Assumptions

No Ore Reserve has been declared. This combined AIM/JSE/ASX release has been prepared in compliance with the current JORC Code (2012) and the ASX Listing Rules. All material assumptions, including consideration of the “modifying factors” under the JORC Code, on which the Scoping Study production target estimates and forecast financial information are based have been included in this release and are disclosed in the table below.

| Criteria | JORC Code explanation | Commentary |
|---|--|--|
| Mineral Resource estimate for conversion to Ore Reserves | <ul style="list-style-type: none"> <i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i> <i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i> | <ul style="list-style-type: none"> The production target is based entirely on Indicated Mineral Resource of 52.5 Mt with an average grade of 43.1% KCl, hosted by two seams. This is a portion of the total Indicated Mineral Resource first announced on 20 August 2018. Appendix 1 of that announcement provides the Table 1 checklist as required by the JORC Code (2012 edition). No Ore Reserve has been declared. |
| Site visits | <ul style="list-style-type: none"> <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> <i>If no site visits have been undertaken indicate why this is the case.</i> | <ul style="list-style-type: none"> The Competent Person for the Mineral Resource Estimate has visited the site on several occasions to observe all exploration procedures and found them to be acceptable. |
| Study status | <ul style="list-style-type: none"> <i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i> <i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i> | <ul style="list-style-type: none"> The study is at scoping level. There has been insufficient work on the modifying factors to support an Ore Reserve Estimate. |
| Cut-off parameters | <ul style="list-style-type: none"> <i>The basis of the cut-off grade(s) or quality parameters applied.</i> | <ul style="list-style-type: none"> For the Mineral Resource estimate a 15% cut-off-grade (COG) was used. For the production plan this was unchanged. Due to the high grade of the sylvinitic and the abrupt contacts, all of the considered material is well above the COG. |
| Mining factors or assumptions | <ul style="list-style-type: none"> <i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i> <i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including</i> | <ul style="list-style-type: none"> No Ore Reserve has been declared. For the Scoping Study, the planned mining method is solution mining, using ‘dual-well’ method and ‘selective extraction’ of the KCl. Dissolution Testing will be performed to assess the dissolution characteristics of the resource by laboratory testing of core samples from the Dougou Extension resource. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | <p><i>associated design issues such as pre-strip, access, etc.</i></p> <ul style="list-style-type: none"> <i>The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.</i> <i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i> <i>The mining dilution factors used.</i> <i>The mining recovery factors used.</i> <i>Any minimum mining widths used.</i> <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i> <i>The infrastructure requirements of the selected mining methods.</i> | <ul style="list-style-type: none"> The following preliminary assessment of modifying factors was made for the production plan: <ul style="list-style-type: none"> Topographic exclusions such as steep slopes and drainages 'pillars' between caverns Losses due to areas of unfavorable geology; areas with basal carnallite, areas with structures, areas of steep dip and/or undulation of the sylvinite The overall extraction ratio of 30% also considers mining recovery losses A minimum mining height was not applied as within the area of interest the thickness is expected to be above the minimum. For the Scoping Study, an average of 5.2 m for the TS and 3.6 m for the HWS was used, based on the Mineral Resource e estimate. |
| Metallurgical factors or assumptions | <ul style="list-style-type: none"> <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i> <i>Any assumptions or allowances made for deleterious elements.</i> <i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i> <i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i> | <ul style="list-style-type: none"> The selective mining process is expected to yield brine composed primarily of NaCl and KCl in solution, and small amounts of Mg are also possible due to the potential presence of carnallite. The crystallization process is well-established method for separation of KCl and NaCl and is well proven in operations. The process utilizes the solubility characteristics of KCl: KCl solubility is highly dependent on temperature, where NaCl solubility has little dependency on temperature. Cooling the hot brine from the mine results in KCl crystallization, while NaCl remains in solution. In this process, Mg is considered a deleterious, since Mg is preferentially soluble to both KCl and NaCl. Therefore, levels of Mg in the brine must be managed to prevent Mg from displacing KCl. Therefore, a Mg purge stream is |

| Criteria | JORC Code explanation | Commentary |
|-----------------------|--|--|
| | | included in the design to manage the Mg content in the brine. The purge stream is considered waste and disposed using a disposal well. The Mg purge stream maintains the brine at a manageable Mg content but causes a reduction of KCl recovery. Based on work at the nearby Kola deposit and observations of the core from holes at Dougou Extension, within the sylvinite the only potash mineral is sylvite. The gangue minerals comprise halite (NaCl) and minor (<2.5%) anhydrite and insoluble phases (clays, organic material, quartz) none of which are problematic as they will not be dissolved by the brine. |
| Environmental | <ul style="list-style-type: none"> The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported. | <ul style="list-style-type: none"> An amended ESIA will need to be prepared in the feasibility study that addresses areas that lack some detail from the approved ESIA for Dougou. The baseline information from both the completed Dougou and Kola ESIA's will inform the amended ESIA. No waste rock, process residue or waste dumps will be required. Additional work will be required on the NaCl brine disposal with two options (aquifer and ocean disposal) to be addressed in feasibility phase. |
| Infrastructure | <ul style="list-style-type: none"> The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed. | <ul style="list-style-type: none"> Exclusive land acquisition rights have been granted to the Project company for plant development through ministerial order gazetted on 30 August 2018 (the "Déclaration d'Utilité Publique" or "DUP") valid for three years and renewable once for a two-year period. A infrastructure trade-off has been completed and the findings of this are, gas is available and will need to be transported by road, product transport to marine facility will be via existing roads with an allowance to upgrade some roads included and an allowance to upgrade roads has been made, local contractors would be used for construction, the existing exploration camp can cater for accommodation during construction. Power can be supplied via overhead lines from the power station at Pointe Noire. Potable and process water will be obtained through boreholes. Results from pump tests on aquifers in the area |

| Criteria | JORC Code explanation | Commentary |
|------------------------|--|---|
| | | done on a previous project indicate enough water available in local aquifers. |
| Costs | <ul style="list-style-type: none"> <i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i> <i>The methodology used to estimate operating costs.</i> <i>Allowances made for the content of deleterious elements.</i> <i>The derivation of assumptions made for metal or commodity price(s), for the principal minerals and co-products.</i> <i>The source of exchange rates used in the study.</i> <i>Derivation of transportation charges.</i> <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i> <i>The allowances made for royalties payable, both Government and private.</i> | <ul style="list-style-type: none"> Capital Cost Estimate has been developed for each scope area, expressed in United States dollars (USD) and based on March 2019 prices. Currency Exchange Rates are sourced from Oanda (www.oanda.com) spot rates (September 2017). Forecast exchange rates were based on World Bank. Capital Cost estimate (-15% to -30%) is based on: <ul style="list-style-type: none"> Mechanical Equipment material costs benchmarked based on Innovare's in-house data. Mechanical Labour was applied as a ratio to materials, benchmarked from past projects, and based on Innovare's in-house data. Material Costs and Labour for other disciplines were factored at ratios from past benchmarked projects. Selected quotations were obtained. An annual escalation of 1.50% applied. Contingency has been set to 22% for the overall Capital cost estimate. Contingency is an amount of costs included to avoid the risk of cost over-run to a pre-determined acceptable level, since it aims to cover for expected risks that may occur. Capital Cost estimates are based on a 24 months' execution schedule, |
| Revenue factors | <ul style="list-style-type: none"> <i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i> <i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-</i> | <ul style="list-style-type: none"> Commodity prices were informed by the recent spot price for MoP granular product, based on a K60 specification, which means the MoP product has a minimum K2O content of 60%, corresponding to a KCl content of 95%. Product will be sampled regularly on site and tested in a site-based laboratory to ensure product grade is consistently met. |

| Criteria | JORC Code explanation | Commentary |
|--------------------------|---|---|
| | <i>products.</i> | Product that does not satisfy grade will be removed from the product stream and reprocessed. |
| Market assessment | <ul style="list-style-type: none"> <i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i> <i>A customer and competitor analysis along with the identification of likely market windows for the product.</i> <i>Price and volume forecasts and the basis for these forecasts.</i> <i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i> | <ul style="list-style-type: none"> The entire 400 ktpa of granular MoP will be marketed into Africa, where the market is growing faster than the rest of the world and Brazil to displace higher cost MoP. The targeted countries and their estimated consumptions are: <ul style="list-style-type: none"> South Africa 100 ktpa (GrMoP) Nigeria 400 ktpa (GrMoP/Blenders) Other West Africa 200 ktpa (GrMoP/ Blenders) Brazil 9 700ktpa (GrMoP) |
| Economic | <ul style="list-style-type: none"> <i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i> <i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i> | <ul style="list-style-type: none"> Base case key valuation assumptions and sources: Production - LoM of 17 years at nominal 400 ktpa MoP production, Single product type – Granular Average LoM CFR price of USD360/MoP t On-mine LoM average operating cost US\$ 78.85/MoP t, Real (scoping estimate) LoM Shipping (trans-shipment and sea freight) of US\$25/MoP t (scoping estimate) and UD\$ 3.89 for road-based transport (scoping estimate). Project capital period 24 months, deferred capital period 84 months, sustaining capital 204 months (Scoping Study) Total Real Project Capital USD327 Mn (scoping estimate) Deferred Capital USD36 million (scoping estimate) Sustaining Capital USD 21,59/MoP t, Real (scoping estimate) Fiscal parameters: Company tax rate (15%), tax holidays (5 years at 0% + 5 years at 7.5%) (Mining Convention) Royalties 3% (Mining Convention) Government free carry (10%) (Mining Convention) |

| Criteria | JORC Code explanation | Commentary |
|---------------|--|---|
| | | <ul style="list-style-type: none"> Other minor duties and taxes (Mining Convention) The base case DFS real NPV at real discount rate of 10% is approximately USD221 million (as at the date just prior to construction in 2019 money terms), and base case real IRR is approximately 19.3% |
| Social | <ul style="list-style-type: none"> <i>The status of agreements with key stakeholders and matters leading to social license to operate.</i> | <ul style="list-style-type: none"> The Dougou Mining License, which includes the area of the Dougou Extension Project, is held within a subsidiary which will be owned 10% by the ROC government. Socio-economic, cultural heritage, archaeological and livelihood baseline reports have been prepared and approved as part of the ESIA baseline process. Sintoukola Potash has implemented a Stakeholder Engagement Process and is actively engaging with a wide range of project stakeholders, including conservation NGO's, adjacent National Parks, the regulator and communities. For each corridor a declaration d'utilite publique (DUP) has been declared by the Ministry of Land Affairs, a review of each corridor will be required A review of the Resettlement Action Plan (RAP) for the Service Corridor will be required Physical displacement is minimal with most actions requiring livelihood restoration There are believed to be no social related issues that do not have a reasonable likelihood of being resolved. |
| Other | <ul style="list-style-type: none"> <i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i> <i>Any identified material naturally occurring risks.</i> <i>The status of material legal agreements and marketing arrangements.</i> <i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status,</i> | <ul style="list-style-type: none"> Dougou Extension is currently compliant with all legal and regulatory requirements. An amended ESIA will be required. A mining convention entered into between the RoC government and the Companies on 8 June 2017 and gazetted into law on 29 November 2018 concludes the framework envisaged in the 25-year renewable Dougou Mining |

| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| | <i>and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i> | <p>License granted in August 2013. The Mining Convention provides certainty and enforceability of the key fiscal arrangements for the development and operation of Dougou Mining Licenses, which amongst other items include import duty and VAT exemptions and agreed tax rates during mine operations. The Mining Convention provides strengthened legal protection of the Company's investments in the Republic of Congo through the settlement of disputes by international arbitration.</p> <ul style="list-style-type: none"> To the best of the Company's knowledge there is no reason to assume any government permits and licenses or statutory approvals will not be granted. There are no unresolved matters upon which extraction is contingent. |
| Classification | <ul style="list-style-type: none"> The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any). | <ul style="list-style-type: none"> No Ore Reserve has been declared. |
| Audits or reviews | <ul style="list-style-type: none"> The results of any audits or reviews of Ore Reserve estimates. | <ul style="list-style-type: none"> No Ore Reserve has been declared. |
| Discussion of relative accuracy/ confidence | <ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and | <ul style="list-style-type: none"> No Ore Reserve has been declared. The production target is based on the preliminary application of modifying factors and is consistent with scoping level; that is -15% to +30%. Additional drilling and seismic surveying are required for the detailed assessment of modifying factors enough to support a PFS or FS, along with more detailed assessment of the following including project specific test-work: <ul style="list-style-type: none"> Geotechnical modelling Hydrogeological modelling Dissolution test work Mineralogical studies Cavern development/KCl extraction |

| Criteria | JORC Code explanation | Commentary |
|----------|--|--------------------------------------|
| | <p><i>economic evaluation. Documentation should include assumptions made and the procedures used.</i></p> <ul style="list-style-type: none"> <i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i> <i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> | <p>modelling, process test work.</p> |

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. |
| AIM | Alternative Investment Market | AIM (formerly the Alternative Investment Market) is a sub-market of the LSE. |
| AACE | American Association of Cost Engineers | Association upon which the estimation procedure of capital expenditure was based. |
| anhydrite | Calcium sulphate mineral (CaSO ₄) forming | Anhydrite Member refers here to a rock-type comprised largely of anhydrite that forms a layer at the top of the Salt Member. |
| ASX | Australian Stock Exchange | |
| aquifer | A water bearing geological unit | |
| Board | The board of directors of Kore Potash plc | |
| brine | A solution of salts and water | Brine can be a solution of various salts including normal salt (NaCl) and KCl. |
| Capex | Capital cost estimate | Estimated cost to construct facilities to mine and process potash |
| Carnallite | A hydrated potassium magnesium chloride mineral (KMgCl ₃ ·6H ₂ O) | |
| Carnallitite | A rock type comprised predominantly of the potash mineral carnallite (KMgCl ₃ ·6H ₂ O) and halite (NaCl). | Carnallitite may be replaced by the word carnallite for simplicity. |
| CEO | Chief Executive Officer | As listed on page 18 of the 2018 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. |
| Compaction | Refers to the compaction of the MoP | |
| Company | Kore Potash plc | Kore Potash plc is public company incorporated and registered in England and Wales (registered number 10933682). |
| Cut-off-grade | The minimum grade of material (in this case sylvinitite) that can be mined without incurring losses | Abbreviated to COG |
| CRU | Commodity Research Unit | |
| DFS | Definitive Feasibility Study | The third and final study stage in the evaluation lifecycle of a project |
| Dougou | Denotes the Dougou Project | The Dougou Project (including the Dougou Extension Project) is part of the Sintoukola Potash Project. |
| 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 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. |
| GBP | British pound sterling | 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 set out on page 88 under note 8 of the 2018 Annual Report. |
| halite | The mineral form of sodium chloride (NaCl) | |
| Indicated Mineral Resource | An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve | |
| Inferred Mineral Resource | An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated based on limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected | |

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| | that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. | |
| 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, last updated in 2012 | The JORC Code is an internationally accepted standard 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 | In the mineral form is sylvite |
| 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 SPISA. |
| LSE | London Stock Exchange | The LSE is the primary stock exchange in the United Kingdom. |
| Mt | Million tonnes | |
| Mineral Resource | A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories | |
| Mg / magnesium | magnesium | |
| 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. |
| NaCl | Sodium Chloride | Commonly called salt |
| NPV | Net Present Value | NPV ₁₀ denotes the Net Present Value calculated at a 10% discount rate. |
| Opex | Operation expenditure | Estimated costs to operate the mine and process plant |
| Ore Reserve | An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. | |
| permeability | The ease by which groundwater may pass through a geological unit. | May be expressed in terms of transmissivity rate such as metres per day. |

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| pillar | Referring to salt left behind and not mined | |
| PFS | Pre-feasibility study | The second study stage in evaluation lifecycle of a project |
| Potash | Refers to potassium compounds, especially those of potassium chloride (MoP) or sulphate (SoP) | Refer to MoP and SoP for the definitions on the two main types of potash. |
| RAP | Re-settlement Action Plan | Process followed to evaluate and compensate land owners for property affected by mining operations |
| 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) | In some literature also referred to simply as halite |
| Salt-back | The interval of rock-salt between the roof of the mined layer (cavern) and the top of the Salt Member | |
| Salt Member | Refers to the ~500 m thick salt-dominated portion of the evaporite formation. It is overlain by the Anhydrite Member, also part of the evaporite formation | The evaporite formation is the rocks that formed by evaporation, named the Loeme Formation. |
| Scoping Study | As defined by The JORC Code: A scoping Study is an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified. | The first study stage in evaluation lifecycle of a project |
| seam | A layer of rock | In this case refers to the potash layers |
| 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). |
| Sodium chloride | NaCl. In mineral form is halite | |
| SoP | Sulphate of Potash | Also called potassium sulphate, arcanite, or archaically known as potash of sulphur. SoP is the inorganic compound with formula K ₂ SO ₄ . It is a white water-soluble solid. It is commonly used in fertilizers, providing both potassium and a source of sulphur. |
| 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. | |
| Sylvite | The potash mineral of potassium chloride (KCl) | |
| Sylvinite | A rock type comprised predominantly of the potash mineral sylvite (KCl) and halite (NaCl) | |

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|---------------|--|--|
| Transshipment | Transshipment or transshipment 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. |