

6 September 2019

Kore Potash Plc

("Kore Potash" or the "Company")

FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2019

Kore Potash, the potash exploration and development company whose flagship asset is the Kola Project ("Kola" or the "Project"), located within the Company's 97%-owned Sintoukola Potash Project in the Republic of Congo, is pleased to provide its financial statements for the half year ended 30 June 2019 (the "Period"). The full report is available on the Company's website at <http://www.korepotash.com/wp-content/uploads/2019/09/Half-Year-Report-June-2019.pdf>.

HIGHLIGHTS

- A Scoping Study for a low capital cost, high cash margin potash project at Dougou Extension ("DX") was completed and a summary of results released on 29 April 2019. These results indicated that following a 2-year construction period DX could potentially produce 400 ktpa MoP for 17 years at an operating cost of USD83/t FOB. In addition, the Company finalised planning for a Pre-feasibility Study on the DX Project.
- The Company has now commenced a Pre-feasibility Study on the DX Project. More than 60km of seismic survey lines have been cleared in advance of the 2D Seismic survey commencing before mid-September and drill rigs are currently being assembled on site ahead of the commencement of the PFS drilling programme. Key technical studies have commenced, and dissolution test work being undertaken in Agapito Laboratory in Grand Junction, USA Saskatchewan, has been completed.
- The Company completed its review of the Kola Definitive Feasibility Study ("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, NPV₁₀ (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.
- The Company received an Engineering, Procurement and Construction ("EPC") proposal for its Kola Project from the consortium of French engineering companies ("FC") on 23 March 2019.
- Post period end, in July 2019, the Company received a proposal from the FC that identifies opportunities to reduce the capital cost of the Kola project by USD415 million below that indicated in the Kola DFS and optimisation discussions are planned to continue.
- The Minister of Environment of the RoC reviewing the amended Kola environmental and social impact assessment (the "ESIA") requested the submission be reformatted into separate volumes

and resubmitted. The re-submission, which doesn't require significant variations, is planned to occur during Q3 of 2019.

- Cash and cash equivalents, including restricted cash, at 30 June 2019 was USD1,725,129. Post period end, on 19 July 2019, an additional USD13,123,561 was raised through the placing and direct subscription of new ordinary shares in the Company.
- Loss for the period ended 30 June 2019 reduced by USD3,394,007 from USD4,570,790 for the period ended 30 June 2018 to USD1,176,783 driven primarily by lower administration expenses, lower equity compensation benefits and listing and re-domicile expenses incurred in H1 2018.
- Exploration and evaluation asset at 30 June 2019 was USD153,374,657 an increase of USD3,511,334 from USD149,863,323 at 31 December 2018.

For further information, please visit www.korepotash.com or contact:

Kore Potash

Tel: +27 11 469 9140

Brad Sampson – CEO

Tavistock Communications

Tel: +44 (0) 20 7920 3150

Jos Simson

Edward Lee

Canaccord Genuity – Nomad and Broker

Tel: +44 (0) 20 7523 4600

James Asensio

Henry Fitzgerald-O'Connor

Shore Capital – Joint Broker

Tel: +44 (0) 20 7408 4050

Jerry Keen

Toby Gibbs

James Thomas

OPERATIONAL ACTIVITIES

Dougou Extension Sylvinite Scoping Study

- A Scoping Study on the potential for a low capital cost, high cash margin potash project at the DX sylvinite deposit was completed.
- The Scoping Study considers the extraction of sylvinite from DX by a solution mining method over an initial life of 17 years that depletes 43% of the Indicated Mineral Resources at DX.
- The full details of the Scoping Study were released on 29 April 2019 and highlights include:
 - Attractive life-of-mine cost of sales, free on board (FOB) of approximately USD82.74/t MoP.

- Estimated base case initial capital cost of approximately USD327 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 NPV10 (real) of approximately USD221 million on an attributable basis at life-of-mine average MoP price for granular product of USD360/t.
- Average base case annual post construction, post-tax, free cash flow of approximately USD74 million and approximately 4.25 years post-tax payback period from first production.
- Infrastructure overlaps with the Kola sylvinite and Dougou carnallite projects will have a positive impact on the future development costs and construction timeframes of those two projects.
- During the quarter, the Company finalised planning for a Pre-feasibility Study (PFS) on the DX project. The PFS work programme includes a 2D seismic survey, a 4-hole diamond drill programme and a series of technical studies that collectively should satisfy the requirements for a pre-feasibility study. The prefeasibility study is scheduled for completion in April 2020.

Dougou Extension Sylvinitic Pre-Feasibility Study

- The Pre-feasibility work programme on the DX sylvinite deposit has commenced.
- The major components of the PFS include a 2D Seismic survey programme, a 4 hole diamond drill programme and a series of technical and trade off studies.
- Clearing of more than 60km of survey lines in advance of commencement of the 2D seismic survey has been completed.
- The drill rigs are being assembled and made ready for commencement of the drilling programme.
- Technical consultants have been appointed for each area of the PFS.
- Dissolution test work undertaken at Agapito Laboratory in Grand Junction, USA, has been completed.
- The pre-feasibility study is scheduled for completion in April 2020.

The Kola Potash Project

- The Company completed its review of the Kola DFS and released a summary of results to Shareholders on 29 January 2019. 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, NPV₁₀ (real) of USD1,452 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 USD360 per tonne CFR Brazil and standard of USD350 per tonne CFR Brazil.

- Operating cash margin averaging 75%.
- Average annual EBITDA of approximately USD585 million.
- 24% annual free cash return on invested capital.
- Average annual free cash flow, post-tax, post commissioning of approximately USD500 million.
- 4.3-year post-tax payback period from first production.

Industry leading operating costs and cost of sales

- Mine gate operating cost (pre-shipment) averaging USD61.71 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 USD102.47 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 USD2.1 billion (on EPCM basis) which includes USD110 million contingency, USD106 million of escalation and USD89 million EPCM margin.
- Pre-production capital intensity of USD956 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 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.
- As previously reported, due to high operating margin and high free cash return on invested capital, financial advisors indicated that the project has a debt carrying potential of up to USD1.4 billion.

- As part of the DFS, Ore Reserves were estimated for the Kola sylvinite Deposit. The combined total Ore Reserves are 152 Mt of sylvinite grading 32.5% KCl, hosted within 3 layers ('seams'). Details of the Ore Reserve estimate are provided in the market announcement dated 29 January 2019.
- The Company received the EPC proposal from the FC on 23 March 2019.
- The Company continued discussions with the FC to explore options to reduce the capital cost and shorten the construction schedule for Kola.
- In July 2019, the Company received a proposal from the FC that identifies opportunity to reduce the capital cost of the Kola project by USD415M below that indicated in the Kola DFS.
- Kola project optimisation discussions are planned to continue with the FC.
- The Company has invited a number of international engineering and construction companies to provide pricing against the bills of quantities for the Kola project. It is anticipated that this pricing information will be received by the Company in Q3 2019. Receipt of this competitive pricing information forms part of the Company's plan for capital optimisation of the Kola project.

Environmental and social impact assessment for Kola ("ESIA")

- The Minister of Environment of the Republic of the Congo previously requested the Company to reformat the amended Kola ESIA document. No further technical studies or report content are required. During the quarter, further discussions with the regulator took place to clarify their requirements and the amended Kola ESIA is now planned to be submitted for approval in Q3 2019.

Mining Convention and Research Convention

- The Company continues to engage with the RoC Government on the implementation of commitments contained within the Mining Convention. This includes the intra-group transfer of the Dougou Mining License from Sintoukola Potash S.A. to the operating entity Dougou Potash Mining S.A. and the transfer of a 10% shareholding in Kola Potash Mining S.A. and Dougou Potash Mining S.A. to the State.
- The Company further progressed discussion with the Government on terms and conditions for a Mining Research Convention covering the Sintoukola 2 exploration license. This convention is required to be negotiated in advance of any exploration activity.

Going Concern

On 19 July 2019, an additional USD13,123,561 was raised through the placing and direct subscription of new ordinary shares in the Company. The Directors also actively manage the liquidity position of the Group and prepare cash flow forecasts on a regular basis. Based on the most up-to-date information the Group is forecast to have sufficient liquidity to meet its working capital requirements to the end of the going concern period, which is 12 months from signing of these interim results, and accordingly the Group's financial statements have been prepared on a going concern basis.

Please refer to note 4 on page 26 of the full report for full details.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 30 JUNE 2019

	Notes	6 months ended 30 June 2019 USD Unaudited	6 months ended 30 June 2018 USD Unaudited	Year ended 31 Dec 2018 USD Audited
Continuing operations				
Interest income		18,992	20,454	72,873
Expenses				
Directors remuneration		(422,388)	(420,210)	(812,575)
Equity compensation benefits	6	(144,956)	(676,255)	(695,345)
Salaries, employee benefits and consultancy expense		(447,084)	(712,539)	(1,325,505)
London listing and re-domicile expenses		(10,490)	(1,087,911)	(1,200,192)
Other administration expenses	7	(616,472)	(1,994,967)	(2,323,176)
Fair value change of a derivative financial liability	16	482,274	213,313	110,114
Interest and finance expenses		(6,732)	(1,543)	(81,407)
Net realised and unrealised foreign exchange (loss)/gains		(10,959)	99,749	2,886)
Loss before income tax expense		(1,157,815)	(4,559,909)	(6,252,327)
Income tax expense	8	(18,968)	(10,881)	(17,039)
Loss for the period from continuing operations		(1,176,783)	(4,570,790)	(6,269,366)
Other comprehensive loss				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations		(655,659)	(3,786,338)	(7,104,236)
Other comprehensive loss for the period		(655,659)	(3,786,338)	(7,104,236)
Total comprehensive loss for the period		(1,832,442)	(8,357,128)	(13,373,602)
Loss attributable to:				
Owners of the Company		(1,175,521)	(4,538,341)	(6,249,696)
Non-controlling interest		(1,262)	(32,449)	(19,670)
		(1,176,783)	(4,570,790)	(6,269,366)
Total comprehensive loss attributable to:				
Owners of the Company		(1,805,272)	(7,892,158)	(12,832,564)
Non-controlling interest		(27,170)	(464,970)	(541,038)
		(1,832,442)	(8,357,128)	(13,373,602)
Loss per Share from Continuing Operations				
Basic and diluted loss per share (cents per share)	15	(0.14)	(0.56)	(0.75)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	30 June 2019 USD Unaudited	30 June 2018 USD Unaudited	31 Dec 2018 USD Audited
ASSETS				
Current Assets				
Cash and cash equivalents		1,040,969	14,219,356	6,187,113
Restricted cash		684,160	-	-
Trade and other receivables		568,059	312,251	345,155)
Total Current Assets		2,293,188	14,531,607	6,532,268)
Non-Current Assets				
Trade and other receivables		129,357	134,938	120,922)
Right-of-use asset		129,055	-	-
Property, plant and equipment		271,723	357,081	302,255
Exploration and evaluation expenditure	9	153,374,657	145,043,137	149,863,323
Total Non-Current Assets		153,904,792	145,535,156	150,286,500
TOTAL ASSETS		156,197,980	160,066,763	156,818,768
LIABILITIES				
Current Liabilities				
Trade and other payables	10	3,231,495	846,131	1,702,392
Derivative financial liability	16	21,124	400,200	503,398
Total Current Liabilities		3,252,619	1,246,331	2,205,790)
Non-Current Liabilities				
Lease liability		132,994	-	-
TOTAL LIABILITIES		3,385,613	1,246,331	2,205,790
NET ASSETS		152,812,367	158,820,432	154,612,978)
EQUITY				
Issued share capital – Ordinary Shares	11	862,739	859,234	860,852
Reserves		213,044,827	216,046,613	213,644,634
Accumulated losses		(60,507,321)	(57,620,445)	(59,331,800)
Equity attributable to the shareholders of Kore Potash plc		153,400,245	159,285,402	155,173,686
Non-controlling interests		(587,878)	(464,970)	(560,708)
TOTAL EQUITY		152,812,367	158,820,432	154,612,978

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 JUNE 2019

	Ordinary Shares	Share Premium Reserve	Merger Reserve	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Owners of the Parent	Non- Controlling Interest	Total Equity
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Balance at 1 Jan 2019	860,852	13,054,936	203,738,800	(59,331,800)	12,161,843	(15,310,945)	155,173,686	(560,708)	154,612,978
Loss for the period	-	-	-	(1,175,521)	-	-	(1,175,521)	(1,262)	(1,176,783)
Other comprehensive loss	-	-	-	-	-	(629,751)	(629,751)	(25,908)	(655,659)
Total comprehensive loss	-	-	-	(1,175,521)	-	(629,751)	(1,805,272)	(27,170)	(1,832,442)
Transactions with owners:									
Issue of shares (net of costs)	1,887	-	-	-	-	-	1,887	-	1,887
Share based payments	-	-	-	-	29,944	-	29,944	-	29,944
Balance at 30 June 2019	862,739	13,054,936	203,738,800	(60,507,321)	12,191,787	(15,940,696)	153,400,245	(587,878)	152,812,367

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE 6 MONTHS ENDED 30 JUNE 2019

	Ordinary Shares	Share Premium Reserve	Merger Reserve	Redeemable Preference Share	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Owners of the Parent	Non- Controlling Interest	Total Equity
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Balance at 1 Jan 2018	771,396	-	203,738,800	65,631	(53,356,794)	11,814,770	(8,747,747)	154,286,056	-	154,286,056
Loss for the period	-	-	-	-	(4,538,341)	-	-	(4,538,341)	(32,449)	(4,570,790)
Other comprehensive income	-	-	-	-	-	-	(3,353,817)	(3,353,817)	(432,521)	(3,786,338)
Total comprehensive income	-	-	-	-	(4,538,341)	-	(3,353,817)	(7,892,158)	(464,970)	(8,357,128)
Transfer of previously lapsed options					888,202	(888,202)	-	-	-	-
Transactions with owners:										
Issue of shares (net of costs)	87,838	12,806,554	-	-	-	-	-	12,894,392	-	12,894,392
Share based payments	-	-	-	-	-	676,255	-	676,255	-	676,255
Shares cancelled	-	-	-	(65,631)	-	-	-	(65,631)	-	(65,631)
Free-attaching warrants	-	-	-	-	(613,512)	-	-	(613,512)	-	(613,512)
Balance at 30 June 2018	859,234	12,806,554	203,738,800	-	(57,620,445)	11,602,823	(12,101,564)	159,285,402	(464,970)	158,820,432

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE 6 MONTHS ENDED 30 JUNE 2019

	Ordinary Shares	Share Premium Reserve	Merger Reserve	Redeemable Preference Share	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Owners of the Parent	Non- controlling Interest	Total Equity
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Balance at 1 Jan 2018	771,396	-	203,738,800	65,631	(53,356,794)	11,814,770	(8,747,747)	154,286,056	-	154,286,056
Loss for the period	-	-	-	-	(6,249,696)	-	-	(6,249,696)	(19,670)	(6,269,366)
Other comprehensive income	-	-	-	-	-	-	(6,563,198)	(6,563,198)	(541,038)	(7,104,236)
Total comprehensive income	-	-	-	-	(6,249,696)	-	(6,563,198)	(12,812,894)	(560,708)	(13,373,602)
Transfer of previously lapsed options	-	-	-	-	888,202	(888,202)	-	-	-	-
Redeemable Preference Shares	-	-	-	(65,631)	-	-	-	(65,631)	-	(65,631)
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)
Share based payments	-	-	-	-	-	1,235,275	-	1,235,275	-	1,235,275
Scheme of Arrangement	-	-	-	-	-	-	-	-	-	-
Balance at 31 Dec 2018	860,852	13,054,936	203,738,800	-	(59,331,800)	12,161,843	(15,310,945)	155,173,686	(560,708)	154,612,978

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 6 MONTHS ENDED 30 JUNE 2019

		6 months ended 30 June 2019 USD Unaudited	6 months ended 30 June 2018 USD Unaudited	Year ended 31 Dec 2018 USD Audited
Cash Flows from Operating Activities				
Cash used in operation		(1,507,652)	(4,604,070)	(6,054,050)
Income tax paid		(20,726)	-	(37,030)
Net Cash Flows Used in Operating Activities	17	(1,528,378)	(4,604,070)	(6,054,050)
Cash Flows from Investing Activities				
Payments for plant and equipment		(17,371)	(4,547)	(8,452)
Payments for exploration and evaluation		(2,840,929)	(11,043,648)	(17,104,196)
Interest received		23,282	10,675	68,528
Net Cash Flows Used in Investing Activities		(2,835,018)	(11,037,520)	(17,044,120)
Cash Flows from Financing Activities				
Deposit on application of shares		36,843	-	-
Proceeds from issue of shares		1,887	12,894,392	12,894,392
Proceed from convertible note		-	250,000	250,000
Repayment of lease liabilities related to offices		(87,593)	-	-
Interest paid on lease liabilities		(5,001)	-	-
Net Cash Flows (Used in)/Generated from Financing Activities		(53,864)	13,144,392	13,144,392
Net decrease in cash and cash equivalents		(4,417,260)	(2,497,198)	(9,953,778)
Cash and cash equivalents at beginning of period		6,187,113	16,455,490	16,455,490
Foreign currency differences		(44,724)	261,064	(314,599)
Cash and Cash Equivalents at Period End	17	1,725,129	14,219,356	6,187,113

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.