KORE POTASH

FROM THE GROUND UP

ABN 31 108 066 422

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

30 JUNE 2017

CORPORATE DIRECTORY

This interim financial report covers Kore Potash Limited ("the Company") and the entities that it controls ("the Group"). The Group's presentation currency is United States dollars (US$).

Directors

Mr David Hathorn (Non-Executive Chairman)
Mr Sean Bennett (Managing Director and CEO)
Mr Jonathan Trollip (Non-Executive Director)
Mr Leonard Math (Non-Executive Director)
Mr Timothy Keating (Non-Executive Director)
Mr Pablo Altimiras (Non-Executive Director)

Auditors

Deloitte Touche Tohmatsu
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Joint Company Secretary

Mr Henko Vos
Mr Lawrence Davidson

Registered Office

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Share Registry

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Level 11, 172 St Georges Terrace
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ASX Code: K2P

Website

https://www.korepotash.com/

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DIRECTORS' REPORT

The Board of Directors of Kore Potash Limited ("Kore Potash" or "Company") presents herewith the interim financial report of Kore Potash Limited and its subsidiaries ("the Group") for the half-year ended 30 June 2017.

DIRECTORS

The names of the Directors of the Company in office during the half-year and as at the date of this report are:

Mr David Hathorn	(Non-Executive Chairman)
Mr Sean Bennett	(Managing Director and CEO)
Mr Jonathan Trollip	(Non-Executive Director)
Mr Leonard Math	(Non-Executive Director)
Mr Timothy Keating	(Non-Executive Director)
Mr Pablo Altimiras	(Non-Executive Director)

All directors were in office from the beginning of the half-year until the date of this report.

PRINCIPAL ACTIVITY

The principal activity of the Company during the period was mineral resources exploration and project development at the Company's Sintoukola Potash Permit in the Republic of Congo (RoC).

REVIEW AND RESULTS OF OPERATIONS

OPERATING RESULTS

Net operating loss after tax for the half-year ended 30 June 2017 was US$691,130 (2016 US$2,039,682)

HIGHLIGHTS

- Successfully closed a US$5m equity raising in April 2017, with Summit Investments PCC, at A$0.25 per share, a premium to the then share price and a 25% increase on the previous fund raising.
- The Kola Definitive Feasibility Study ("DFS") with a world class consortium of French engineering and construction companies commenced in February 2017. The DFS is currently progressing on time and on budget. The progress for the first three months, as announced at the end of June 2017, as being 7.1% complete and having already identified approximately US$100m of potential capital expenditure savings and progressing on time and on budget. The next DFS update will be done in October 2017.
- The drilling programme at Kola was successful; holes intersected the targeted Sylvinite[1] seams of mineable width. EK_49 and EK_51 were stand-out, the former intersecting Hangingwall Seam of 4.06m thickness grading 58.90% KCl, and the latter intersected Upper Seam of 4.72m thickness grading 36.84% KCl *and* a Lower Seam 5.34m thickness grading 28.23% KCl.[2]
- The updated Kola Mineral Resource Estimate was announced during July 2017[3]. Combined Measured and Indicated Mineral Resource for Sylvinite is 508 Mt grading 35.4% KCl, a 7% increase in grade over the previous estimate.
- The Mining Licence for Dougou was granted during May 2017, covering Dougou and Dougou Extension.[4]

[1] Sylvinite: a rock comprising predominantly of the potash mineral sylvite (KCl) and halite (NaCl).
[2] Announcement dated 7 March 2017: Further Excellent Sylvinite Intersections in drill-holes at Kola..
[3] Announcement dated 6 July 2017: Updated Mineral Resource for the High-Grade Kola Deposit
[4] Announcement dated 18 May 2017 Dougou & Dougou Extension Mining License granted

DIRECTORS' REPORT (CONTINUED)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

HIGHLIGHTS (CONTINUED)

- The Mining Convention was signed by the Government covering Kola, Dougou and Dougou Extension[5]. The Mining Convention will be submitted to the Supreme Court for the process of ratification into law. The Company expects to secure ratification during Q4 2017. Please see Note 6 of the Condensed Notes to the Consolidated Financial Statements for the implications of the Mining Convention.
- Drilling at the Dougou Extension Sylvinite Prospect commenced during March 2017 and is progressing on track. Findings are expected to be announced in due course
- Gavin Chamberlain to be appointed as Chief Operating Officer
- John Crews appointed as Chief Financial Officer

CORPORATE ACTIVITIES

Summit Investment
On 27 April 2017, the Company successfully closed an equity raising with Summit Investments PCC ('Summit') at A$0.25 per share, a significant premium to the share price at the time and reflecting the value attributed by Summit to the Company's progress including on the DFS and recent drilling results.

The Summit terms were as follows:

- An equity investment of US$5m at an issue price of A$0.25 per fully paid ordinary share, a premium to the closing price on 26 April 2017 and a 25% increase from the A$0.20 price in the original proposed transaction contemplated in the strategic investment in 2016.
- Summit also received 5 million options, exercisable at A$0.30 by 15 November 2019.

London Listing and Redomicile Process
The Company has made significant progress with regards to its proposed listing on the AIM market of the London Stock Exchange, as announced on 10 July 2017, which is expected to be completed before the end of 2017. The Company has appointed Canaccord Genuity as its adviser. The Company also announced on 31 August 2017 its intention to seek to redomicile the Group in the United Kingdom. Please see Note 16 of the Condensed Notes to the Consolidated Financial Statements for further details on the proposed listing and redomicile to the United Kingdom.

Debt Financing
On 22 May 2017, the Company announced that it had appointed Rothschild & Co (London) as it's adviser on the project debt finance facility to build and commission the plant and associated infrastructure at Sintoukola.

Staffing Update
During the period, the Company appointed John Crews as its Chief Financial Officer. John was previously Chief Financial Officer and Chief Operating Officer at UBS South Africa. In addition, he was also responsible for the finance function across MENA, Israel, Turkey and Nigeria and also served on a number of boards within the region. John graduated from the University of Orange Free State and qualified as a Chartered Accountant with KPMG in 1997.

Lawrence Davidson, the previous Chief Financial Officer, will continue in his role as Joint-Company Secretary as well as taking over responsibility for the risk and compliance function.

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[5] Announcement dated 16 June 2017: Signing of Mining Convention encompassing Kola, Dougou & Dougou Extension

DIRECTORS' REPORT (CONTINUED)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

CORPORATE ACTIVITIES (CONTINUED)

Staffing Update (Continued)

Gavin Chamberlain is due to join the Company as Chief Operating Officer on 1 October 2017. Gavin is currently Director of Operations at Amec Foster Wheeler Africa. He has over 30 years' experience in the delivery of large mining projects across Africa. He also has specific experience as Project Director in executing a US$2.2bn uranium project in Africa. His other roles include time spent in civil construction, project management and as managing director of an EPC construction company focussed on mining. Gavin qualified with a BSc(Eng) Civil Engineering degree and is a registered Professional Engineer with the Engineering Council of South Africa. He is also a registered Professional Project Manager with PMI and is registered as a Construction Project Management Professional with the SACPCMP.

KOLA DEPOSIT RESOURCE UPDATE

A Mineral Resource Estimate update for the Kola Deposit was completed and announced on 6 July 2017. The Measured and Indicated Mineral Resource for Sylvinite is 508 Million tonnes ("Mt") grading 35.4% KCl (Table 1). The Inferred Sylvinite Resource is 340 Mt grading 34.0% KCl. The Mineral Resource Estimate was completed by Met-Chem division of DRA Americas Inc., a subsidiary of the DRA Group. A large amount of new data was used in the updated Mineral Resource interpretation and estimation including 186 km of re-processed seismic data, and six new drill-holes, for a total of 52 drill-holes.

The updated resource provides the basis for the Kola DFS which is underway, as previously announced. Importantly, the update confirms the significant size and high-grade nature of the deposit. A 7% increase in the grade since the previous estimate to 35.4% KCl may contribute to a lowering of the 'unit cost' for Muriate of Potash ("MoP") production. There is a small (5%) reduction in contained potash compared to the 2012 Measured and Indicated Sylvinite Mineral Resource (573 Mt grading 33.1% KCl)[6]; but the deposit remains 'open' laterally. The Carnallitite[7] Mineral Resource Estimate was also updated but is not being considered at this stage for the mine, which will be for Sylvinite only.

The Hangingwall Seam, Upper Seam and Lower Seam (which host the Measured and Indicated Resource) have an average thickness of 3.3, 4.0 and 3.7 metres, respectively. The Sylvinite is present in broad zones with a dominant northwest-southeast orientation. Mineral Reserve estimation and mine planning has begun, based upon conventional underground 'room-and-pillar' mining of the Sylvinite seams; the reserve estimate is due for completion Q1 2018.

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[6] Announcement dated 20 August 2012: Elemental Minerals Announces Significant Further Mineral Resource Upgrade for Kola

[7] Carnallitite: a rock comprising of the potash mineral carnallite ($KMgCl3 \cdot 6H2O$) and halite ($NaCl$).

KOLA DEPOSIT RESOURCE UPDATE (CONTINUED)

Table 1. Updated Sylvinite Mineral Resource Estimate for Kola

July 2017 - Kola Deposit Potash Mineral Resources - SYLVINITE		Million Tonnes	KCl	Mg	Insolubles
			%	%	%
Hangingwall Seam	Measured	–	–	–	–
	Indicated	29.6	58.5	0.05	0.16
	Meas. + Ind.	**29.6**	**58.5**	**0.05**	**0.16**
	Inferred	18.2	55.1	0.05	0.16
Upper Seam	Measured	153.7	36.7	0.04	0.14
	Indicated	169.9	34.6	0.04	0.14
	Meas. + Ind.	**323.6**	**35.6**	**0.04**	**0.14**
	Inferred	220.7	34.3	0.04	0.15
Lower Seam	Measured	62.0	30.7	0.19	0.12
	Indicated	92.5	30.5	0.13	0.13
	Meas. + Ind.	**154.5**	**30.6**	**0.15**	**0.13**
	Inferred	59.9	30.5	0.08	0.11
Footwall seam	Measured	–	–	–	–
	Indicated	–	–	–	–
	Meas. + Ind.	–	–	–	–
	Inferred	41.2	28.5	0.33	1.03
Total Measured + Indicated Sylvinite		**507.7**	**35.4**	**0.07**	**0.14**
Total Inferred Sylvinite		**340.0**	**34.0**	**0.08**	**0.25**

Notes: The Mineral Resources are reported in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code", 2012 edition). Resources are reported at a cut-off grade of 10% KCl. Tonnes are rounded to the nearest 100 thousand. The average density of the Sylvinite is 2.10 (g/cm3). Zones defined by structural anomalies have been excluded. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The Mineral resources are considered to have reasonable expectation for eventual economic extraction using underground mining methods.

DIRECTORS' REPORT (CONTINUED)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

OPERATIONAL ACTIVITIES

Technical Studies

- The Dougou ESIA has been approved in principle by the inter-ministerial commission. A final version incorporating all outstanding comments is being prepared for final approval, with the objective of receiving the Certificate of Compliance in Q4 2017.
- The Kola ESIA amendment is proceeding in parallel with the DFS. Traffic and social baselines have been updated during the period under review, with an update of the hydro, biodiversity, air quality and marine baselines planned for Q3 2017. The planning is to have the national ESIA approved in Q2 2018.
- The land acquisition (RAP and DUP) work-stream was launched during the half-year period. A land commission is being formed to re-engage stakeholders in the mine, ore transport and process plant area corridors. The objective is to update the initial land compensation assessment from 2013 and undertake an IFC-compliant resettlement action plan at the same time. An integrated compensation report is expected to be completed in Q2 2018, with the compensation payment scheduled at the start of the project construction.
- The DFS is being conducted by a consortium of world class engineering and construction companies consisting of Technip FMC, Vinci Construction Grands Projets, Egis International and Louis Dreyfus Armateurs (the "French Consortium"). The inclusion of a significant amount of Front End Engineering Design ("FEED") work within the DFS scope aims to provide an estimate cost accuracy of +/-10%. The consortium will provide Kore with a Fixed Price and binding Engineering Procurement and Construction ("EPC") proposal for Kola within three months of the completion of the DFS, estimated to be within Q3 2018.
- In addition, the French Consortium ("FC") is contracted to assist Kore with its sourcing of financing, including strategic procurement of equipment, in order to maximise the potential amount of export credit agency opportunities that are available. Kore expects this to be a material part of the overall debt financing package for Kola.

Project Management

- The FC has now mobilised a team of more than 100 people, which are working on the Project on a fulltime basis. The work is supervised and guided by Kore's project team consisting of project managers, lead engineers, an estimating lead, an environmental consultant and a procurement specialist. In addition, Kore has the support from independent specialist reviewers to assist in the process. The study remains on schedule to be completed in Q2 2018.
- The first phase of the study, which was conducted in parallel to the Project's set-up, field campaigns and early engineering work, was conducted to analyze trade off studies to explore possible optimisation opportunities. These studies have been completed and have significantly improved the project definition allowing engineering and procurement activities to progress. Various opportunities for capital reduction have been identified, specifically in the areas of mine ventilation, process plant platforms and foundations, overland conveyor and ore storage, brine discharge and transshipment facilities. As announced on 20 June 2017, after the first three months the DFS was 7.1% complete, in line with plan and had already identified approximately US$100 m of potential capital expenditure savings. Management expects to realise further savings in the design process which is now underway.
- Confirmatory metallurgical process test work is underway at Saskatchewan Research Council ("SRC") in Saskatchewan and is expected to be completed in Q3 2017.

DIRECTORS' REPORT (CONTINUED)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

OPERATIONAL ACTIVITIES (CONTINUED)

Field Work Campaigns

The following field and test work campaigns have been initiated and are ongoing which will provide input data for the DFS study:

- Shaft geotechnical and hydrogeological campaign to produce design parameters for the vertical shaft design;
- Surface geotechnical and hydrogeological campaign to produce design parameters for the process plant, buildings, roads and infrastructure design;
- Metallurgical test program conducted by SRC, to confirm PFS results and provide design parameters for further process optimisation;
- A geotechnical laboratory test program to verify geotechnical characteristics for the mine design and to optimise the extraction ratio; and,
- A hydrological survey to provide input into ground water modelling, used to confirm fresh water abstraction and support the Environmental Social Impact Assessment ("ESIA") amendment programme.

Work Streams Initiated with RoC Authorities

- During the period, the Company initiated various work streams dedicated to securing the necessary utilities and authorisations based on the final project definition. These works streams focus on securing supply and price agreements for power and gas as well as final authorisation for the finalised transhipment activities.

ROC Regulatory Requirements

- The Dougou Mining License was granted through Presidential Decree n°2017-139 on 9 May 2017 and was published in the Official Gazette on May 18, 2017. The granting of the Dougou Mining License accordingly allowed Kore to finalize the mining convention.
- The Mining Convention was signed by the RoC Government on 8 June 2017 which made various provisions effective such as customs exemptions. The full entry into force of the mining convention is subject to its ratification into law by the RoC Parliament, the submission of the signed mining convention together with a cover note to the Supreme court having been completed as the first step of this ratification process.
- The Company's exclusive use of the Project surface areas and service corridor land take have been finalised by the FC and have been communicated to the government land commission accordingly. An update of the Ministerial Decision n°125 of Public Interest dated 4 February 2013 as renewed, is expected from the Ministry of Land Affairs as well as a new Ministerial decision declaring the service corridor of public interest. It was decided that the land commission field works and RSK resettlement action plan would start by September only following the parliament members elections and cabinet reshuffle.
- The Company is expecting the Prime Minister's Office and Government to award the Sintoukola 2 exploration license shortly, which application was made on 4 October 2016 (see Figure 1). This claim covers a surface area of 293.27 km² adjacent to the North-West border of the Dougou Mining License area.

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

OPERATIONAL ACTIVITIES (CONTINUED)

ROC Regulatory Requirements (Continued)

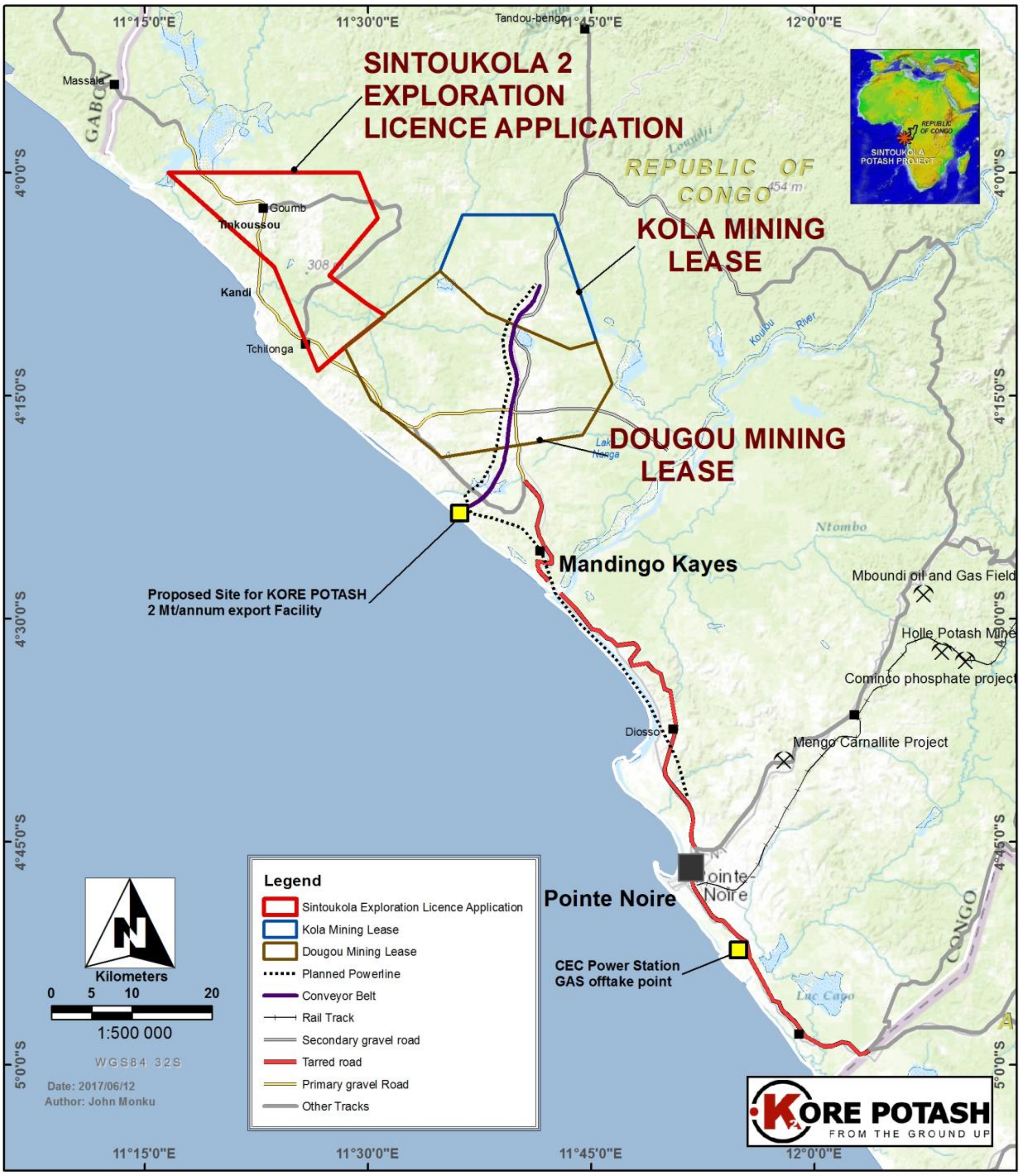

Figure 1. Map showing the location of the new Sintoukola 2 Exploration License application

DIRECTORS' REPORT (CONTINUED)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

FIELD WORK AND EXPLORATION ACTIVITY

Kola Sylvinite Project
On 7 March 2017, the Company announced the successful completion of the three planned drill holes (Fig. 2) at its Kola potash project that were aimed at expanding and adding confidence to the Kola resource for the DFS.

- EK_49, the first additional hole at Kola, intersected 4.06 metres of sylvinite grading 58.9% KCl, hosted by the Hangingwall sylvinite Seam, from a depth of 255.85m. This intersection is 830m southwest of hole EK_13, drilled in 2010, which also intersected sylvinite Hangingwall Seam (3.73m grading 54.41% KCl from a depth of 258.74m) and supports the continuity of the seam in this area.
- EK_50 and EK_51 both intersected sylvinite. The latter was particularly successful as it intersected Sylvinite of both Upper and Lower Seam (Table 2). A fourth 'extra' hole (EK_52) was drilled to test a peripheral area for sylvinite in the Hangingwall Seam. The hole intersected the seam but it is of Carnallitite rather than Sylvinite. Consideration is being given to completing additional seismic surveys of the area as a precursor to follow-up drilling.

Table 2. Intersections in all recent Kola drill-holes, all previously reported.

Drillhole	Depth from m	Depth to m	True Thickness m	Seam	Grade K2O%	Grade KCl%
EK_49[1]	255.85	259.91	4.06	HWS	37.19	58.90
EK_50	252.57	254.43	1.86	US	17.01	26.94
EK_51	267.45	272.35	4.72	US	23.26	36.84
EK_51	276.1	281.63	5.34	LS	17.83	28.23
EK_52	no sylvinite					

DIRECTORS' REPORT (CONTINUED)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

FIELD WORK AND EXPLORATION ACTIVITY (CONTINUED)

Kola Sylvinite Project (Continued)

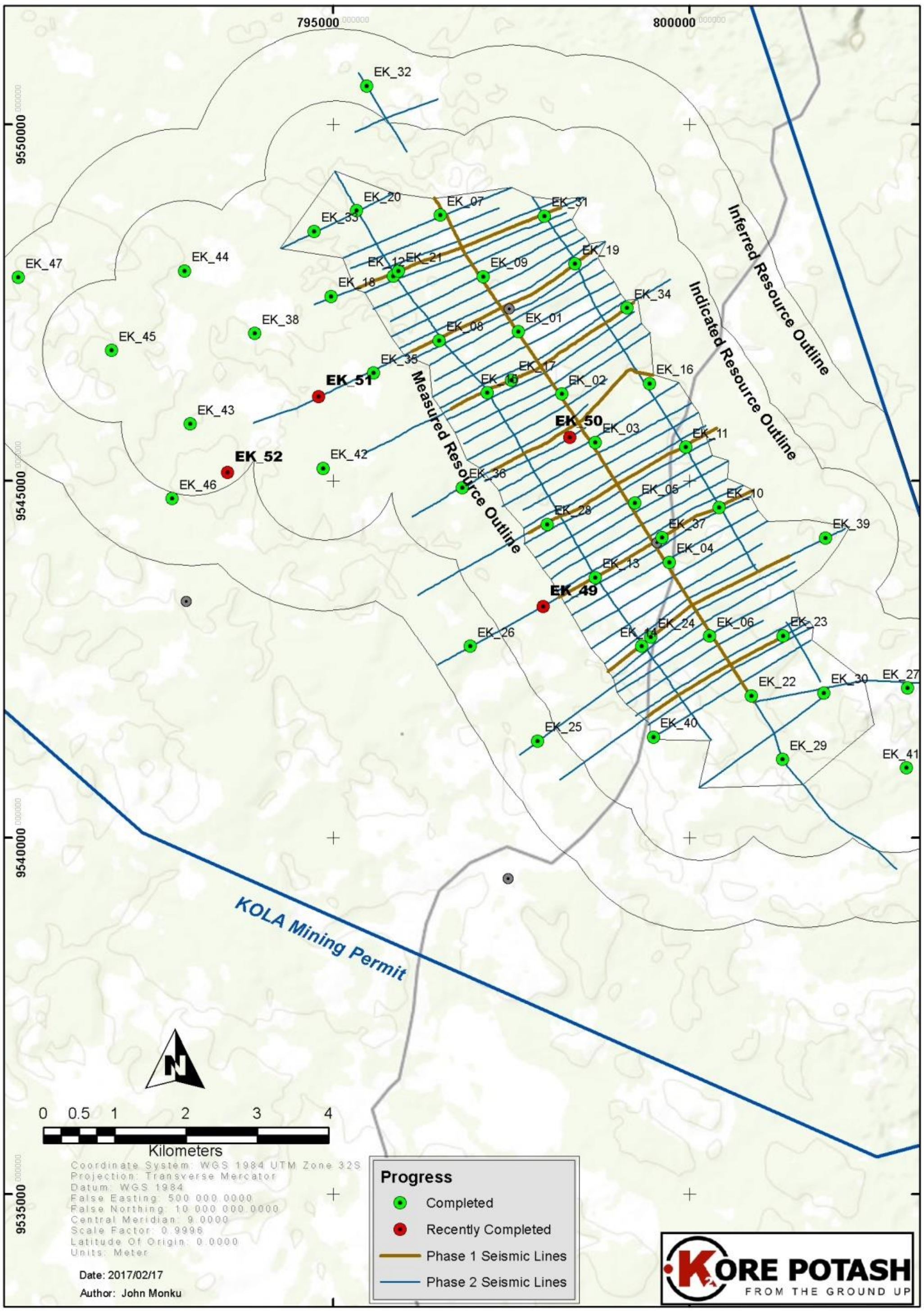

Figure 2. Map showing the position of all Kola holes highlighting those drilled recently

DIRECTORS' REPORT (CONTINUED)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

FIELD WORK AND EXPLORATION ACTIVITY (CONTINUED)

Dougou Extension Sylvinite Prospect (Previously Referred to as the "Yangala Prospect")

- Drilling of 4 holes (DX_01 to DX_04) has been completed, totalling 1,938 metres. Additional holes are in progress. These holes are widely spaced to follow up on two previous holes drilled by the Company at the Prospect:
  - ED_01 drilled in 2012 contained 4.47 meters grading 57.7% KCl and;
  - ED_03 drilled in 2014, returned 59.5% KCl over a thickness of 4.21 meters[8]

- Assay results for these holes are expected shortly and an announcement will be made thereafter.

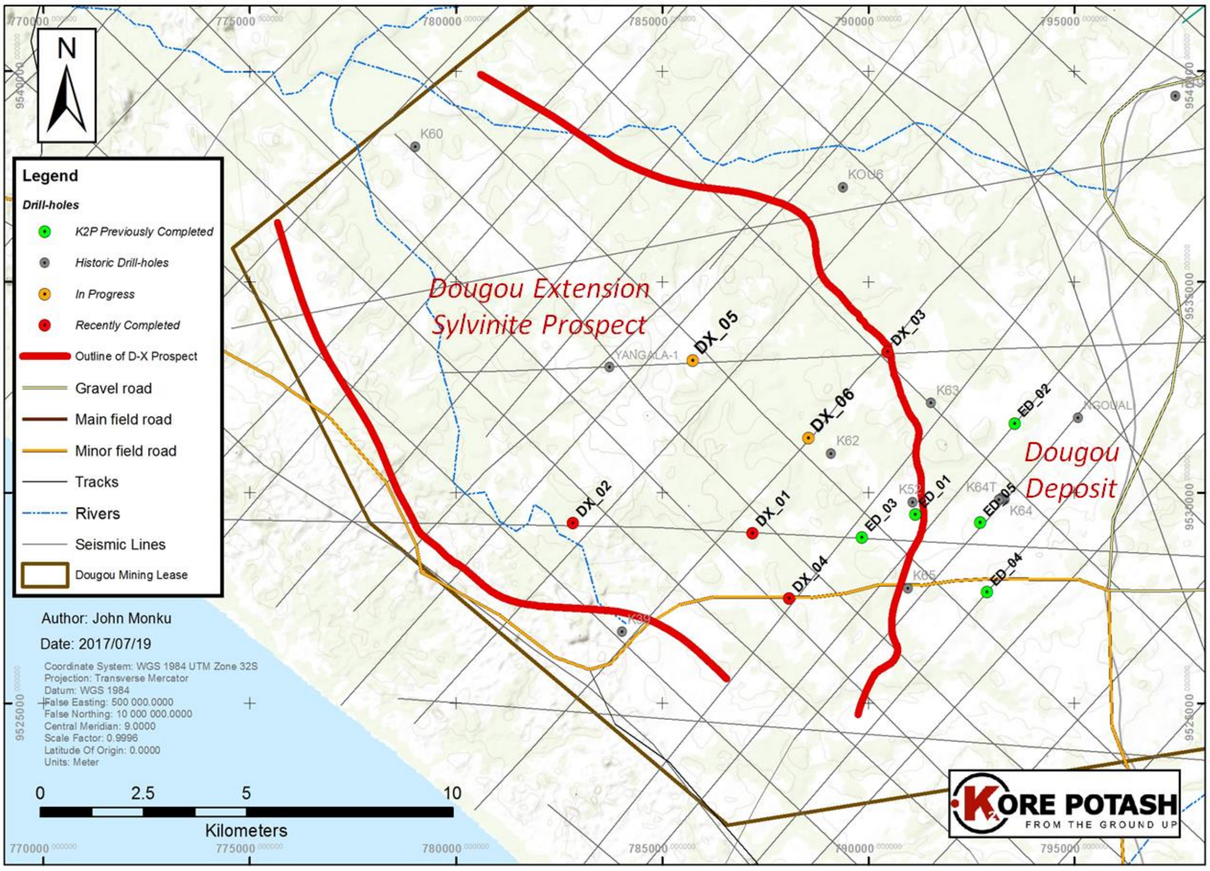

Figure 3. Map showing the extent of the Dougou Extension Sylvinite Prospect and all drill-holes. The Dougou Carnallitite Deposit is to the east.

[8] Announcement dated 20 October 2014: Elemental Minerals Announces Exceptional Results from Dougou-Yangala Drilling

DIRECTORS' REPORT (CONTINUED)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

ABOUT KORE POTASH'S PROJECTS

Kore Potash Limited (ASX: K2P) is an advanced stage mineral exploration and development company whose primary asset is 97%-owned Sintoukola Potash S.A. SARL ("SP") in the RoC. SP has 100% ownership of the Kola Mining Lease within which the Company's lead project, the Kola Sylvinite deposit is located. SP also has 100% ownership of the Dougou Mining Lease within which the Dougou Carnallitite Deposit and the Dougou Extension Prospect are situated.

These projects are easily accessed, being located approximately 80 km to the north of the city of Pointe Noire and 15 to 30 km from the Atlantic coast. The Projects have the potential to be among the world's lowest-cost potash producers and their location near the coast offers a transport cost advantage to global fertilizer markets.

The Kola Deposit has a Measured and Indicated Sylvinite Mineral Resource of 508 Mt grading 35.4 % KCl[9]. A Definitive Feasibility Study (DFS) which is underway, being conducted by a consortium of world class engineering and construction companies consisting of Technip FMC, Vinci Construction Grands Projects, Egis International and Louis Dreyfus Armateurs (the "French Consortium"). The DFS contract was signed on 28 February 2017 and the study is scheduled to be completed in Q2 2018.

The Dougou Deposit is 15 km southwest of Kola and is a very large Carnallitite deposit with a Measured and Indicated Potash Mineral Resource of 1.1 billion tonnes grading 20.6% KCl (at a depth of between 400 and 600 metres) hosted by 35-40 metres of Carnallitite within 4 flat-lying seams[10]. A Scoping Study was completed by ERCOSPLAN of Germany in February 2015[11]. This Study indicated that a low capital cost, low operating cost (Life of Mine operating cost of US$68 per tonne MoP), and quick to production carnallite solution mine could be established at Dougou, taking advantage of the deposit quality and availability of low cost energy in the RoC.

The Dougou Extension Prospect (previously referred to as Yangala) lies immediately west of Dougou. Here the Company has drilled two holes, both intersecting a flat-lying layer of thickness 4.0 to 4.5 metres with a grade of between 57 and 60% KCl[12]. Drilling to follow-up on these holes commenced March 2017.

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[9] Announcement dated 6 July 2017: Updated Mineral Resource for the High-Grade Kola Deposit

[10] Announcement dated 9 February 2015: Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit.

[11] Announcement dated 17 February 2015: Results for the Dougou Potash Project Scoping Study

[12] Announcement dated 20 October 2014: Elemental Minerals Announces Exceptional Results from Dougou-Yangala Drilling

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

KORE POTASH'S MINERAL RESOURCES

		Potash Mineral Resources	
Potash Deposit	**Category**	**Million Tonnes**	**Grade KCl %**
Kola Sylvinite (July 2017)	Measured	216	34.9
	Indicated	292	35.7
	Inferred	340	34.0
Kola Carnallitite (July 2017)	Measured	341	17.4
	Indicated	441	18.7
	Inferred	1,266	18.7
Dougou Carnallitite (February 2015)	Measured	148	20.1
	Indicated	920	20.7
	Inferred	1,988	20.8

Notes: *The Mineral Resource estimates are reported in accordance with the JORC code 2012 edition. The Kola Mineral Resources were reported on the 6 July 2017, and was prepared by Met-Chem division of DRA Americas Inc., a subsidiary of the DRA Group. Resources are reported at a cut-off grade of 10% KCl. The Dougou Mineral Resource was prepared by ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN") and reported in the ASX announcement dated 9 February 2015. The form and context of the Competent Person's findings as presented in this document have not materially changed since the resource was first reported. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The Mineral resources are considered to have reasonable expectation for eventual economic extraction using underground mining methods.*

FORWARD-LOOKING STATEMENTS

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

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

DIRECTORS' REPORT (CONTINUED)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

COMPETENT PERSON STATEMENT

The information relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, and the results of economic studies, is extracted from previous reports, as referred to in footnotes herein, and available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditor Deloitte Touche Tohmatsu to provide the Directors of Kore Potash Limited with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 16.

Signed in accordance with a resolution of Directors made pursuant to s306(3) of the *Corporations Act 2001*.

On behalf of the Directors

David Hathorn
Chairman
8 September 2017

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Kore Potash Limited
Level 3, 88 William Street
PERTH WA 6000

8 September 2017

Dear Board of Directors

Kore Potash Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Kore Potash Limited.

As lead audit partner for the review of the financial statements of Kore Potash Limited for the half-year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

John Sibenaler
Partner
Chartered Accountants

DIRECTORS' DECLARATION

The Directors of Kore Potash Limited declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and give a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Board of Directors,

David Hathorn
Chairman
8 September 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2017

		Half-Year Ended	
		30 June 2017	**30 June 2016**
	Notes	**US$**	**US$**
Continuing Operations			
Interest income		36,678	3,454
		36,678	3,454
Expenses			
Depreciation		(12,745)	-
Directors remuneration		(162,080)	(151,714)
Equity compensation benefits	5	(906,265)	(839,044)
Salaries, employee benefits and consultancy expense		(455,012)	(589,875)
Administration expenses		(852,949)	(517,354)
Net realised foreign exchange gains		1,664,560	57,744
Interest and finance expenses		(3,317)	(2,893)
Loss Before Income Tax Expense		(691,130)	(2,039,682)
Income tax benefit/(expense)		-	-
Loss for the Period from Continuing Operations		(691,130)	(2,039,682)
Other Comprehensive Income, Net of Income Tax			
Items that may be Reclassified Subsequently to Profit or Loss			
Net foreign currency translation differences		7,923,150	1,126,599
Other Comprehensive Income for the Period, Net of Income Tax		7,923,150	1,126,599
Total Comprehensive Income for the Period		7,232,020	(913,083)
Loss Attributable to:			
Owners of the Company		(691,130)	(2,039,682)
Non-controlling interests		-	-
		(691,130)	(2,039,682)
Total Comprehensive Income Attributable to:			
Owners of the Company		7,232,020	(913,083)
Non-controlling interests		-	-
		7,232,020	(913,083)
Earnings per Share from Continuing Operations			
Basic loss per share (cents per share)		(0.09)	(0.48)
Diluted loss per share (cents per share)		(0.09)	(0.48)

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 2017

	Notes	30 June 2017 US$	31 Dec 2016 US$
ASSETS			
Current Assets			
Cash and cash equivalents		33,946,629	42,609,786
Trade and other receivables		230,668	208,465
Total Current Assets		34,177,297	42,818,251
Non-Current Assets			
Trade and other receivables		121,631	86,889
Property, plant and equipment		387,827	374,316
Exploration and evaluation expenditure	6	117,038,885	95,798,269
Total Non-Current Assets		117,548,343	96,259,474
TOTAL ASSETS		151,725,640	139,077,725
LIABILITIES			
Current Liabilities			
Trade and other payables		533,416	200,736
Total Current Liabilities		533,416	200,736
TOTAL LIABILITIES		533,416	200,736
NET ASSETS		151,192,224	138,876,989
EQUITY			
Contributed equity	7	204,510,196	200,572,926
Reserves	8	23,010,292	13,941,197
Accumulated losses		(76,328,264)	(75,637,134)
Equity attributable to owners of the Company		151,192,224	138,876,989
Non-controlling interests		-	-
TOTAL EQUITY		151,192,224	138,876,989

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 HALF-YEAR ENDED 30 JUNE 2017

	Contributed Equity US$	Accumulated Losses US$	Option Reserve US$	Foreign Currency Translation Reserve US$	Non-Controlling Interest US$	Total Equity US$
Balance at 1 Jan 2017	200,572,926	(75,637,134)	36,279,828	(22,338,631)	-	138,876,989
Loss for the period	-	(691,130)	-	-	-	(691,130)
Other comprehensive income	-	-	-	7,923,150	-	7,923,150
Total comprehensive income	-	(691,130)	-	7,923,150	-	7,232,020
Transactions with owners in their capacity as owners:						
Issue of shares (net of costs)	3,937,270	-	239,680	-	-	4,176,950
Share based payments	-	-	906,265	-	-	906,265
Balance at 30 June 2017	**204,510,196**	**(76,328,264)**	**37,425,773**	**(14,415,481)**	**-**	**151,192,224**
Balance at 1 Jan 2016	154,657,058	(71,377,468)	32,106,965	(18,978,448)	-	96,408,107
Loss for the period	-	(2,039,682)	-	-	-	(2,039,682)
Other comprehensive income	-	-	-	1,126,599	-	1,126,599
Total comprehensive income	-	(2,039,682)	-	1,126,599	-	(913,083)
Transactions with owners in their capacity as owners:						
Issue of shares (net of costs)	3,314,574	-	-	-	-	3,314,574
Share based payments	-	-	839,044	-	-	839,044
Balance at 30 June 2016	**157,971,632**	**(73,417,150)**	**32,946,009**	**(17,851,849)**	**-**	**99,648,642**

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 HALF-YEAR ENDED 30 JUNE 2017

	Half-Year Ended	
	30 June 2017	**30 June 2016**
	US$	**US$**
Cash Flows from Operating Activities		
Payments to suppliers and employees	(1,374,158)	(1,212,769)
Net Cash Flows Used in Operating Activities	(1,374,158)	(1,212,769)
Cash Flows from Investing Activities		
Payments for plant and equipment	(37,563)	-
Payments for exploration and evaluation	(13,065,335)	(3,101,665)
Interest received	36,678	3,454
Net Cash Flows Used in Investing Activities	(13,066,220)	(3,098,211)
Cash Flows from Financing Activities		
Proceeds from issue of shares	5,000,000	3,314,574
Payment for share issue costs	(823,050)	-
Net Cash Flows Generated from Financing Activities	4,176,950	3,314,574
Net decrease in cash and cash equivalents	(10,263,428)	(996,406)
Cash and cash equivalents at beginning of period	42,609,787	3,058,606
Foreign currency differences	1,600,270	57,743
Cash and Cash Equivalents at Period End	33,946,629	2,119,943

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

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2017

1. REPORTING ENTITY

Kore Potash Limited ("the Company") is a company domiciled in Australia and is listed on the Australian Securities Exchange. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars ("US$"), unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2016 annual financial report for the financial year ended 31 December 2016, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Amendments to Accounting Standards that are Mandatorily Effective for the Current Reporting Period

The Group has adopted all of the new and revised standards and interpretation issued by the Australian Accounting Standards Board (the "AASB") that are relevant to its operations and effective for the current half year.

There are no new and revised standards and amendments thereof and interpretations effective for the current reporting period that are considered to have a material impact to the Group's consolidated financial statements.

The adoption of all new and revised standards and interpretation has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported in the Group's consolidated financial statements for the current or prior periods.

Mine Development Expenditure

Mine development costs represent the accumulation of all exploration, evaluation and development expenditure incurred in respect of areas of interest in which a decision to mine has been made. Plant construction and commissioning costs are included as mine development costs once the commissioning phase has been completed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Mine Development Expenditure (Continued)

When further development expenditure is incurred in respect of mine property after the commencement of production, such expenditure is carried forward as part of mine development costs only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation is provided on a unit of production basis which results in a write off of the cost proportional to the depletion of the proven and probable mineral reserves.

The net carrying value of each area of interest is reviewed regularly and to the extent to which this value exceeds its recoverable amount, the excess is fully provided against or written off in the financial year in which this is determined.

Going Concern

During the half-year ended 30 June 2017, the Group incurred a loss of US$691,130 (half-year ended 30 June 2016: US$2,039,682) and experienced net cash outflows from operating and investing activities of US$14,440,378 (half-year ended 30 June 2016: US$4,310,980). Cash and cash equivalents totaled US$33,946,629 as at 30 June 2017 (at 31 December 2016: US$42,609,787).

The Directors have prepared a cash flow forecast for the period ending 30 September 2018, which indicates the Group will have sufficient cash flow to meet working capital requirements through to 30 September 2018 including corporate costs, exploration expenditure, and Definitive Feasibility Study ("DFS") costs related to the Kola Project, which has been based on the following assumptions:

a) Completion of a capital raising through the planned listing on the London Stock Exchange (AIM) in quarter four of the 2017 calendar year; and
b) Managing and deferring costs where applicable to coincide with the capital raising activity outlined above to ensure all obligations can be met.

The Directors are pursuing a number of capital raising initiatives in order to have sufficient funds to allow for the completion of the DFS for Kola, and fund additional exploration and evaluation activities on the Dougou (inclusive of Dougou extension) project. The Directors are confident one of these capital raising initiatives will be successful and the financial report has therefore been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the discharge of liabilities in the ordinary course of business.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going Concern (Continued)

Should the Directors not be successful in achieving the matters set out above, there is a material uncertainty whether the Group will be able to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

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

3. FUNCTIONAL AND PRESENTATION CURRENCY

The Group's functional currency is the currency of the primary economic environment in which the Group operates. The functional and presentation currency is United States dollars ("US$").

4. SEGMENT REPORTING

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

The Group operates in one segment, being mineral exploration for potash minerals prospects in Central Africa.

5. EQUITY BASED PAYMENTS

Recognised Equity-Based Payment Expense

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

	Jun 2017	Jun 2016
	US$	US$
Expense arising from equity-settled share-based payment transactions	906,265	839,044

The Group granted shares rights and options to directors, key management personnel and other employees as part of an incentive for future services and as a reward for past services.

In addition, during the half-year, the Company issued various performance rights. Details including vesting conditions are detailed in Note 9.

6. RECONCILIATION OF CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	Jun 2017	Dec 2016
	US$	US$
Opening balance	95,798,269	93,068,160
Exploration and evaluation expenditure capitalised during the period	13,197,196	5,968,759
Foreign exchange differences	8,043,420	(3,238,650)
Closing balance	**117,038,885**	**95,798,269**

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

- Corporate tax concessions applicable for the first 10 years of each mining permit as production capacity is extended, which includes zero corporation tax for the first five years from profitability, and a corporation tax rate of 7.5% for the other five years;
- An ongoing corporation tax rate of 15% for the rest of the life of mine;
- Exemptions from withholding taxes including interest, dividends and capital gains during the term of the mining convention;
- VAT and import duty exemptions (including all subcontractors) during construction;
- Royalties of 3% payable to the RoC, which is based on an equivalent to EBITDA;
- Guarantee from the RoC that it will facilitate and support the implementation of the project, as defined in the convention (for example, in granting the necessary consents to permit export of the final product through the use of a dedicated jetty); and
- The RoC to be granted a 10% carried equity interest in the project companies, which are currently wholly-owned by Kore Potash Limited's 97%-owned subsidiary, Sintoukola Potash S.A. SARL.

The mining convention has a term which covers the life of the Kola and Dougou mining permits including any extension (25 years plus 15 year extension, renewable indefinitely upon proven mineable ore resources). The Mining Convention will be submitted to the Supreme Court for the process of ratification into law. The Company expects to secure ratification during Q4 2017.

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

7. CONTRIBUTED EQUITY

	Jun 2017 US$	Dec 2016 US$
768,158,142 Fully Paid Ordinary Shares (31 Dec 2016: 728,944,470)	204,510,196	200,572,926
Closing balance	**204,510,196**	**200,572,926**

Movement in Share Capital

	No. of Shares	US$
Balance at 1 January 2016	410,275,877	154,657,058
Listed options exercised at AUD 0.25 each	4,843	834
Issued under Employee Performance Rights Plan (vesting of rights)	781,250	-
Share placement at AUD 0.20 per share	317,882,500	48,310,272
Less: Cost of issuing free attaching options*	-	(2,395,238)
On issue at 31 December 2016	**728,944,470**	**200,572,926**
Issued under Employee Performance Rights Plan (vesting of rights)	7,516,150	-
Share placement at AUD 0.25 per share	26,504,000	5,000,000
Share placement at AUD 0.21 per share	5,193,522	823,000
Less: Cost of issuing free attaching options**	-	(239,680)
Less: Capital raising costs	-	(1,646,050)
On issue at 30 June 2017	**768,158,142**	**204,510,196**

* The cost relates to the value of the free attaching listed options provided to shareholders who participated in the share issue completed on 15 November 2016 (295,582,500 shares issued at AUD 0.20 each). A total of 45,000,000 unlisted options exercisable at AUD 0.30 expiring 15 November 2019 were issued with a Black & Scholes valuation method of AUD 0.0704 per option.

** The cost relates to the value of the free attaching listed options provided to shareholders who participated in the rights issue completed on 27 April 2017 (26,504,000 shares issued at AUD 0.25 each). A total of 5,000,000 unlisted options exercisable at AUD 0.30 expiring 15 November 2019 were issued with a Black & Scholes valuation method of AUD 0.0642 per option.

8. RESERVES

	Jun 2017	Dec 2016
	US$	US$
Share based payments reserve	37,425,773	36,279,828
Foreign currency translation reserve	(14,415,481)	(22,338,631)
Total Reserves	23,010,292	13,941,197

Movement in Share Based Payments Reserve

Date	Details	No. of Options	No. of Rights	US$
1 Jan 2016	**Opening balance**	**88,740,487**	**12,998,270**	**32,106,965**
9 Jan 2016	Lapsing of unlisted options	(333,332)	-	-
15 Jan 2016	Lapsing of listed options	(78,911,086)	-	-
19 Jan 2016	Exercise of listed options	(4,843)	-	-
13 Feb 2016	Lapsing of unlisted options	(300,000)	-	-
29 Feb 2016	Vesting of performance rights	-	(250,000)	-
2 Mar 2016	Issue of performance rights	-	21,500,000	-
2 Mar 2016	Vesting of performance rights	-	(531,250)	-
1 Apr 2016	Lapsing of unlisted options	(500,000)	-	-
23 Apr 2016	Lapsing of unlisted options	(250,000)	-	-
30 Jun 2016	Issue of performance rights	-	3,000,000	-
15 Nov 2016	Issue of free attaching unlisted options	45,000,000	-	2,395,238
31 Dec 2016	Share-based payment vesting expenses	-	-	1,777,625
31 Dec 2016	**Balance at 31 Dec 2016**	**53,441,226**	**36,717,020**	**36,279,828**
3 Feb 2017	Exercise of performance rights	-	(7,516,150)	-
27 Apr 2017	Issue of free attaching unlisted options	5,000,000	-	239,680
22 May 2017	Lapsing of unlisted options	(250,000)	-	-
29 May 2017	Issue of performance rights	-	18,216,858	-
1 Jun 2017	Issue of performance rights	-	660,000	-
30 Jun 2017	Share-based payment vesting expenses	-	-	906,265
30 June 2017	**Closing balance**	**58,191,226**	**48,077,728**	**37,425,773**

9. PERFORMANCE RIGHTS ISSUED UNDER PERFORMANCE RIGHTS PLAN

The following performance rights were issued under the Company's Performance Rights Plan during the half year ended 30 June 2017:

Rights Series 12 – 2016 Award Performance Shares Vesting on 31 May 2019

On 29 May 2017, the Company granted 2,000,000 Performance Shares to its employees, under the Company's Employee Performance Rights Plan, to recognise their overall contribution and performance during 2016. These Performance Shares will vest as one Share for each Performance Share in 2 years, on 31 May 2019, on the condition that the employee is still employed by the Company.

The fair value of the Performance Shares is estimated at AUD 0.17 per Performance Share, calculated based on the share price at grant date using the Cox, Ross and Rubinstein Binomial Option Pricing Model.

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

Input into the model	Series 12
Grant date spot price	AUD 0.17
Expected volatility	75%
Life of performance share	2 years
Grant date fair value	AUD 0.17

Rights Series 13 – 2016 Award Performance Shares Vesting on 31 May 2019 (Issued to CEO)

Following shareholders' approval on 31 May 2017, the Company granted 660,000 Performance Shares to Mr Sean Bennett, CEO, under the Company's Employee Performance Rights Plan. These Performance Shares were granted on the same basis as the 2,000,000 Performance Shares as detailed above. These Performance Shares will vest as one Share for each Performance Share in 2 years, on 31 May 2019, on the condition that Mr Bennett is still employed by the Company.

The fair value of the Performance Shares is estimated at AUD 0.17 per Performance Share, calculated based on the share price at grant date using the Cox, Ross and Rubinstein Binomial Option Pricing Model.

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

Input into the model	Series 13
Grant date spot price	AUD 0.17
Expected volatility	75%
Life of performance share	2 years
Grant date fair value	AUD 0.17

9. PERFORMANCE RIGHTS ISSUED UNDER PERFORMANCE RIGHTS PLAN (CONTINUED)

Rights Series 14 – Performance Shares under a Short Term Incentive Scheme Plan for 2017

On 29 May 2017, the Company announced that under a Short Term Incentive Scheme Plan the Board resolved and agreed to issue up to 4,482,005 Performance Shares for employees for 2017. The final amount of Performance Shares issued may be reduced by the Board (in its sole discretion) depending upon each employee's performance during the year. In accordance with the Company's remuneration strategy, the employee's performance will be assessed, by the Board, against a range of objectives including delivery of the Kola DFS on time and in budget, progressing the Kola ESIA and maintaining control of costs within the business. These Performance Shares vests a third on award, a third after 1 year of continuous service and a third after 2 years continuous service, as one Share for each Performance Share.

The fair value of the Performance Shares is estimated at AUD 0.17 per Performance Share, calculated based on the share price at grant date using the Cox, Ross and Rubinstein Binomial Option Pricing Model.

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

Input into the model	Series 14
Grant date spot price	AUD 0.17
Expected volatility	75%
Life of performance share	2 years
Grant date fair value	AUD 0.17

Rights Series 15 – Performance Shares under the Long Term Incentive Plan

On 29 May 2017, the Company announced that the Board resolved and agreed to issue up to 11,734,853 Performance Shares available to employees under the Long Term Incentive Plan. These Performance Shares will vest as one Share for each Performance Share, of which the final amount issued may be reduced by the Board (in its discretion) depending upon the employee's performance against the following objectives:

Non-market performance conditions

- Completing the DFS in line with the Company's objectives and milestones
- Successful completion of the financing of Kola
- Achieving the appropriate level of off-take for Kola

Market performance conditions

- The Company's share price being between AU$0.50 and AU$2, vesting on the basis of one Share for each Performance Share vesting, and calculated using a Share Price Allocation Matrix (straight-line basis).

The Board has determined the allocation of Performance Shares against each objective for each employee on a case by case basis.

The fair value of the Performance Shares attached to the non-market performance conditions is estimated at AUD 0.17 per Performance Share, calculated based on the share price at grant date using the Cox, Ross and Rubinstein Binomial Option Pricing Model.

9. PERFORMANCE RIGHTS ISSUED UNDER PERFORMANCE RIGHTS PLAN (CONTINUED)

Rights Series 15 – Performance Shares under the Long Term Incentive Plan (Continued)

The input used in the measurement of the fair value at grant date of the Performance Shares attached to non-market performance conditions were as follows:

Input into the model	Series 15
Grant date spot price	AUD 0.17
Expected volatility	75%
Life of performance share	5 years
Grant date fair value	AUD 0.17

The fair value of the Performance Shares attached to the market performance condition is estimated at AUD 0.104 per Performance Share at grant date, using the Monte-Carlo Simulation Model, and taking into account the terms and conditions upon which the Performance Shares were granted.

The input used in the measurement of the fair value at grant date of the Performance Shares attached to market performance conditions were as follows:

Input into the model	Series 15
Grant date spot price	AUD 0.17
Expected volatility	75%
Life of performance share	5 years
Grant date fair value	AUD 0.104

10. OPERATING LEASE ARRANGEMENTS

Leasing Arrangements

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

Non-Cancellable Operating Lease Commitments

	Jun 2017 US$	Dec 2016 US$
Not later than 1 year	108,810	-
Later than 1 year and not later than 5 years	182,733	128,800
Later than 5 years	-	-
	291,543	**128,800**

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

11. COMMITMENTS FOR EXPENDITURE

Exploration and Evaluation Expenditure Commitments

In order to maintain current rights of tenure to exploration and mining licences, the Group is required to perform respective minimum exploration and development work to meet the minimum expenditure requirements.

The Group has satisfied the minimum exploration expenditure requirements under the new mining convention signed by the Company and the RoC on 8 June 2017, to maintain its rights to tenure in relation to the Kola and Dougou (including Dougou Extension) mining projects. The Group plans to develop the Kola and Dougou mining licenses as an aggregated area for the mining site development in accordance with the mining convention signed on 8 June 2017. In addition, one of the key investment promotion provisions for the mining convention includes that the RoC is to be granted a 10% carried equity interest in the project companies, which are currently wholly-owned by Kore Potash Limited's 97%-owned subsidiary, Sintoukola Potash S.A. SARL.

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

Kola Definitive Feasibility Study Commitment

On 28 February 2017 the Company signed a contract with TechnipFMC, VINCI Construction Grands Projets, Egis and Louis Dreyfus Armateur (the "French Consortium"), for the implementation of the Kola Definitive Feasibility Study (the "DFS"). The DFS is scheduled to be completed in the second quarter of 2018.

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

	Jun 2017 US$	Dec 2016 US$
Not later than 1 year	21,319,438	-
Later than 1 year and not later than 5 years	1,017,292	-
Later than 5 years	-	-
	22,336,730	**-**

12. RELATED PARTY TRANSACTIONS

The Company paid US$11,117 to Piaster Pty Ltd as trustee for the Trollip Family Superannuation Fund for Mr Jonathan Trollip's director fees. Mr Trollip is a director of and has a beneficial interest in Piaster Pty Ltd.

Loans to Key Management Personnel and Their Related Parties

There were no loans outstanding at the reporting date to key management personnel and their related parties.

Other Transactions with the Company

No director has entered into a material contract (apart from employment) with the company since the incorporation of the company and there were no material contracts involving directors' interests at the half-year end.

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

13. DIVIDENDS

No dividends have been paid or provided for during the half-year.

14. CONTINGENT LIABILITIES AND ASSETS

As at the date of this report, the Company's subsidiary, Sintoukola Potash S.A. SARL ("SP") is in litigation before the Administrative Chamber of the Supreme Court of the Republic of Congo and before the Labour Tribunal. These two proceedings result from an action taken by a former employee, as well as a group of 31 claimants following the retrenchment of these 32 employees on 20 November 2014. The retrenchment was approved by the local regulator (Dispute Commission) which is empowered by the law to assess and authorise such retrenchment following detailed due diligences carried out in accordance with the law as well as an hearing of SP and the employees' Representatives (the Dispute Commission is composed of the Employees and Employers Unions headed by the local labour Authorities).

The Company is of the view that the retrenchment was validly authorised since the procedure was compliant with applicable regulations and was never challenged until SP encountered an issue with the implementation of the retrenchment relating to the rights to the individual employee mentioned above. The recourse introduced before the Ministry of Labour by the individual and the group of 31 former employees, to challenge the Dispute Commission's authorisation, was made on 15 May 2015 even though neither disputed the retrenchment process when heard by the Dispute Commission.

SP had not been officially notified of the recourse before the Minister of Labour and had not been consulted at all before the Minister notified SP on 2 September 2016 that the authorisation to proceed with the retrenchment had been cancelled. SP's sole recourse to dispute the Government's decision adopted by the Minister of Labour was legal proceedings before the Supreme Court (two legal proceedings are currently pending for suspending and cancelling the Minister's decision due to abuse of power).

In the meantime and following various requests by the former employees to settle the matter which were rejected by SP, on 17 March 2017, some individuals among the former employees introduced an action before the labour Tribunal in an attempt to settle the case. On 28 March 2017, the labour Tribunal found that conciliation between the parties could not be implemented and the proceedings must commence before the Tribunal. SP has submitted its findings on the merits on 7 July 2017 disputing (i) the representation of the claimants due to the absence of power of attorney of the former employees and (ii) the proceeding before the labour Tribunal until the Supreme Court renders its decision for the same case. On 7 July 2017, the labour Tribunal required the claimants to submit their findings at a new session on 13 October 2017.

There are no other significant contingent liabilities or assets at the date of this report requiring separate disclosure.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 30 June 2017, the Group had no financial assets and financial liabilities measured at fair value on a recurring basis.

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

16. SUBSEQUENT EVENTS AFTER BALANCE DATE

On 10 July 2017, the Company announced its intention to list on the London Stock Exchange by end of 2017. Then, on 31 August 2017, the Company announced its intention to seek to redomicile the Group in the United Kingdom. The proposed redomiciling of the Company will be undertaken by an Australian Scheme of Arrangement ("Scheme"), and is subject to certain conditions including the receipt of shareholder and regulatory approvals. Pursuant to the Scheme, the Company's shareholders will exchange existing shares in the Company for shares (held in the form of CHESS Depositary Interests (CDIs)) in Kore Potash plc ("Kore UK"), a newly incorporated special purpose public limited company established in accordance with the laws of England and Wales for the purpose of the transaction.

Under the proposed arrangement, Kore UK will become the new parent company of the Group and will be listed on the ASX with a future intention to list on the London Stock Exchange. The proposed redomicile will not result in any material changes to the Company's assets, management, operations or strategy.

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

Deloitte.

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Independent Auditor's Review Report to the members of Kore Potash Limited

We have reviewed the accompanying half-year financial report of Kore Potash Limited, which comprises the condensed statement of financial position as at 30 June 2017, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Kore Potash Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

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In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Kore Potash Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kore Potash Limited is not in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the consolidated entity incurred a loss of US$691,130 (2016: US$2,039,682) and experienced net cash outflows from operating and investing activities of US$14,440,378 (2016: US$4,310,980) for the half-year ended 30 June 2017. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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DELOITTE TOUCHE TOHMATSU

John Sibenaler
Partner
Chartered Accountants
Perth, 8 September 2017