24 March 2020

Kore Potash Plc

("Kore Potash" or the "Company")

AUDITED FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The Board of Kore Potash plc is pleased to announce the publication of the annual financial report of the Company, the potash exploration and development Group, whose flagship asset is the 97%-owned Sintoukola Potash Project ("Sintoukola" or the "Project"), located within the Republic of Congo ("RoC"), for the year ended 31 December 2019 ("FY 19").

The full financial report is available online at the Company's website. The Company also advises that an ASX Appendix 4G (Key to Disclosures: Corporate Governance Council Principles and Recommendations) and its current Corporate Governance Statement have been released today and will shortly be available on the Company's website: www.korepotash.com.

A Glossary of Terms is available at the bottom of this announcement.

Summary of key developments

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

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

- The Company received the EPC offer for the Kola project from the FC and released an announcement on 26 March 2019 stating that it would review the options available to it for the way forward with the Kola Project.

- The Company completed a scoping study on the 400 ktpa Dougou Extension (DX) sylvinite solution mining project and released a summary of results on 29 April 2019. This utilised the maiden Mineral Resource released on the 20 August 2018 which totalled 232 Mt with an average grade of 38.1% KCl and included the reporting of:
  - 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 USD 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 USD 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 NPV10 (real) of approximately USD 221 million on an attributable basis at life-of-mine average MoP price for granular product of USD 360/t

    - Average base case annual post construction, post-tax, free cash flow of approximately USD 74 million and approximately 4.25 years post-tax payback period from first production.

- The Company raised USD 13.47 million to execute a Pre-feasibility study on the DX sylvinite solution mining project through the placing and direct subscription of new ordinary shares in the Company on 17 July 2019.

- The Company released an update on the review of the Kola EPC and the progress of the Dougou Extension PFS on 29 July 2019 which included the reporting of:
    - A new proposal from the FC that identifies opportunities to reduce the capital cost of the Kola Project by USD 415 million.
    - The acceptance of invites to provide comparative pricing against Kola Bills of Quantities by seven international construction and engineering groups
    - The appointment of Agapito Associates Inc as the JORC Competent Persons for both the Mineral Resources Estimate and Ore Reserves in the PFS study
    - The appointment of Innovare Technologies as the technical advisory team to the owner for the Dougou Extension PFS.

Summary of financials

- During the year ended 31 December 2019, the Group's Total Comprehensive Loss was USD 7.3 million and the Group experienced net cash outflows from operating and investing activities of USD 8.9 million. Cash and cash equivalents totalled USD 7.6 million as at 31 December 2019.

- Group net assets increased in the year to USD 162.1m from USD 154.6m. This was primarily driven by exploration and evaluation expenditure for the year of USD 8.9m.

- The Directors prepared a cash flow forecast for the period ending 30 June 2021, which indicates that the Group will not have sufficient liquidity to meet its working capital requirements to the end of the going concern period, primarily being corporate costs, exploration expenditure, and DFS costs related to the Kola and Dougou Projects. Please refer to Note 1 to the financial statements for more detail on the going concern statement.

- Accordingly, the Directors resolved to undertake certain mitigating actions including a capital raise in H2 2020. The Company has begun discussions with its major shareholders with regards to its near and mid-term funding requirements.

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

Covid-19

- Kore Potash continues to monitor the situation very closely, with a primary focus on the health, wellbeing and safety of all its employees and local communities.

- To date there has been no impact to the Company, or any of its projects and workstreams, if this changes Kore Potash will of course provide an update accordingly.

- Kore has also implemented strict health and safety policies alongside the appropriate emergency procedures should the situation change.

Brad Sampson, Chief Executive Officer of Kore Potash commented:

"I am pleased to report on the progress Kore has made towards continuing the development of its projects in the world class Sintuoukola basin, Republic of Congo.

"The DX project prefeasibility programme is nearing completion and the planned activity on the project site has been safely completed. The capital optimisation programme of Kola identified material savings and we have reshaped the cost structure of the Company to deliver material and sustainable cost reductions.

"The low capital cost DX project, which boasts a short construction period and a long life, presents the most rapid pathway to first production and cash generation.

"We continue to be proud of the relationships we have with our local communities and with the Government of the Republic of Congo and thank them for their ongoing support. I look forward to updating all our shareholders and stakeholders in the near future as we complete the design and feasibility stages at DX and prepare for the construction phase."

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

Kore Potash Brad Sampson - CEO	Tel: +27 11 469 9140
Tavistock Communications Jos Simson Edward Lee	Tel: +44 (0) 20 7920 3150
Canaccord Genuity - Nomad and Broker James Asensio Henry Fitzgerald-O'Connor	Tel: +44 (0) 20 7523 4600
Shore Capital - Joint Broker Jerry Keen Toby Gibbs James Thomas	Tel: +44 (0) 20 7408 4090

Corporate activities

- On 17 July 2019, a total of USD 13,457,784 was successfully raised from existing and new investors through the placing and direct subscription of 646,914,254 ordinary shares in the Company at a placing price of GBP 0.016 per new ordinary share. The par value of the 646,914,254 ordinary shares was USD 646,914. In addition to this, on 5 December 2019 the Group acquired two drill rigs with ancillary equipment in exchange for the issue of 22,000,000 ordinary shares at a deemed price of £0.01225 to Equity Drilling Limited. The par value of 22,000,000 shares was USD 22,000. The total value of shares issued in lieu of cash paid was USD 359,920.

- As part of a cash saving initiative, certain non-executive directors were issued with shares in lieu of cash paid in two instalments - on 27 June 2019, 4,224,723 shares were awarded in lieu of cash and on 31 December 2019, 3,811,398 shares were awarded in lieu of cash to David Hathorn, David Netherway and Jonathan Trollip. These two issues had a total value of USD 64,204.

- Andrey Maruta replaced John Crews as Chief Financial Officer in the year. Mr Maruta was appointed on 23 September 2019, whilst Mr Crews' last day as Chief Financial Officer was 21 November 2019. Andrey, has over 16 years mining industry experience, including as CFO at Petropavlovsk Plc. Prior to that he worked in the audit function at accountancy firm Moore Stephens International in both the UK and the Russian Federation.

- David Netherway was appointed as Chair of the Audit and Risk Committee and took the role of Senior Independent Director at the AGM held on 28 June 2019. In doing so he replaced Jonathan Trollip in both roles. However, Mr Trollip remains as a non-executive director.

- Leonard Math did not seek re-election at the AGM held on 29 June 2019 and therefore ceased to be a non-executive director post the AGM.

Operational and exploration activity

Dougou Extension (DX) Pre-Feasibility Study (PFS) Status Update

- The Company reports the following progress on the pre-feasibility study:
- The DX PFS is on track for completion in April 2020 within budget.

Test work:

- Dissolution test work was performed by Agapito Associates Inc. (“Agapito”) in their laboratory in Grand Junction, Colorado. The dissolution tests were conducted on 72 quarter-core samples, acquired from the DX Potash Project site.
- Testing was performed using selective dissolution (of KCl) at solvent temperatures of 50, 70 and 90°C, with pre-concentrated solvents of 100, 120, 140, and 160 g/l KCl and saturated NaCl. These tests established the relationship between dissolution rate and solvent KCl concentration, enabling the prediction of expected production brine concentrations during commercial solution-mining operations.
- Additional dissolution testing at higher brine KCl concentrations is planned to be included in the DFS scope of work.

Geo-mechanical modelling and analysis:

- Geo-mechanical modelling and analysis of cavern stability and associated surface subsidence was performed by Agapito Associates Inc. The analyses incorporated FLAC3D™ numerical models constructed by Agapito. Surface subsidence, strains, and slopes were predicted for multiple cavern dimension scenarios during selective solution mining of both targeted potash seams.
- Additional geo-mechanical modelling is being carried out as part of the PFS scope to further improve understanding of the acceptable upper limits of cavern dimensions (beyond those currently assumed for the PFS).
- Agapito also used the geo-mechanical modelling to assess cavern sizes and ground stability at various extraction ratios.

2D Seismic Survey Programme:

- During September 2019 DMT GmbH & Co. KG (DMT) of Germany acquired over 60 line-kilometres of 2D seismic reflection data on a grid covering approximately a 4 km by 6 km area of the DX Potash Project. This covers the area of the deposit that was the focus of the Scoping Study and remains the focus of the current PFS.
- The acquisition of this data added to and improved the quality of the data set the Company already had acquired from previous seismic studies across the area.
- The 2D seismic data was processed by DMT Petrologic GmbH & Co. KG (Petrologic) of Germany. Processing was completed during November 2019.

Infill drilling programme (this was completed in January 2020)

- Additional drill-holes DX_07 and DX_09B were completed in January 2020, both within the existing DX Mineral Resource area. These holes were 486m and 480m deep respectively.
- Coring of the Salt Member beneath the anhydrite was completed successfully in both holes and samples sent to SGS in Canada for analysis.

Mineral Resource Update

- An update of the Mineral Resource Estimate (MRE) is in progress, incorporating the new 2D seismic data and drilling data. The updated MRE is expected to be completed during Q1 2020 and will be the basis for the DX PFS.

Kola Sylvinite Project

Mining Convention

- The Mining Convention covering the proposed staged development of the Kola and Dougou Mining Licences was gazetted into law on 29 November 2018 following ratification by the Parliament of the RoC. The gazetting of the Mining Convention provides security of title and the right to develop and operate the Kola Project as well as the adjacent Dougou and Dougou Extension deposits. Under the Mining Convention the RoC government will be granted a 10% carried equity interest in the project companies (DPM and KPM, which are wholly owned by SPSA).
- The Mining Convention concludes the framework envisaged in the 25-year renewable Kola and Dougou Mining Licences granted in August 2013 and May 2017, respectively. The Mining Convention provides certainty and enforceability of the key fiscal arrangements for the development and operation of Kola and Dougou Mining Licences, which amongst other items include import duty and VAT exemptions and agreed tax rates during mine operations. See Note 7 to the financial statements for further details on the terms and conditions of the Mining Convention.
- The Mining Convention provides strengthened legal protection of the Company's investments in the RoC through the settlement of disputes by international arbitration.

ESIA

- The Kola ESIA was performed during 2012 and approved on 10 October 2013 following the issuance of the certificate of environmental compliance by the Minister of Environment of the RoC. This constituted a key regulatory requirement to be granted the Kola Mining Licence.
- The Kola DFS design has incorporated a number of value-adding design changes since the approval of the ESIA and the Company has undertaken to amend the ESIA accordingly.
- In December 2019, the amended ESIA was submitted to the regulator for review, prior to the Minister of Environment's final approval. The Company anticipates receipt of the approved amended ESIA in the first half of 2020.

Kola DFS Update

- The Company completed its review of the Kola DFS and released a summary of results to Shareholders on 29 January 2019. As part of the DFS, Met-Chem, a division of DRA Americas Inc., (a subsidiary of the DRA Group) completed an Ore Reserve Estimate for the Kola Sylvinite Deposit. The Ore Reserves total 152.4 Mt with average grade of 32.5% KCl. The estimate of Ore Reserves was completed by Met-Chem DRA Global and was prepared in accordance with the JORC Code. Table 1 on page 6 provides the Proved and Probable Kola Sylvinite Ore Reserves. Further details of the summary of the Kola DFS is available on the Company's website.
    - In the September 2019 Quarterly report, the Company reported that Phase 1 of capital optimisation utilising alternative construction and engineering groups had been completed with the receipt proposal against a Kola DFS Bill of Quantities and that further analysis was required. Similarly, the Company reported it had met with the FC to discuss their potential capital savings

    and that it was expecting the FC to submit a revised proposal. Further analysis of the bids received and meetings with the FC to understand their potential capital expenditure and schedule savings has led the Company to believe that the Kola Bill of Quantities ("BoQ") exercise identified capital savings in excess of USD 300 million in comparison to the Definitive Feasibility Study capital cost.
    - Discussions with European engineering and construction groups indicates that further optimisation activity (including design revisions) is likely to generate additional capital cost reductions.
    - With current focus on the development of the lower capital cost DX project, the Company will continue to explore options to reduce the Kola capital cost but is not planning further expenditure on the optimisation of Kola in the near term.

Authorisation obtained from RoC authorities

- On 7 October 2019, an authorisation was obtained from the Electronic Communications Regulation Agency (Ministry of Telecommunications) for the establishment by Kore Potash through its subsidiary SPSA of an independent electronic communications network (VHF) and for the company to operate an assigned and dedicated radio frequency.
- On 16 October 2019, an authorisation was obtained from the Ministry of Environment for SPSA to carry out the seismic survey and drilling campaign for the DX project.
- On 15 November 2019, a letter of consent was obtained from the Ministry in charge of the Special Economic Zone (ZES) for the DX project to use land within the ZES of Pointe Noire to construct the export facility.
- On 27 November 2019, an authorisation was obtained from the Ministry of Environment for SPSA to import and store the chemicals needed for the drilling campaign on the DX project.

Workstreams initiated with RoC authorities

- On 9 April 2019, Kore Potash through its subsidiary SPSA submitted to the Ministry of Mines a draft Mining research agreement for Sintoukola 2 exploration permit. The draft was amended by the Ministry in November 2019 and is being further reviewed by the Company.
- On 3 June 2019, Kore Potash through its subsidiary SPSA submitted to the Ministry of Environment a request for renewal of the Dougou Certificate of Environmental Compliance which was set to expire on 13 July 2019. The Company is following up on this.
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- On 23 July 2019 Kore Potash through its subsidiary SPSA sent a new set a of formal letters to the Ministry of Mines asking for governmental actions in relation with its permits and is closely monitoring progress:
    - Correction to the GPS coordinates appearing in the granting decree of Dougou exploitation permit,
    - Transfer of the Dougou exploitation permit from SPSA to DPM,
    - Rectify the granting decree of the Kola exploitation Licence to ensure the permit is firstly being attributed to Sintoukola Potash and then transfer to Kola Potash
    - Change to the duration of the Sintoukola 2 exploration permit as it appears on the granting decree, from 2 years to 3 years.
- On 16 September 2019, Kore Potash through its subsidiary SPSA submitted a draft Shareholders Agreement to the Ministry of Mines for review and comments and is monitoring progress.
- On 20 December 2019, the amended ESIA for Kola was submitted to the Ministry of Environment. The Certificate of Environmental Compliance for Kola is expected in Q2 2020

Changes to Potash Mineral Resources and Ore Reserves between 2018 and 2019

Tables 1 and 2 provide a comparison of the Company's Mineral Resources and Ore Reserves, year-on-year between 2018 and 2019, as per ASX Listing rule 5.21.4. There are no changes.

Table 1. Comparison of Potash Mineral Resources year-on-year between 2018 and 2019.

MINERAL RESOURCES	2018	2019

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

Table 2. Comparison of Ore Reserves year-on-year between 2018 and 2019.

*Note that the Kola Ore Reserves were reported on 29 January 2019 but included in the annual report for the year ending 2018.

ORE RESERVES		**2018**			**2019**		
	Category	**Million Tonnes**	**Grade KCl %**	**Contained KCl (Mt)**	**Million Tonnes**	**Grade KCl %**	**Contained KCl (Mt)**
Kola Sylvinite Deposit	Proved	61.8	32.1	19.8	61.8	32.1	19.8
	Probable	90.6	32.8	29.7	90.6	32.8	29.7
	TOTAL	**152.4**	**32.5**	**49.5**	**152.4**	**32.5**	**49.5**

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

(image available in full report at www.korepotash.com)
Figure1. Location of the Sintoukola Project showing the Kola, Dougou and Dougou Extension Projects

Competent person statement

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

Business Model

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

Position and principle risks

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

- capital requirement and ability to attract future funding;

The Group will have sizeable capital requirements as it proceeds to develop its projects. The future development of these projects will depend on the Group's ability to obtain additional required financing. The Group may not be able to obtain financing on favourable terms or at all. If financing is not available, it could result in a delay or indefinite postponement of development or production at the Group's projects, or in a loss of project ownership or earning opportunities by the Group. The Group currently has no source of funding for the financing of the capital needs of its business and future activities, other than by the issuance of additional securities of the Group.

The Group continues to actively engage and develop relationships with potential lenders, export credit agencies and equity investors. The Group also has two large long-term strategic investors, SQM and SGRF, with extensive capital resources.

Factors beyond the Company's control, including pandemic diseases such as COVID-19 (coronavirus), can affect the stock markets and in doing so impair the Company's ability to attract investors and lenders. This in turn could have an impact on any fund raising or financing arrangements that the Company may require to pursue.

- Country risk in the RoC

The operations of the Group are conducted in the RoC and as such are exposed to various levels of political, economic and other natural and man-made risks and uncertainties over which the Group has no or limited control. Changes, if any, in mining, environmental or investment policies or shifts in political attitude in the RoC may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's local management has regular consultations with the local community and actively seeks to employ locally, where possible. Additionally, the CEO and other relevant senior management have established good relationships with the official local and country establishments e.g. the Ministry of Mines and Geology and the Ministry of Environment with whom regular contact and consultation is maintained. In addition, the Group benefits from the UK-Congo bilateral investment treaty, which provides strengthened legal protection to the Group's investments in the RoC.

- change in potash commodity prices and market conditions;

The operations of the Group are conducted in the ROC, and as such are exposed to various levels of political, economic and other natural and man-made risks and uncertainties over which the Group has no or limited control. Changes, if any, in mining, environmental or investment policies or shifts in political attitude in the ROC may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's local management has regular consultations with the local community and actively seeks to employ locally, where possible. Additionally, the CEO and other relevant senior management have established good relationships with the official local and country establishments e.g. the Ministry of Mines and Geology and the Ministry of Environment with whom regular contact and consultation is maintained. In addition, the Group benefits from the UK-Congo bilateral investment treaty, which provides strengthened legal protection to the Group's investments in the ROC.

- geological and technical risk posed to exploration and commercial exploitation success;

Mining complexities arising from geotechnical, hydro-geological conditions and undetected geological phenomena may adversely impact the efficiency of the operation to the extent that the operation becomes financially unviable. Additionally, human error by the miners, equipment failure, mistakes in planning the operations, and encountering unforeseen obstacles could each affect the profitability of the Group.

The Group has appointed reputable third-party technical consultants with specific skills to undertake the feasibility and engineering studies. The Group intends to appoint well regarded, highly reputable ECM contractors to develop the Group's projects.

- environmental and occupational health and safety risks;

Environmental, safety and health incidents including pandemic diseases like COVID-19 (coronavirus) could result in harm to the Group's employees, contractors or local communities and adversely affect the Group's relationship with local stakeholders. Ensuring safety and wellbeing is critical to the Group and part of the Group's core values. An environmental incident, poor safety record or serious accidents could have a long-term impact on the Group's morale, reputation, project development and production.

The Group's Health, Safety and Environmental Committee regularly reviews the health, safety and environmental policy and risks of the Group and makes recommendations for improvement. The Group seeks to continuously improve its health, safety and environmental risk management procedures, with particular focus on the early identification of risks and the prevention of incidents, injuries and fatalities.

- government policy changes;

The mineral exploration and development activities and future operations of the Group are subject to various laws and regulations governing mineral concession acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

New rules and regulations could be enacted, or existing rules and regulations could be applied or amended in a manner that could have a material and adverse effect on the business, financial condition and results of operations of the Group.

The Group monitors changes in legislation for relevant jurisdictions to enable rapid and effective response. The Group also consults with tax, legal, accounting and regulatory experts as required to ensure that any upcoming changes in legislations are proactively accounted for.

- retention of key staff.

The attraction and retention of persons skilled in the development, operation, exploration and acquisition of mining properties are important factors in enabling the Group to fulfil its strategic ambitions and to build further expertise, knowledge and capabilities within the Group. Being unable to do so would compromise the Group's ability to deliver on its strategic objectives.

The Group's performance management system and incentive schemes are designed to attract and retain key employees by creating suitable reward and remuneration structures linked to key performance milestones and provide personal development opportunities.

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

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

Directors' Section 172 Statement

The following disclosure describes how the Directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the Directors' statement required under section 414CZA of The Companies Act 2006. This new reporting requirement is made in accordance with the new corporate governance requirements identified in The Companies (Miscellaneous Reporting) Regulations 2018, which apply to company reporting on financial years starting on or after 1 January 2019.

The matters set out in section 172(1) (a) to (f) are that a Director must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term;
(b) the interests of the Company’s employees;
(c) the need to foster the Company’s business relationships with suppliers, customers and others;
(d) the impact of the Company’s operations on the community and the environment;
(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
(f) the need to act fairly between members of the Company.

Stakeholder Engagement

Kore Potash adheres to sound corporate governance policies and attaches considerable importance to and strives to engage transparently and effectively on a continuous basis with a variety of stakeholders, including shareholders, employees, contractors, suppliers, government bodies and local communities and environment in which it operates.

Shareholders:
The Company’s 2 largest shareholders, SQM and SGRF, by virtue of their respective Investment Agreements, has each appointed a director to the board. As such they are involved in all principal decisions taken by the board, other than in cases where conflicts of interests may arise. All other existing substantial shareholders have regular meetings throughout the year with the Chairman, CEO and CFO. Prior consultation with significant shareholders is undertaken in respect of all issues requiring the approval of shareholders in general meeting. In addition, all significant matters raised, or areas of concern specified by such shareholders during such meetings in respect of the Company’s operations, strategy and other significant business matters are taken into account by the board when taking principal decisions.

In July 2019, the Company completed an equity placing to raise c.USD 13.457 million, in which both SQM and SGRF participated.

At the Company’s AGM held on 28 June 2019, all resolutions were passed with at least 80% of the votes cast in favour. The CEO, CFO and non-executive directors, including the chair of each Committee, are usually available at and following general meetings of the Company when shareholders have the opportunity to ask questions on the business of the meeting and more generally on Company matters.

All substantial shareholders that own more than 3% of the Company’s shares are listed on page 146 of this Report.

Further details of engagement with shareholders can be found within the Corporate Governance Report.

Employees:
Kore Potash attaches great importance to its employees and their professional development and provides fair remuneration with incentives for its senior personnel through share option schemes that are performance related. Further details of these are included in the Remuneration Report on pages 58 to 74. Further, the Company gives full and fair consideration to applications for employment irrespective of age, gender, colour, ethnicity, disability, nationality, religious beliefs or sexual orientation.

The Company maintains an open line of communication between its employees, senior management and the board of directors. Specifically, the CEO holds monthly meetings with all employees where open questioning and sharing of concerns is encouraged.
The Board has had oversight on issues raised by the Employees and management actions throughout the year via monthly management reports to the Board which detail any personnel complaints or grievances and action management have committed to in order to resolve issues.
Members of the Board periodically visit all parts of the business and interact with employees.

On 20 December 2018 David Netherway, a non-executive director, was designated as the director responsible for workplace engagement in accordance with the 2018 Corporate Governance Code. Further details of the Company’s workplace mechanism and how this was effected during the year can be found within the Corporate Governance Report.

Contractors and Suppliers:
The Group has a prompt payment policy and seeks to ensure that all liabilities are settled within each supplier's terms. Through fair dealings the Group aims to cultivate the goodwill of its contractors, consultants and suppliers.

Corporate and local management work closely with contractors and suppliers in the UK and the RoC to ensure they work within the parameters of their respective terms of engagement and do not have a detrimental effect on the Company's business and project timeline. See pages 10 to 15 in the Review of Operations for latest progress on exploration activities.

Governmental Bodies, local communities and environment:
The Group takes significant cognisance of the importance to the communities in which it operates and is grateful for their support and involvement in the Company's exploration and development activities.

The Group has had ongoing engagements with the local community in order to ensure there are open lines of communication for any concerns to be raised and to ensure there is two-way communication between the Group and the local communities. In particular, in order to keep the local communities up to date with regards to the progress of the projects and also to maintain good communication with the local stakeholders, a number of community meetings were held with the population of each of the 11 villages in the projects impact zone. In addition, a fixed weekly meeting point at Koutou Camp Community Hall has been established to address to attend all concerns, complaints and requests of local community stakeholder groups.

The CEO and other relevant senior management have established good relationships with the official local and country establishments e.g. the Ministry of Mines and Geology and the Ministry of Environment with whom regular contact and consultation is maintained.
During the year a number of follow up meetings were held in Brazzaville with 3 Ministries in order to generally progress matters in relation to the projects. In addition, the Minister of Mines and Geology and the Minister of Land Affairs visited the drilling site.

The Kola DFS design has incorporated a number of value-adding design changes since the approval of the ESIA and the Company had undertaken to amend the ESIA accordingly. In December 2019, the amended ESIA was submitted to the regulator for review, prior to the Minister of Environment's final approval. The Company anticipates receipt of the approved amended ESIA in the first half of 2020.

In addition, the Group maintains a high standard of technical best practice in its activities and adheres to international standards where applicable.

Principal decisions taken by the board during the period

Principal decisions are defined as those that have long-term strategic impact and are material to the Group and those that are significant to the Group's key stakeholder groups. In making the principal decisions, the board considered the alignment with its stated strategy, the outcome from its stakeholder engagement, the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the Company.

Details of the principal decisions taken by the board during the period in respect of the Kola DFS review, the review of options available for the way forward following the receipt of the EPC offer for the Kola project, the completion of the scoping study for the DX project, the raising of circa USD 13 million to execute a Pre-Feasibility Study on the DX project and the review of preliminary options to finance the DX project are contained under the Summary of Key Developments within the Strategic Report.

Forward-looking statements

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

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

This Review of Operations and Strategic Report was approved by the board of directors on 23 March 2020 and is signed on its behalf by:

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**Parent**		**Consolidated Entity**	
		Dec 2019 USD	**Dec 2018 USD**	**Dec 2019 USD**	**Dec 2018 USD**
Directors remuneration		(572,961)	(158,733)	(828,445)	(812,575)
Equity compensation benefits	2(a)	(907,102)	(695,345)	(907,102)	(695,345)
Salaries, employee benefits and consultancy expense	2(c)	(588,273)	(19,849)	(1,687,419)	(1,325,505)
Credit loss provision	5	(16,375,499)	-	-	-
London listing and re-domicile expenses		(47,839)	(304,030)	(49,675)	(1,200,192)
Administration expenses	2(b)	(1,637,942)	(654,635)	(1,245,041)	(2,323,176)
Fair value change in derivative financial liability	10	502,345	110,114	502,345	110,114
Interest income		32,898	-	52,936	72,873
Interest and finance expenses		(6,216)	-	(15,393)	(81,407)
Net realised and unrealised foreign exchange gains		7,070	6,679	(682)	2,886
Loss before income tax expense		(19,593,519)	(1,715,799)	(4,178,476)	(6,252,327)
Income tax	3	-	-	(24,276)	(17,039)
Loss for the year		**(19,593,519)**	**(1,715,799)**	**(4,202,752)**	**(6,269,366)**
Other comprehensive income/(loss)					
Items that may be classified subsequent to profit or loss					
Exchange differences on translating foreign operations		-	-	(3,104,632)	(7,104,236)

Other comprehensive income/(loss) for the year		-	-	(3,104,632)	(7,104,236)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		**(19,593,519)**	**(1,715,799)**	**(7,307,384)**	**(13,373,602)**
Loss attributable to:					
Owners of the Company		(19,593,519)	(1,715,799)	(4,204,007)	(6,249,696)
Non-controlling interest		-	-	1,255	(19,670)
		(19,593,519)	**(1,715,799)**	**(4,202,752)**	**(6,269,366)**
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(19,593,519)	(1,715,799)	(7,308,639)	(12,832,564)
Non-controlling interest		-	-	1,255	(541,038)
		(19,593,519)	**(1,715,799)**	**(7,307,384)**	**(13,373,602)**
Basic and diluted loss per share (cents per share)	23	(1.68)	(0.20)	(0.36)	(0.75)

The accompanying notes from pages 85 to 143 form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

		Parent		**Consolidated Entity**	
	Note	**Dec 2019 USD**	**Dec 2018 USD**	**Dec 2019 USD**	**Dec 2018 USD**
CURRENT ASSETS					
Cash and cash equivalents	4	7,046,089	-	7,578,727	6,187,113
Trade and other receivables	5	142,067,941	12,681,197	358,954	345,155
Right-of-use-asset	6(a)	-	-	42,278	-
TOTAL CURRENT ASSETS		149,114,030	12,681,197	7,979,959	6,532,268
NON CURRENT ASSETS					
Trade and other receivables	5	-	-	198,432	120,922
Property, plant and equipment	6	-	-	560,711	302,255
Exploration and evaluation expenditure	7	-	-	156,019,360	149,863,323
Investment in subsidiary	8	69	139,350,094	-	-
TOTAL NON CURRENT ASSETS		69	139,350,094	156,788,503	150,286,500
TOTAL ASSETS		149,114,099	152,031,291	164,758,462	156,818,768
CURRENT LIABILITIES					
Trade and other payables	9	2,894,748	144,217	2,968,093	1,702,392
Lease liability	6(b)	-	-	55,582	-
Derivative financial liability	10	1,053	503,398	1,053	503,398
TOTAL CURRENT LIABILITIES		2,895,801	647,615	3,024,728	2,205,790
TOTAL LIABILITIES		2,895,801	647,615	3,024,728	2,205,790

NET ASSETS		**146,218,298**	**151,383,676**	**161,733,734**	**154,612,978**
EQUITY					
Contributed equity – Ordinary Shares	11	1,541,253	860,852	1,541,253	860,852
Reserves	12	163,740,876	152,944,455	221,336,423	213,644,634
Accumulated losses		(19,063,831)	(2,421,631)	(60,584,489)	(59,331,800)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**146,218,298**	**151,383,676**	**162,293,187**	**155,173,686**
Non-controlling interests	12(f)	-	-	(559,453)	(560,708)
TOTAL EQUITY		**146,218,298**	**151,383,676**	**161,773,734**	**154,612,978**

The accompanying notes from pages 87 to 145 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

Consolidated Entity	Note	Ordinary Shares USD	Share-Based Payments Reserve USD	Share Premium Reserve USD	Foreign Currency Translation Reserve USD	Merger Reserve USD	Redeemable Preference Shares USD	Accumulated Losses USD	Equity Attributable to the Shareholders of Kore Potash plc USD	NCI USD	Total Equity USD
Balance at 1 January 2018		**771,396**	**11,814,770**	-	**(8,747,747)**	**203,738,800**	**65,631**	**(53,356,794)**	**154,286,056**	-	**154,286,056**
Loss for the period		-	-	-	-	-	-	(6,249,696)	**(6,249,696)**	(19,670)	**(6,269,366)**
Other comprehensive loss for the year		-	-	-	(6,563,198)	-	-	-	**(6,563,198)**	(541,038)	**(7,104,236)**
Total comprehensive (loss)/income for the year		-	-	-	(6,563,198)	-	-	(6,249,696)	**(12,812,894)**	(560,708)	**(13,373,602)**
Transfer of previously lapsed options	12(a)	-	(888,202)	-	-	-	-	888,202	**-**	-	**-**
Share issue (net of costs)		89,456	-	13,054,936	-	-	-	-	**13,144,392**	-	**13,144,392)**
Free-attaching warrants		-	-	-	-	-	-	(613,512)	**(613,512)**	-	**(613,512)**
Redemption of redeemable preference shares		-	-	-	-	-	(65,631)	-	**(65,631)**	-	**(65,631)**
Share based payments	12(a)	-	1,235,275	-	-	-	-	-	**1,235,275**	-	**1,235,275**
Balance at 31 December 2018		**860,852**	**12,161,843**	**13,054,936**	**(15,310,945)**	**203,738,800**	**-**	**(59,331,800)**	**155,173,686**	**(560,708)**	**154,612,978**
Loss for the period		-	-	-	-	-	-	(4,204,007)	**(4,204,007)**	1,255	**(4,202,752)**
Other comprehensive loss for the year		-	-	-	(3,104,632)	-	-	-	**(3,104,632)**	-	**(3,104,632)**
Total comprehensive (loss)/income for the year		-	-	-	(3,104,632)	-	-	(4,204,007)	**(7,308,639)**	**1,255**	**(7,307,384)**
Transfer of previously lapsed options	12(a)	-	(2,951,318)	-	-	-	-	2,951,318	**-**	-	**-**
Share issue		680,401	-	12,923,250	-	-	-	-	**13,603,651**	-	**13,603,651**
Share issue costs		-	-	(404,594)	-	-	-	-	**(404,594)**	-	**(404,594)**
Share based payments	12(a)	-	1,229,083	-	-	-	-	-	**1,229,083**	-	**1,229,083**
Balance at 31 December 2019		**1,541,253**	**10,439,608**	**25,573,592**	**(18,415,577)**	**203,738,800**	**-**	**(60,584,489)**	**162,293,187**	**(559,453)**	**161,773,734**

The accompanying notes from pages 87 to 145 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

Parent

	Note	Ordinary Shares USD	Share Based Payments Reserve USD	Share Premium Reserve USD	Merger Reserve USD	Reorganisation Reserve USD	Redeemable Preference Shares USD	Accumulated Losses USD	Equity Attributable to the Shareholders of Kore Potash plc USD	NCI USD	Total Equity USD
Balance at 31 December 2017		**771,396**	**11,814,770**	-	**203,738,800**	**(76,899,326)**	**65,631**	**(92,320)**	**139,398,951**	-	**139,398,951**
Loss for the period		-	-	-	-	-	-	(1,715,799)	**(1,715,799)**	-	**(1,715,799)**
Other comprehensive income for the year		-	-	-	-	-	-	-	**-**	-	**-**
Total comprehensive (loss)/income for the year		-	-	-	-	-	-	(1,715,799)	**(1,715,799)**	-	**(1,715,799)**
Transfer of previously lapsed options	12(a)	-	(888,202)	-	-	888,202	-	-	**-**	-	**-**
Share issue (net of costs)		89,456	-	13,054,936	-	-	-	-	**13,144,392)**	-	**13,144,392)**
Free-attaching warrants		-	-	-	-	-	-	(613,512)	**(613,512)**	-	**(613,512)**
Redemption of redeemable preference shares		-	-	-	-	-	(65,631)	-	**(65,631)**	-	**(65,631)**
Share based payments	12(a)	-	1,235,275	-	-	-	-	-	**1,235,275)**	-	**1,235,275**
Balance at 31 December 2018		**860,852**	**12,161,843**	**13,054,936**	**203,738,800**	**(76,011,124)**	**-**	**(2,421,631)**	**151,383,676)**	**-**	**151,383,676**
Loss for the year		-	-	-	-	-	-	(19,593,518)	**(19,593,518)**	**-**	**(19,593,518)**
Other comprehensive income for the year		-	-	-	-	-	-	-	**-**	-	**-**
Total comprehensive (loss)/income for the year		-	-	-	-	-	-	(19,593,518)	**(19,593,518)**	-	**(19,593,518)**
Transfer of previously lapsed options	12(a)	-	(2,951,318)	-	-	-	-	2,951,318	**-**	-	**-**
Share issue		680,401	-	12,923,250	-	-	-	-	**13,603,651**	-	**13,603,651**
Share issue costs		-	-	(404,594)	-	-	-	-	**(404,594)**	-	**(404,594)**
Share based payments	12(a)	-	1,229,083	-	-	-	-	-	**1,229,083**	-	**1,229,083**

Balance at 31 December 2019	**1,541,253**	**10,439,608**	**25,573,592**	**203,738,800**	**(76,011,124)**	**-**	**(19,063,831)**	**146,218,298**	**-**	**146,218,298**

The accompanying notes from pages 87 to 145 form part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Parent		Consolidated Entity	
		31 Dec 2019 USD	31 Dec 2018 USD	31 Dec 2019 USD	31 Dec 2018 USD
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers		(1,550,846)	(1,019,812)	(2,396,209)	(4,664,522)
Payments to employees		(1,270,441)	(158,733)	(2,482,790)	(1,352,498)
Income tax paid		-	-	(45,130)	(37,030)
Net cash used in operating activities	14	(2,821,287)	(1,178,545)	(4,924,129)	(6,054,050)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for plant and equipment		-	-	(18,465)	(8,452)
Payments for exploration activities		-	-	(6,371,268)	(17,104,196)
Amounts advanced to related parties		(2,920,914)	(11,965,847)	-	-
Interest received		32,898	-	56,215	68,528
Net cash used in investing activities		(2,888,016)	(11,965,847)	(6,333,518)	(17,044,120)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		12,761,449	12,894,392	12,761,449	12,894,392
Payment for share issue costs		(13,127)	-	(13,127)	-
Repayment of lease liabilities related to offices		-	-	(178,216)	-
Interest paid on lease liabilities		-	-	(7,322)	-
Proceeds from issue of convertible loan note		-	250,000	-	250,000
Net cash provided by financing activities		12,748,322	13,144,392	12,562,784	13,144,392
Net (decrease)/increase in cash & cash equivalents held		**7,039,019**	**-**	**1,305,137**	**(9,953,778)**
Cash and cash equivalents at beginning of financial year		-	-	6,187,113	16,455,490
Foreign currency differences		7,070	-	86,477	(314,599)
Cash and cash equivalents at end of financial year	**4**	**7,046,089**	**-**	**7,578,727**	**6,187,113**

The accompanying notes from pages 87 to 145 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company is a public company incorporated and registered in England and Wales with primary dual listing on the AIM market and on the ASX, and a secondary listing on the JSE. The consolidated financial statements of the Company as at and for the year ended 31 December 2019 comprise the Company and its subsidiaries which are disclosed in Note 8 (together referred to as the "Group"). The Group is involved in mining exploration activity in the RoC. The company is limited by shares.

The registered office of Kore Potash plc's head office in the United Kingdom is 25 Moorgate, London, United Kingdom EC2R 6AY.

Changes in accounting policies and disclosures
New and amended Standards and Interpretations adopted by the Group was "IFRS 16 "Leases" for the first time this period.

The Group applied IFRS 16 using the modified (ii) retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated but presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

Basis of Preparation

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

The financial statements were authorised for issue by the Directors on 23 March 2020.

(b) Going Concern

During the year ended 31 December 2019, the Group incurred a loss of USD 4,202,752 and experienced net cash outflows from operating and investing activities of USD 11,257,646. Cash and cash equivalents totalled USD 7,578,727 at 31 December 2019.

The Directors have prepared a cash flow forecast for the period ending 30 June 2021, which indicates that the Group will not have sufficient liquidity to meet its working capital requirements to the end of the going concern period, primarily being corporate costs, and Definitive Feasibility Study ("DFS") costs related to the DX Project. The Directors have therefore considered mitigating actions, which include completion of a capital raising in H2 2020.

As described in Note 18 of the financial statements, the only committed costs in this period relate to the Kola DFS's payment of USD 1.7m in April 2020, whilst the remaining commitments relate to lease commitments, at total of USD 56,086 with the remaining planned expenditure largely discretionary.

The Directors are planning to raise additional capital in H2 2020 to enable the Group to continue to fund its exploration and development programme and fulfil its working capital requirements. The Directors have identified a number of funding options available to the Group. The Directors note the Group has a history of successfully raising capital on the AIM and JSE, and in the past on the ASX. However, factors beyond the Company's control, including pandemic diseases such as COVID-19 (coronavirus), which affect the stock markets, may in turn have a negative impact on any fund raising.

The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above and are of the opinion that there are reasonable grounds to believe that funding will be secured and therefore that the operational and financial plans in place are achievable and accordingly the Group will be able to continue as a going concern and meet its obligations as and when they fall due. The Directors will continue to pursue further capital raising initiatives in order to have sufficient funds to continue the development of the DX Project and for general corporate purposes.

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

Should the Directors not be successful in achieving the matters set out above, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

(c) Basis of Measurement

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

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

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

(d) Functional and Presentation Currency

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

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

The presentational currency of the Group is US dollars.

(e) Foreign Currency Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

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

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

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

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

(f) Basis of Consolidation

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

Control, under IFRS10, is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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

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

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

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

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

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

(g) Income Tax

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

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

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

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

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

(h) Property, Plant and Equipment

Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

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

Property plant and equipment includes Drill Equipment, Camp buildings, machinery, office equipment and other transport machinery and equipment.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their estimated useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for the plant and equipment is in the range of 10% - 40%. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Depreciation of property, plant and equipment in SPSA is included in Capitalised Exploration and Evaluation Expenditure.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income.

(i) Financial Assets

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

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

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

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

(i) Financial Liabilities and Equity

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. All other loans including convertible loan notes are initially recorded at fair value, which is ordinarily equal to the proceeds received net of transaction costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

(ii) Effective Interest Rate Method

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

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

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

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

(j) Trade and Other Payables

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

(k) Cash and Cash Equivalents

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

(l) Fair Value Estimation

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

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

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

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

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

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

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

(n) Capitalisation of Exploration and Evaluation Expenditure

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

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

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

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

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

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

Depreciation of fixed assets is also capitalised; this will then be amortised over the useful economic life of the asset.

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

(o) Leases

Accounting policy applicable before 1 January 2019
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. At the year-end date all leases are classified as operating leases.
Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Accounting policy applicable after 1 January 2019
IFRS 16 was adopted as of 1 January 2019 without restatement
IFRS 16 was adopted as of 1 January 2019 without restatement of comparative figures. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately. See page 87 for details of the transition.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

Right of use asset
A right of use asset and a lease liability has been recognized for all leases except leases of low value assets, which are considered to be those with a fair value below USD 5,000, and those with a duration of 12 months or less. The right-of-use asset has been measured at cost, which is made up of the initial measurement of the lease liability adjusted for prepaid and accrued lease payments at the date of transition.

On the statement of financial position, right-of-use assets have been included as a separate line of the Statement of Financial Position.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group will depreciate the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Where impairment indicators exist, the right of use asset will be assessed for impairment. During the year, an impairment of USD 6,922 was recognised with respect to the original South African office lease.

Lease liability
The lease liability is measured at amortised cost using the effective interest method. The lease liabilities are measured at the present value of the lease payments due to the lessor over the lease term, discounted using the incremental discount rate relevant to each lease as mandated under the modified retrospective approach. The lease payments include fixed payments, including in substance fixed payments, less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

After initial measurement, any payments made will reduce the liability and the interest accrued will increase it. Any reassessment or modification will lead to a remeasurement of the liability. In such case, the corresponding adjustment will be reflected in the right of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

(p) Share Based Payments

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

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

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

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values

(q) Employee Benefits

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

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

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

(r) Earnings per Share

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

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

(s) Issued Capital

Ordinary shares and CDIs are classified as equity.

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

(t) Critical Accounting Judgements and Estimates

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

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

Critical accounting judgement	**Details**
Impairment of exploration and evaluation assets, recovery of parent company investments and intercompany balances	The ultimate recovery of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets. Please see note 7 (p.89) for the disclosure of the exploration and evaluation asset On a regular basis, management consider whether there are indicators as to whether the asset carrying values exceed their recoverable amounts. This consideration includes assessment of the following: (a) expiration of the period for which the entity has the right to explore in the specific area of interest with no plans for renewal; (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (c) exploration for and evaluation activities have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (d) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. Management judgement is required to determine whether the expenditures which are capitalised as exploration and evaluation assets will be recovered by future exploitation or sale or whether they should be impaired. In assessing this, management determines the possibility of finding recoverable ore reserves related to a particular area of interest, which is a subject to significant uncertainties. Many of the factors, judgements and variables involved in measuring resources are beyond the Group's control and may prove to be incorrect over time. Subsequent changes in resources could impact the carrying value of exploration and evaluation assets. Where an impairment indicator is identified, the determination of the recoverable amount requires the use of estimates and judgement in determining the inputs and assumptions used in determining the recoverable amounts. The key areas of judgement include: • Recent exploration and evaluation results and resource estimates; • Environmental issues that may impact on the underlying tenements; • Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities. Based on the information the Company has on the above, it was concluded by management that amounts were recoverable, and that no write down of exploration and evaluation assets, the Company's investment in subsidiaries, and intercompany balances was recognised. This may change as new information becomes available.
Classification of capitalised exploration and evaluation costs to date	Management judgement is required as to whether the assets associated with the Kola Potash Project represents an exploration asset to be accounted for under IFRS 6 *Exploration for and Evaluation of Mineral Resources*, or a development asset to be accounted for under IAS 16 *Property, Plant and Equipment* or IAS 36 *Impairment of Assets*. A conclusion that consideration is required under IAS 16 or IAS 36 would mean that a full impairment test of the assets associated with the Kola Potash Project would have been required during 2019. In reaching the judgement that the assets associated with the Kola Potash Project should remain capitalised as exploration and evaluation assets, management has assessed whether technical

	and commercial viability of extracting mineral resources has been demonstrated. Given the ongoing negotiation with the FC over the final construction cost, and remaining permits to be obtained from the RoC, the Group has concluded that final technical and commercial viability of the Kola Potash Project has yet to be finalised.

(u) Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities are set out in the table below.

Estimation Uncertainty	**Details**
Timing of achieving milestones related to share-based payment arrangements in existence	The share-based payments arrangements are expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. At each reporting date, vesting assumptions are reviewed to ensure they reflect current expectations and immediately recognises any impact of the revision to original estimates. If fully vested share options are not exercised and expire then the accumulated expense in respect of these is reclassified to accumulated losses.

(v) 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.

(w) New and Revised Accounting Standards and Interpretations Adopted

From 1 January 2019 the following standards and amendments are effective in the Group's financial statements:

- IFRS16 Leases

The impact of adoption of these standards and the key changes to the accounting policies are disclosed below. Other amendments to IFRSs that became effective for the period beginning on 1 January 2019 did not have any impact on the Group's accounting policies.

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Adoption of IFRS 16 eliminates the classification for lessees of leases as operating leases or finance leases and treats all in a similar way to finance leases. It replaced IAS 17 Leases and related interpretations.

Explanation of changes in accounting policies

The details of the new accounting policies and the nature of the changes to previous accounting policies in relation to the Group's goods and services are set out below:

Type of lease	New accounting policy	Nature of change in accounting policy
Long term property leases	Liabilities for such leases are recognised and measured at the present value of the remaining lease payments. For new leases these are discounted using the incremental borrowing rate ("IBR") relevant for the lease. The weighted average IBR applied to leases at 1 January 2019 was 8%.	Under IAS 17, such lease payments were recognised on a straight-line basis over the lease term and the leases were effectively 'off balance sheet'.

	A right of use asset has been recognised using the retrospective approach at an amount equal to the lease liability on a lease by lease basis, adjusted by the amount of any previously recognised prepaid or accrued lease payments relating to that lease at 1 January 2019.	
Short term and low value leases	A practical expedient offered by IFRS 16 has been applied to not recognise a lease liability and right of use asset for such leases but to recognise payments on a straight-line basis over the lease term. Such leases are considered to either have a lease term of no more than 12 months or an underlying asset value of no more than £4,500. IFRS 16 did not have a significant impact on the Group's accounting policies.	There were no short term or low value leases at year end

Practical exemptions applied:
In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:
On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.
Single discount rate for portfolio of similar leases
In applying IFRS 16 for the first time, the Group has used the following recognition expedients permitted by the standard:
The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Effect of adopting IFRS 16
The Group has adopted IFRS 16 using the modified retrospective method (including appropriate practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2019). Accordingly, the information presented for 2018 has not been restated but instead presented, as previously reported, under IAS 17 and related interpretations. The impact of transition to IFRS 16 on retained earnings at 1 January 2019 wholly relates to the change in policy for the recognition long term property and vehicle leases as explained above can be seen in the reconciliation to Consolidated Statement of Financial Position on page 100.

Measurement of lease Liabilities

	1 Jan 2019 USD
Current	
Operating lease commitments disclosed as at 31 December 2018	216,702
Discounted using the lessee's incremental borrowing rate at the date of initial application	3,739
Lease liabilities recognised at 1 January 2019	220,439

Reconciliation of the transition of IFRS 16 Consolidated Statement of Financial Position

	1 Jan 2019 IAS 17 USD	ROU Asset	Lease Liability	1 Jan 2019 IFRS 16 USD
CURRENT ASSETS				
Cash and cash equivalents	6,187,113	-	-	6,187,113
Trade and other receivables	345,155	-	-	345,155
TOTAL CURRENT ASSETS	6,532,268	-	-	6,532,268
NON CURRENT ASSETS				
Trade and other receivables	120,922	-	-	120,922
Property, plant and equipment	302,255	-	-	302,255
Exploration and evaluation expenditure	149,863,323	-	-	149,863,323
Investment in subsidiary	-	-	-	-
Right-of-use-asset	-	220,439	-	220,439
TOTAL NON CURRENT ASSETS	150,286,500	220,439		150,506,939
TOTAL ASSETS	156,818,768	220,439	-	157,039,207
CURRENT LIABILITIES				
Trade and other payables	1,702,392	-	-	1,702,392
Derivative financial liability	503,398	-	-	503,398
TOTAL CURRENT LIABILITIES	2,205,790	-	-	2,205,790
NON CURRENT LIABILITIES				
Lease liability	-	-	220,439	220,439
TOTAL NON CURRENT LIABILITIES	-	-	220,439	220,439
TOTAL LIABILITIES	2,205,790	-	220,439	2,426,229
NET ASSETS	**154,612,978**	**220,439**	**(220,439)**	**154,612,978**
EQUITY				
Contributed equity – Ordinary Shares	860,852	-	-	860,852
Reserves	213,644,634	-	-	213,644,634
Accumulated losses	(59,331,800)	-	-	(59,331,800)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	**155,173,686**	-	-	**155,173,686**
Non-controlling interests	(560,708)	-	-	(560,708)
TOTAL EQUITY	**154,612,978**	-	-	**154,612,978**

	Parent		Consolidated Entity	
	Dec 2019 USD	**Dec 2018 USD**	**Dec 2019 USD**	**Dec 2018 USD**
NOTE 2: LOSS FOR THE YEAR				
Expenses				
(a) Equity based payments – directors, KMP and other employees	907,102	695,345	907,102	695,345
	907,102	695,345	907,102	695,345
(b) Administration Expenses				
Accounting, company secretarial and audit fees	331,974	236,530	524,378	399,274
Insurance expenses	61,518	43,370	84,784	118,779

Legal fees	67,102	-	75,865	64,944
Compliance, registration and other tax fees	217,059	155,299	240,253	584,808
Marketing and investor relations	96,825	-	110,002	169,591
Premises and office related costs	-	-	706	87,002
South Africa Recharge	652,310	-	-	-
Professional fees	-	-	100,171	143,420
Recruitment fees	30,000	179,017	41,928	179,017
Travel and accommodation expenses	164,868	36,353	240,205	417,350
SPSA Depreciation reversal *(i)*	-	-	(732,978)	-
Other expenses	16,286	4,066	559,727	158,991
	1,637,942	654,635	1,245,041	2,323,176

(i) Kola and DX projects are in Exploration & Evaluation (E&E) phase. No amortisation and depreciation for E&E assets. Any Property Plant & Equipment (PP&E) used in E&E phase are depreciated and depreciation charge is capitalised in E&E assets accordingly. Some depreciation charges were expensed in prior years but now reversed in 2019.

(c) Salaries, employee benefits and consultancy expense				
Wages and Salaries	77,115	-	952,650	409,524
Social Security costs	-	-	81,333	147,865
Consultancy costs	511,158	19,849	653,436	768,116
	588,273	19,849	1,687,419	1,325,505

(d) Average number of employees	**Number**	**Number**	**Number**	**Number**
Operational	-	-	21	17
Head Office	5	5	15	26
	5	5	36	43

Total staff costs for the Group in the year ended 31 December 2019 were USD 3,452,966 (2018: USD 2,279,499). The staff costs incurred during the year at a subsidiary, SPSA, of USD 1,808,187 has been capitalised as Exploration and Exploration Asset (2018: USD 1,869,975).

NOTE 3: INCOME TAX EXPENSE

	Parent		**Consolidated Entity**	
	Dec 2019	**Dec 2018**	**Dec 2019**	**Dec 2018**
The components of tax expense comprise:	**USD**	**USD**	**USD**	**USD**
Current tax – foreign tax	-	-	24,276	17,039
Deferred tax	-	-	-	-
Total income tax expense	**-**	**-**	**24,276**	**17,039**

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

	Parent		**Consolidated Entity**	
	Dec 2019	**Dec 2018**	**Dec 2019**	**Dec 2018**
	USD	**USD**	**USD**	**USD**
Loss before tax	(19,593,519)	(1,715,799)	(4,178,476)	(6,252,327)
Parent company tax on loss at the UK corporation tax rate of 19% (2018: 19%)	(3,722,769)	(326,002)	(793,910)	-
Group tax on loss at the Australian corporation tax rate of 30% (2018: 30%)	-	-	-	(1,875,698)

Different tax rates of subsidiaries operating in different jurisdictions	-	-	189,991	509,939
	(3,722,769)	(326,002)	(603,919)	(1,365,759)
Tax effect of:				
Net non-deductible expenses	4,059	195,462	174,600	811,221
Deferred tax asset not recognised	404,915	130,540	453,595	571,577
Permanent differences	3,266,158	-	-	-
Adjustments to opening and closing deferred tax	47,637	-	-	-
	3,722,769	326,002	628,195	1,382,798
Income tax expense	**-**	**-**	**24,276**	**17,039**

The statutory tax rate of Kore Potash plc is 19% (2018: 19%), representing the UK corporation tax rate. The Group is subject to varying statutory rates, primarily being Australia (30%), Congo (see Note 7 regarding corporate tax concessions applicable under the new mining convention) and South Africa (28%). The current tax expense of USD 24,276 (2018: USD 17,039) arose on the pre-tax income generated in South Africa for intercompany management services.

No deferred tax has been recognised in respect of the Group's tax losses of USD 14,759,166 (2018: USD 11,499,637) that are available for offset against any future taxable profits in the companies in which the losses arose. Of these tax losses, USD 11,880,835 arose from the Australian entity and USD 2,878,331 arose from the parent entity (2018: USD 10,801,215 from the Australian entity and USD 698,422 from the parent entity).

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

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

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

NOTE 4: CASH AND CASH EQUIVALENTS

	Parent		Consolidated Entity	
	Dec 2019 USD	Dec 2018 USD	Dec 2019 USD	Dec 2018 USD
Cash at bank	7,046,089	-	7, 7,578,727	6,187,113
	7,046,089	-	7,578,727	6,187,113

NOTE 5: TRADE AND OTHER RECEIVABLES

	Parent		Consolidated Entity	
	Dec 2019 USD	Dec 2018 USD	Dec 2019 USD	Dec 2018 USD
Current				
Advance to employees	(9,517955-)	-	19,640	112,071
Interest receivable	-	-	-	4,345
Net GST, PAYE and VAT recoverable	5151,690	135,121	62,333	82,739

Prepayments	119,111	47,073	187,539	56,400
Amounts due from subsidiaries (i) (ii)	141,887,553	12,499,003	-	-
Other receivables	9,587	-	89,442	89,600
	142,067,941	12,681,197	358,954	345,155
Non-Current				
Deposits related to investments in DPM and KPM	-	-	198,432	120,922
	-	-	198,432	120,922
Total Trade and Other Receivables	142,067,941	12,681,197	557,386	466,077

(i) The amount due from a subsidiary is interest-free and is repayable on demand.
(ii) The increase in the year relates to the transfer of intercompany balances from Kore Potash Limited

IFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. The loans to the subsidiaries, Sintoukola Potash S.A. and Kore Potash Limited, are classified as repayable on demand. IFRS 9 requires consideration of the expected credit risk associated with the loan. As the subsidiary company does not have any liquid assets to sell to repay the loan, should it be recalled, the conclusion reached was that the loan should be categorised as stage 3.

As part of the assessment of expected credit losses of the intercompany loan receivable, the Directors have assessed the cash flows associated with a number of different recovery scenarios. This included consideration of the exploration project risk, country risk and the value of the potential reserves.

EXPECTED CREDIT LOSS PROVISION	**Parent Dec 2019 USD**
As at 1 January	-
Increase in the year in relation to Kore Potash Limited	16,375,499
As at 31 December	16,375,499

As at 31 December 2019 there were no other receivables that were past due but not impaired.

NOTE 6: PROPERTY, PLANT AND EQUIPMENT	**Parent**		**Consolidated Entity**	
	Dec 2019 USD	**Dec 2018 USD**	**Dec 2019 USD**	**Dec 2018 USD**
Plant and equipment – at cost	-	-	2,126,711	1,855,971
Less accumulated depreciation	-	-	(1,565,308)	(1,553,716)
	-	**-**	**560,711**	**302,255**
Reconciliation:				
Opening balance	-	-	302,255	413,801
Additions	-	-	392,334	8,452
Depreciation capitalised under exploration and evaluation	-	-	(89,267)	(90,023)
Depreciation expensed	-	-	(13,161)	(7,078)
Disposals	-	-	(15,667)	(5,500)
Foreign exchange differences	-	-	(15,783)	(17,347)
Closing balance at period end	**-**	**-**	**560,711**	**302,255**

NOTE 6A: RIGHT-OF-USE-ASSET

	Parent		Consolidated Entity	
	Dec 2019 USD	Dec 2018 USD	Dec 2019 USD	Dec 2018 USD
Right-of-use asset at cost	-	-	234,149	-
Less accumulated depreciation	-	-	(184,917)	-
Less: impairment	-	-	(6,594)	-
	-	**-**	**42,278**	**-**
Reconciliation:				
Adjustment for adoption (cost)	-	-	220,439	-
Additions	-	-	14,557	-
Depreciation	-	-	(184,917)	-
Impairment	-	-	(6,594)	-
Foreign exchange differences	-	-	(1,207)	-
Closing balance at period end	**-**	**-**	**42,278**	**-**

NOTE 6B: LEASE LIABILITIES

	Parent		Consolidated Entity	
	Dec 2019 USD	Dec 2018 USD	Dec 2019 USD	Dec 2018 USD
Current	-	-	55,582	-
	-	**-**	**55,582**	**-**

The nature and accounting of Group's leasing activities

All the Group leases contracts are for property with lease terms of 12 months or less. The Group has applied the recognition exemptions for these leases. The accounting of all Group leases is explained on pages 94 to 100.

Contracts may contain both lease and non-lease components. The Group allocates consideration between lease and non-lease components based on the price a lessor, or similar supplier, would charge to purchase that component separately.

The lease term begins at the commencement date and includes any rent-free periods provided by the lessor. Lease terms vary between contracts and depend on the individual facts and circumstances of the contract.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 January 2019. The Group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 6.172%.

There were no low value or short term leases during the year or at year end.

NOTE 7: EXPLORATION AND EVALUATION EXPENDITURE

	Parent		Consolidated Entity	
	Dec 2019 USD	Dec 2018 USD	Dec 2019 USD	Dec 2018 USD
Opening balance	-	-	149,863,323	140,254,520
Exploration and evaluation expenditure capitalised during the year	-	-	8,908,236	16,107,446
Foreign exchange differences	-	-	(2,752,199)	(6,498,643)
Closing balance at period end	**-**	**-**	**156,019,360**	**149,863,323**
Exploration and evaluation expenditure relating to:				
Kola Potash Mining project	-	-	132,153,210	128,878,868
Dougou Potash Mining project	-	-	23,866,150	20,984,455
	-	**-**	**156,019,360**	**149,863,323**

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

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

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

On 7 December 2018, the Mining Convention covering the proposed staged development of the Kola and Dougou Mining Licences was gazetted into law following ratification by the Parliament of the Republic of the Congo.

The result of this law being gazetted was that the RoC government were now entitled to a 10% equity interest in Dougou and Kola. There is currently no shareholder agreement in place for this agreement.

Further information regarding the non-controlling interest is available in Note 12 (e).

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.

NOTE 8: CONTROLLED ENTITIES

Controlled Entities	Country of Incorporation	Percentage Owned 31 Dec %	Investment 31 Dec USD	Percentage Owned 31 Dec 2018 %	Investment 31 Dec USD
Kore Potash Limited *(i)*	Australia	100	67	100	139,350,094
Sintoukola Potash S.A. ("SPSA") *(i)*	Republic of Congo	97	1	97	9,387,413
Kore Potash South Africa (Pty) Ltd ("KPSA") *(i)*	South Africa	100	1	100	1,192
Held through Sintoukola Potash S.A.:					
Kore Potash Mining S.A. ("KPM")	Republic of Congo	100	18,264	100	18,264
Dougou Potash Mining S.A. ("DPM")	Republic of Congo	100	18,264	100	18,264

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

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

The principal activity of Kore Potash South Africa (Pty) Ltd during the financial year was for South African administrative and operational support for the exploration for potash minerals prospects. The registered office is 2 Bruton Road, Block C, Nicol Main Office Park, Bryanston, Johannesburg, South Africa.

(i) During the year, a capital restructure was affected, which saw the holding in SPSA and KPSA and the intercompany loan with SPSA transferred from Kore Potash Limited to Kore Potash Plc.

NOTE 9: TRADE AND OTHER PAYABLES

	Parent		Consolidated Entity	
	Dec 2019 USD	Dec 2018 USD	Dec 2019 USD	Dec 2018 USD
Current				
Trade and other creditors	251,730	-	537,471	388,350
Accruals	1,964,451	144,217	2,119,563	1,293,613
Employee benefits and related payables	26,057	-	172,744	-
Amounts due to a subsidiary	652,310	-	-	-
Income tax payable	-	-	-	20,429
Other Payables *(i)*	-	-	138,315	-
Total Trade and Other Payables	**2,894,748**	**144,217**	**2,968,093**	**1,702,392**

(i) This relates to the ongoing litigation in the RoC as described in Note 24

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

NOTE 10: DERIVATIVE FINANCIAL INSTRUMENTS

	Parent		Consolidated Entity	
	Dec 2019 USD	Dec 2018 USD	Dec 2019 USD	Dec 2018 USD
Equity warrants exercisable at AUD 0.30 each expiring on 29 March 2021	1,053	503,398	1,053	503,398
	1,053	**503,398**	**1,053**	**503,398**

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

The derivative financial liability was revalued at 31 December 2019 using the Black-Scholes valuation method with the net change in fair value of the derivative financial liability of USD 502,345 taken to the statement of profit or loss.

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

Input into the model	At grant date	At 31 Dec 2018	At 31 Dec 2019
Spot price	AUD 0.145	GBP 0.072	GBP 0.0115

Expected volatility	91.67%	110.60%	91.97%
Life of warrants	3 years	2.24 years	1.24 years
Fair value per warrant	USD 0.0476	USD 0.039	USD 0.000066

NOTE 11: ISSUED CAPITAL

	Parent		Consolidated Entity	
	Dec 2019 USD	Dec 2018 USD	Dec 2019 USD	Dec 2018 USD
1,541,253,564 Fully Paid Ordinary Shares at par value of USD 0.001 each (31 December 2018: 860,852,693 Fully Paid Ordinary Shares at par value of USD 0.001)	1,541,253	860,852	1,541,253	860,852
Fully Paid Ordinary Shares	**1,541,253**	**860,852**	**1,541,253**	**860,852**

Date	Details	No. of Shares	USD
31 Dec 2017	**Balance at 31 Dec 2017** ***(i)***	**771,395,766**	**771,396**
29 Mar 2018	Capital raising at AUD 0.20 each *(ii)*	83,523,344	83,523
29 Mar 2018	Share-based capital raising costs at AUD 0.12 each *(iii)*	4,315,333	4,315
27 Jul 2018	Conversion of USD 250,000 convertible loan note calculated by reference to the price of shares being at AUD 0.20 per share *(iv)*	1,618,250	1,618
31 Dec 2018	**Closing balance** *(v)*	**860,852,693**	**860,852**
13 Feb 2019	Conversion of Class C Performance Rights *(vi)*	1,886,996	1,887
17 Jul 2019	Capital raising at GBP0.016 each *(viii)*	646,915,254	646,915
18 Oct 2019	Issue of equity and performance rights *(vii)*	5,787,223	5,788
5 Dec 2019	Drill rig share issue *(ix)*	22,000,000	22,000
31 Dec 2019	Equity issued to directors in lieu of payment *(x)*	3,811,398	3,811
31 Dec 2019	**Closing balance**	**1,541,253,564**	**1,541,253**

Movement in Share Capital of Consolidated Entity

(i) At 31 December 2017, Kore Potash Limited was the parent company of the Group and had 771,365,766 Fully Paid Ordinary Shares in issuance with a nominal value of USD 771,396.

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

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

(iv) On 26 March 2018, the Company entered into a convertible loan note with the Chairman, David Hathorn, to lend USD 250,000 to the Company. The convertible loan note did not attract interest and was unsecured. At the Company's AGM on 27 June 2019, the shareholders approved the conversion of the convertible loan note into 1,618,250 shares at AUD 0.20 per share and 250,000 free-attaching warrants. The shares and warrants were issued on 27 July 2019.

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

(vi) On 13 February 2019, 1,886,996 Class C Performance Rights were converted into fully paid ordinary shares. The par value of the 1,886,996 ordinary shares was USD1,887.

(vii) On 17 July 2019, a total of USD 13,457,784 was raised from existing and new investors through the placing and direct subscription of 646,914,254 ordinary shares in the Company at a placing price of GBP 0.0.016 per new ordinary share. The par value of the 646,914,254 ordinary shares was USD 646,915.

(viii) On 17 July 2019, the issue of shares to certain Non-Executive Directors in lieu of remuneration or part remuneration in respect of four quarterly periods ending 30 June 2020 was approved by shareholders at the General Meeting of the Company. Subsequently, on 18 October 2019, 4,224,723 shares were awarded in-lieu-of cash to David Hathorn, David Netherway and Jonathan Trollip. In the same announcement it was announced that, further to the unconditional vesting of the Performance Rights issued to certain Non-Executive Directors and Mr Leonard Math, a former Non-Executive Director, on 29 March 2019, being the first anniversary of admission to trading on AIM and as announced on 15 April 2019 and 21 June 2019,1,562,500 ordinary shares were issued to satisfy the Performance Rights. Accordingly, a total of 5,787,223 shares were issued at a par value of USD 5,788.

(ix) On 5 December 2019, the Group acquired two drill rigs with ancillary equipment; in exchange for the drill rigs, the Group issued 22,000,000 ordinary shares at a deemed price of £0.01225 to Equity Drilling Limited. The par value of 22,000,000 shares was USD 22,000.

(x) On 31 December 2019, the Group issued in lieu of payment, 3,811,398 to David Hathorn, David Netherway and Jonathan Trollip. The par value of this issue was USD 3,811

NOTE 12: RESERVES

	Parent		Consolidated Entity	
	Dec 2019 USD	**Dec 2018 USD**	**Dec 2019 USD**	**Dec 2018 USD**
SBP reserve (a)	10,439,608	12,161,843	10,439,608	12,161,843
Share premium reserve (b)	25,573,592	13,054,936	25,573,592	13,054,936
Foreign currency translation reserve (c)	-	-	(18,415,577)	(15,310,945)
Merger reserve (d)	203,738,800	203,738,800	203,738,800	203,738,800
Reorganisation reserve (e)	(76,011,124)	(76,011,124)	-	-
Total Reserves	**163,740,876**	**152,944,455**	**221,336,423**	**213,644,634**

(a) SBP Reserve

Opening balance	12,161,843	11,814,770	12,161,843	11,814,770
Value of lapsed options transferred to accumulated losses (i)	(2,951,318)	(888,202)	(2,951,318)	(888,202)
Share based payment vesting expense (ii)	1,229,083	1,235,275	1,229,083	1,235,275
Closing balance	**10,439,608**	**12,161,843**	**10,439,608**	**12,161,843**

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

(ii) For parameters used in the valuation of the above options and performance rights see Note 22.

Movement in SBP Reserve of the Consolidated Entity

Date	**Details**	**No. of Options**	**No. of Performance Rights**	**USD**
1 Jan 2018	**Balance at 1 Jan 2018**	**58,191,226**)	**42,595,104**)	**11,814,770**)
30 Jun 2018	Lapsing of unlisted options (value of lapsed options transferred to Accumulated Losses)	(8,191,226)	-	(888,202)
1 Aug 2018	Issue of unlisted options	21,200,000	-	-

1 Aug 2018	Cancellation of performance rights	-	(14,000,000)	-
1 Aug 2018	Issue of performance rights	-	4,500,000	-
1 Aug 2018	Cancellation of performance rights	-	(1,025,000)	-
31 Dec 2018	SBP charge	-	-	1,235,275
31 Dec 2018	**Closing balance**	**71,200,000**	**32,070,104**	**12,161,843**
13 Feb 2019	Conversion of performance rights *(ii)*	-	(1,886,996)	(211,690)
27 Jun 2019	Conversion and cancellation of performance rights (iv)	-	(2,000,000)	(104,712)
28 Jun 2019	Cancellation of Performance rights (v)	(17,200,000)	-	-
19 July 2019	Issue of unlisted options (*v)*	26,900,000	-	-
15 Nov 2019	Expiry of 50,000,000 options (*vi)*	(50,000,000)	-	(2,634,917)
31 Dec 2019	SBP charge	-	-	1,229,084
31 Dec 2019	**Closing balance**	**30,900,000**	**28,183,108**	**10,439,608**

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

(iv) The below non-executive directors, satisfied their vesting condition of their performance rights on 27 June 2019 and had the following amounts converted into shares:

Director	**Vested**
David Hathorn	500,000
Jonathan Trollip	250,000
Leonard Math	312,500
David Netherway	250,000
Timothy Keating	250,000

Leonard Math's remaining performance rights were cancelled on his ceasing to be a director on 28 June 2019.

(v) At the Company's AGM on 28 June 2019, shareholders approved the cancellation of 17,200,000 unlisted options to Brad Sampson following advice from a remuneration consultant. The unlisted options were subsequently replaced with 26,900,000 share options which were approved on 19 July 2019.

(vi) On 15 November 2019, 50,000,000 share options expired and USD 2,634,917 has therefore been reversed out from the SBP reserve.

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

(b) Share Premium Reserve	**Parent**	**Parent**	**Consolidated Entity**	
	Dec 2019	**Dec 2018**	**Dec 2019**	**Dec 2018**
Movements during the period	**USD**	**USD**	**USD**	**USD**
Opening balance	13,054,936	-	13,054,936	-
Capital raising on 29 March 2018 at AUD 0.20 each	-	12,810,869	-	12,810,869
Share-based capital raising costs on 29 March 2018 at AUD 0.12 each	-	395,685	-	395,685
Conversion of USD 250,000 loan note on 27 July 2018 calculated by reference to the price of shares being AUD 0.20 per share	-	234,382	-	-
Capital raising on 17 July 2019 at GBP 0.016 each	12,476,647	-	12,476,647	-
Drilling Rig equipment share issue on 6 December 2019	337,920	-	337,920	-

Equity issued in lieu of payment	108,683	-	108,683	-
Less: Capital raising costs	(404,594)	(400,000)	(404,594)	(400,000)
Closing balance	**25,573,592**	**13,054,936**	**25,573,592**	**13,054,936**

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

(c) Foreign Currency Translation Reserve	**Parent**	**Parent**	**Consolidated Entity**	
	Dec 2019	**Dec 2018**	**Dec 2019**	**Dec 2018**
Movements during the period	**USD**	**USD**	**USD**	**USD**
Opening balance	-	-	(15,310,945)	(8,747,747)
Currency translation differences arising during the year	-	-	(3,104,632)	(6,563,198)
Closing balance	**-**	**-**	**(18,415,577)**	**(15,310,945)**

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

(d) Merger Reserve

In November 2017, the Company issued 771,395,768 shares with a par value of USD 0.001 each in respect of the shares on Kore Potash Limited, which had issued share capital at the date of the transaction with a value of USD 204,510,196. As a result of this transaction, a Merger Reserve of USD 203,738,800 was created in both the Parent and Consolidated Entity.

(e) Reorganisation Reserve

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

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

	Parent		**Consolidated Entity**	
	Dec 2019	**Dec 2018**	**Dec 2019**	**Dec 2018**
Movements during the period	**USD**	**USD**	**USD**	**USD**
Opening balance	(76,011,124)	(76,899,326)	-	-
Value of share-based payment options expired during the prior year	-	888,202)	-	-
Closing balance	**(76,011,124)**	**(76,011,124)**	**-**	**-**

(f) Non-controlling interest reserve

On 7 December 2018, the Mining Convention covering the proposed staged development of the Kola and Dougou Mining Licences was gazetted into law following ratification by the Parliament of the Republic of the Congo.

Pursuant to the Mining Convention, the Republic of the Congo Government were granted a 10% equity interest in Kola Mining SA and Dougou Mining SA, which are wholly owned by Sintoukola Potash S.A ("SPSA"). The

Group will recognise an increase in non-controlling interest from the 3% to 10%, upon the signing of the shareholder agreement. However, this had not occurred at the year-end date.

	Parent		Consolidated Entity	
	Dec 2019	Dec 2018	Dec 2019	Dec 2018
Movements during the period	**USD**	**USD**	**USD**	**USD**
Opening balance	-	-	560,708	-
(Profit) for the year (i)	-	-	(1,255)	19,670
Other comprehensive Loss	-	-	-	541,038
Closing balance	**-**	**-**	**559,453**	**560,708**

(i) Because of a small gain in SPSA, a small gain of USD 1,255 was transferred to the non-controlling interest reserve.

NOTE 13: DIVIDENDS

No dividends have been proposed or paid during the year ended 31 December 2019 (2018: Nil).

NOTE 14: NOTES TO STATEMENT OF CASH FLOWS

	Parent		Consolidated Entity	
	Dec 2019 USD	**Dec 2018 USD**	**Dec 2019 USD**	**Dec 2018 USD**
Reconciliation of cash flows from operating activities:				
Loss for the year	(19,593,519)	(1,715,799)	(4,202,752)	(6,269,366)
Adjustments for:				
Depreciation of property, plant and equipment and right-of-use assets	-	-	88,267	7,078
Equity compensation benefits	997,915	695,345	997,915	695,345
South Africa cost plus recharge	652,310	-	-	-
Net realised and unrealised foreign exchange losses	(7,070)	-	682	3,793
Interest received not classified as operating activities cash inflow	(32,898)	-	(56,215)	(72,873)
Impairment of ROU asset	-	-	69,594	-
Credit loss provision	16,375,499	-	-	-
Loss on disposal	-	-	28,270	5,974
Interest paid on lease liabilities	-	-	7,322	-
Fair value change in derivative financial liability	(502,345)	(110,114)	(502,345)	(110,114)
Operating loss before changes in working capital				
(Increase)/Decrease in receivables	(40,128)	(149,775)	(19,657)	(150,283)
Increase in tax payable	-	-	(20,855)	(19,990)
Increase in payables	(671,051)	101,798	(1,251,355)	(143,613)
Net cash used in operating activities	(2,821,287)	(1,178,545)	(4,924,129)	(6,054,050)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Overview

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

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

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

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

(a) Market Risk

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

(i) Foreign currency risk

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

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

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

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

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

	31 December 2019				31 December 2018			
	EUR	**GBP**	**XAF**	**ZAR**	**EUR**	**GBP**	**XAF**	**ZAR**
FINANCIAL ASSETS								
Cash at bank	1,827,121	4,251,321	269,870	61,406	1,143,346	-	309,789	61,406
Receivables	-	10,689	218,051	9,302	-	102,702	321,103	9,302
FINANCIAL LIABILITIES								
Payables	(553,000)	(1,575,123)	(256,393)	(61,193)	(553,000)	(185,730)	(300,369)	(203,418)
Derivative financial liability	-	(1,053)	-	-	-	(503,398)	-	-
Net exposure	1,274,121	2,685,834	231,528	9,515	590,346	(586,426)	330,523	(132,710)

Sensitivity analysis (Group)

A reasonably possible strengthening (weakening) of the EUR, GBP, XAF and ZAR against USD at 31 December 2019 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss for the Group by the amounts shown below. This analysis assumes all other variables, in particular interest rates, remain constant. The impact of the possible strengthening (weakening) of the AUD and any other currencies against USD is minimal and is not analysed.

	Equity		Profit or Loss	
	Strengthening Gain/(Loss) USD	**Weakening Gain/(Loss) USD**	**Strengthening (Gain)/Loss USD**	**Weakening (Gain)/Loss USD**
31 December 2019				
EUR (5% movement)	63,706	(63,706)	(63,706)	63,706
GBP (5% movement)	133,672	(133,672)	(133,672)	133,672
XAF (5% movement)	11,576	(11,576)	(11,576)	11,576
ZAR (5% movement)	476	(476)	(476)	476

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

	31 December 2019				31 December 2018			
	EUR	**GBP**	**XAF**	**ZAR**	**EUR**	**AUD**	**ZAR**	**GBP**
FINANCIAL ASSETS								
Cash at bank	1,716,362	4,251,321	-	-	-	-	-	-
Receivables	-	9,587	-	-	-	-	-	102,702)
FINANCIAL LIABILITIES								
Payables	-	(1,575,123)	-	-	-	-	-	(111,798)
Derivative financial liability	-	(1,053)		-	-	-	-	(503,398)
Net exposure	1,716,362	2,684,732	-	-	-	-	-	(512,494)

Sensitivity analysis (Parent)

A reasonably possible strengthening (weakening) of the GBP against USD at 31 December 2019 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss for the Parent by the amounts shown below. This analysis assumes all other variables, in particular interest rates, remain constant.

	Equity		Profit or Loss	
	Strengthening Gain/(Loss) USD	**Weakening Gain/(Loss) USD**	**Strengthening (Gain)/Loss USD**	**Weakening (Gain)/Loss USD**
31 December 2019				
GBP (5% movement)	133,672	(133,672)	(133,672)	133,672
EUR (5% movement)	85,818	(85,818)	(85,818)	85,818

(i) Interest rate risk

The Group is exposed to movements in market interest rates on short term deposits. The Group and Company's policy is to retain its surplus funds on the most advantageous term of deposit available. Given the Directors do not consider interest income is significant in respect of the Group's and Company's operations and as the Group does not currently have any debt, no sensitivity analysis has been performed.

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

	Weighted Average Effective Interest Rate	Fixed Interest Rate	Floating Interest Rate	Non-Interest Bearing

	Dec 2019 %	Dec 2018 %	Dec 2019 USD	Dec 2018 USD	Dec 2019 USD	Dec 2018 USD	Dec 2019 USD	Dec 2018 USD
FINANCIAL ASSETS								
Cash at bank	1.95%	1.45%	4,200,000	4,000,000	3,378,727	2,187,113	-	-
Receivables			-	-	-	-	307,315	409,677
Total financial assets			4,200,000	4,000,000	3,378,727	2,187,113	307,315	409,677
FINANCIAL LIABILITIES								
Payables (non-derivative)			-	-	-	-	2,150,056	1,198,994
Derivative financial liability			-	-	-	-	1,053	503,398
Total financial liabilities			-	-	-	-	2,151,109	1,702,392

All receivables and payables in the Parent at 31 December 2019 and at 31 December 2018 are non-interest bearing.

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

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

Net fair value of financial assets and liabilities
The carrying amount of financial assets and liabilities at 31 December 2019 and 31 December 2018 is equivalent to the fair value.

(b) Credit risk
Credit risk arises when a failure by counter-parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date.

The Group has a significant concentration of credit risk arising from its bank holdings of cash and cash equivalent. This risk is mitigated by credit control procedures.

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

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

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

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

31 Dec 2019	Within 1 Month	1-3 Months	3-12 Months

	USD	USD	USD
Non-derivatives			
Non-interest bearing			
Trade and other payables	1,855,153	127,169	-
Total Financial Liabilities	1,855,153	127,167	-

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

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

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

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

Please see note 1(b) Going Concern for further information on liquidity risk

(d) Fair Value of Financial Instruments

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

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

	Fair value hierarchy as at 31 December 2019				**Amortised**
	Level 1 USD	**Level 2 USD**	**Level 3 USD**	**Total USD**	**Cost USD**
Financial assets					
Financial assets held at amortised cost					
- Trade and other receivables	-	-	-	-	296,623
Total	**-**	**-**	**-**	**-**	**296,623**
Financial liabilities					
Financial liabilities held at amortised cost:					
- Trade and other payables	-	-	-	-	1,977,314
Financial liabilities held at fair value:					
- Derivative financial liability	-	1,053	-	1,053	-
Total	**-**	**1,053**	**-**	**1,053**	**1,977,314**

	Fair value hierarchy as at 31 December 2018				**Amortised**
	Level 1 USD	**Level 2 USD**	**Level 3 USD**	**Total USD**	**Cost USD**

Financial assets					
Financial assets held at amortised cost					
- Trade and other receivables	-	-	-	-	409,677
Total	**-**	**-**	**-**	**-**	**409,677**
Financial liabilities					
Financial liabilities held at amortised cost:					
Trade and other payables	-	-	-	-	1,702,392
Financial liabilities held at fair value:					
- Derivative financial liability	-	503,398	-	503,398	-
Total	**-**	**503,398**	**-**	**503,398**	**1,702,392**

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

	Fair value hierarchy as at 31 December 2019				**Amortised**
	Level 1	**Level 2**	**Level 3**	**Total**	**Cost**
	USD	**USD**	**USD**	**USD**	**USD**
Financial assets					
Financial assets held at amortised cost					
- Trade and other receivables	-	-	-	-	156,178,510
Total	**-**	**-**	**-**	**-**	**156,178,510**
Financial liabilities					
Financial liabilities held at amortised cost:					
- Trade and other payables	-	-	-	-	251,930
Financial liabilities held at fair value:					
- Derivative financial liability	-	1,053	-	1,053	-
Total	**-**	**1,053**	**-**	**1,053**	**251,930**

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

NOTE 16: SEGMENT INFORMATION

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

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

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

On 21 January 2020, a total of 3,811,398 ordinary shares of US$0.001 each in the Company were issued to certain Non-Executive Directors of the Company in lieu of cash fees for the quarter ended 31 December 2019. This is in line with the cost reduction strategy announced on 27 June 2019 and approved at the 2019 General Meeting of the Company held on 17 July 2019.

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

NOTE 18: COMMITMENTS FOR EXPENDITURE

Exploration and Evaluation Expenditure Commitments

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

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

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

Kola DFS Commitment

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

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

	Parent	Parent	Consolidated Entity	
	Dec 2019	Dec 2018	Dec 2019	Dec 2018
	USD	USD	USD	USD
Not later than 1 year	1,659,703	935,563	1,659,703	935,563
Later than 1 year and not later than 5 years	-	1,575,750	-	1,575,750
Later than 5 years	-	-	-	-
	1,659,703	**2,511,313**	**1,659,703**	**2,511,313**

NOTE 19: AUDITOR'S REMUNERATION

Parent	Consolidated Entity

	Dec 2019 USD	Dec 2018 USD	Dec 2019 USD	Dec 2018 USD
Fees payable to the Company's external auditor and their associates for the audit of the Company's annual accounts				
BDO – External Auditor. (2018: Deloitte – External Audit)	59,804	105,000	93,605	165,108
Total audit fees	59,804	105,000	93,605	165,108
Fees payable to the Company's auditor and their associates for other non-audit services to the Group				
Half-year review	19,147	39,217	19,147	57,665
Review of prior years for South African subsidiary	-	-	-	6,546
Services in connection with the AIM listing	-	-	-	148,632
Tax, Research and Development consulting	-	-	-	113,866
Total non-audit services	19,147	39,217	19,147	326,709
Total fees payable to the Company's external auditor and their associates	**78,951**	**144,217**	**112,752**	**491,817**

NOTE 20: RELATED PARTY TRANSACTIONS

Directors remuneration

The expense of USD 764,543 recognised (2018: USD 812,575) includes directors fees paid and remuneration for the current and outgoing Chief Executive Officer.

The Company paid USD Nil (2018: USD 6,050) to Piaster Pty Ltd as trustee for the Trollip Family Superannuation Fund for Mr Jonathan Trollip's director fees. Mr Trollip is a director of and has a beneficial interest in Piaster Pty Ltd.

On 28 June 2019, Brad Sampson's 17,200,000 unlisted options were cancelled. These were replaced with 26,900,000 unlisted options on 17 July 2019 valued at USD 237,208 at the Company's AGM.

The shareholders also approved the cancellation of the below existing Performance Rights and the grant of new Performance Rights to the below non-executive directors at the Company's AGM.

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

There were no new performance rights within the year.

On 15 November 2019 50,000,000 of unlisted options expired, of these 2,049,416 were held by David Hawthorn and 57,091 were held by Jonathan Trollip.

Upon Leonard Math's resignation on 28 June 2019, 437,500 rights were disposed of by Leonard Math, the remaining 312,500 were converted to shares.

During the year, 50,000,000 Share options which were fully vested, expired. These were valued at USD 2,634,917.

The details of the unlisted options and Performance Rights granted are in the Company's Notice of General Meeting announced on 1 June 2019.

No other Director has entered into a material contract (apart from employment) with the Company since the incorporation of the Company and there were no material contracts involving directors' interests at the half-year end. Remuneration arrangements of KMP are disclosed in the Directors' Remuneration Report on pages 5 to 74 of this Annual Report.

John Crews resigned on 21 November 2019 as Chief Financial Officer. No severance was paid on his behalf. Julien Babey resigned on 15 November 2019 as Head of Business Development and Head of RoC.

Other transactions with the Company and the Group

No KMP has entered into a material contract (apart from employment) or transaction with the Company and the Group other than the issue of 22,000,000 new ordinary shares to Equity Drilling Limited, of which David Hathorn is a shareholder, for the acquisition of 2 drill rigs and ancillary equipment. However, David Hathorn has no commercial or beneficial interest in the shares and subsequently Equity Drilling Limited has indicated that it will transfer the shares to an entity in which David Hathorn has no interest whatsoever. Please refer to the Remuneration Report in the Directors' Report for the remuneration paid to the KMP. No amount of remuneration is outstanding at 31 December 2019 (31 December 2018: nil).

Smith & Williamson LLP and Nexia Perth Pty Ltd are engaged to provide accounting, administrative and company secretarial services for the Group on commercial terms. Mr Henko Vos, who is based in Perth, Australia has been appointed as joint company secretary and is also currently an employee with Nexia Perth. During the year, the total amount paid to Nexia Perth by the Group for providing accounting, administration and company secretarial services was USD 141,886 (2018: USD 163,445) and USD 92,394 (2018: USD 117,387) to Smith & Williamson LLP.

St James's Corporate Services Limited was engaged to provide company secretarial services for the Company on commercial terms. During the year, the total amount paid to St James's Corporate Services Limited by the Group for providing company secretarial services was USD 60,830 (2018: USD 29,100).

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

NOTE 21: KMP DISCLOSURES

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

Executive Directors	
Brad Sampson	Chief Executive Officer (appointed on 4 June 2018)
Non-Executive Directors	
David Hathorn	Non-Executive Chairman (appointed on 20 November 2015)
Jonathan Trollip	Non-Executive Director (appointed on 21 April 2016)
Leonard Math	Non-Executive Director (resigned 28 June 2019)
Timothy Keating	Non-Executive Director (appointed on 15 November 2016)
David Netherway	Non-Executive Director (appointed on 12 December 2017)
Joes Antonio Merino	Non-Executive Director (appointed on 23 May 2018)
Executives	
Henko Vos	Joint Company Secretary (appointed on 16 November 2016)
St James's Corporate Services Limited	Joint Company Secretary (appointed on 1 October 2018)
John Crews	Chief Financial Officer (resigned 21 November 2019)

Andrey Maruta	Chief Financial Officer (appointed 21 September 2019)
Julien Babey	Business Development and Head of RoC (resigned 18 November 2019)
Guy de Grandpre	Country Manager - RoC (appointed 12 February 2019)
Gavin Chamberlain	Chief Operating Officer (appointed 1 October 2017)

KMP compensation

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

	Consolidated Entity	
	Dec 2019	**Dec 2018**
	USD	**USD**
Short-term employee benefits	1,807,001	1,510,100
Post-employment benefits	6,050	13,652
Termination benefits	325,705	256,986
Equity compensation benefits	981,042	1,286,133
	3,119,798	**3,066,871**

There were six directors who held office at the end of the 2019 (2018: seven). Details of directors' remuneration are provided in the Directors' Remuneration Report on pages 58 to 74 of this Annual Report.

Individual directors and executives' compensation disclosures

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

NOTE 22: SHARE-BASED PAYMENTS

Recognised share-based payments

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

	Parent		Consolidated Entity	
	Dec 2019	**Dec 2018**	**Dec 2019**	**Dec 2018**
	USD	**USD**	**USD**	**USD**
Expense arising from equity-settled share-based payment transactions (Note 12)	907,102	695,345	907,102	695,345

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

	Parent		Consolidated Entity	
	Dec 2019	**Dec 2018**	**Dec 2019**	**Dec 2018**
	USD	**USD**	**USD**	**USD**
Amounts capitalised to exploration and evaluation expenditure arising from equity-settled share-based payment transactions	321,982	539,930	321,982	539,930

Consolidated Entity

The Group granted shares rights and options to KMP and other employees as part of as an incentive for future services and as a reward for past services. The table above shows the vesting expense recognised during the year of USD 907,102 (2018: USD 695,345) and vesting expenses capitalised to exploration and evaluation expenditure of USD 321,982 (2018: 539,930).

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

	2019	**2018**

	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning at year	21,200,000	GBP 0.11	8,191,226	AUD 0.33
Granted during the year	26,900,000	GBP 0.022	21,200,000	GBP 0.11
Cancelled during the year	(17,200,000)	GBP 0.11	-	-
Lapsed during the year	-	-	(8,191,226)	AUD 0.33
Outstanding at the end of the year	30,900,000	GBP 0.033	21,200,000	GBP 0.11

The share options outstanding at 31 December 2019 had a weighted average exercise price of GBP 0.033 and a weighted average contractual life of 4.65 years.

Details of options and performance rights issued to KMP

Performance Rights Rights Issue	Number of rights at 31 December 2018	Cancelled in period	Exercised	Number of rights at 31 December 2019	Charged in the period (USD)	Time to expiry (Years)
6 *(i)*	1,886,996	-	(1,886,996)	-	-	-
7-8	2,255,000	-	-	2,255,000	4,092	0.93
10	5,881,250	-	-	5,881,250	217,767	1.17
12	1,405,000	-	-	1,405,000	34,746	2.42
13	660,000	-	-	660,000	-	2.42
14	3,747,003	-	-	3,747,003	23,455	2.42
15	11,734,855	-	-	11,734,855	212,476	2.42
16-20 *(ii)*	4,500,000	(437,500)	(1,562,500)	2,500,000	230,324	2.39
	32,070,104	(437,500)	(3,449,497)	28,183,108	722,860	

(i) The remaining 1,886,996 Performance Rights of issue 6 fully vested on 17 May 2018 pursuant to the satisfaction of performance criteria and were converted into fully paid ordinary shares on 13 February 2019 (see note 11).

(ii) The below non-executive directors, satisfied their vesting condition of their performance rights on 27 June 2019 and had the following amounts converted into shares:

Director	Vested
David Hathorn	500,000
Jonathan Trollip	250,000
Leonard Math	312,500
David Netherway	250,000
Timothy Keating	250,000

Leonard Math's remaining 437,500 options were cancelled on his resignation on 28 June 2019.

Option Series 31 and 32

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

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

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

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

It was announced at the Company's AGM on 28 June 2019, that the 17,200,000 options issued to Brad Sampson in Option Series 31 were to be cancelled and replaced by Option Series 33, following recommendation from the Remuneration and Nomination Committee.

Option Series 33

At a Company's General Meeting on 17 July 2019, the Company's shareholders approved the grant of 26,900,000 unlisted options to Brad Sampson. The vesting conditions for the unlisted options include milestones being achieved in relation to the Kola Project, as follows:

Vesting conditions	*Brad Sampson (Option Series 33)*
Total	**26,900,000**
Expiry	19/07/2024

The fair value at grant date of the unlisted options issued to Brad Sampson was estimated at GBP 0.0151, using the Black Scholes Option Pricing Model taking into account the terms and conditions as set out above. The input used in the measurement of the fair value at grant date of the unlisted options were as follows:

These options have been treated in the accounts as a modification to Option Series 31.

Input into the model	*Option Series 33*
Grant Date Share Price	GBP 0.01625
Expected Volatility	91.97%
Annual risk-free rate	0.57%
Maturity	5 Years
Grant date fair value	GBP 0.0151

Rights Series 4 to 6

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

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

Total	2,666,090	2,666,090	2,666,090

Rights and each class' vesting conditions is as follows:

Rights Series 4 - Class A Performance Rights (Employee)
Performance Rights vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 24 months from the date of issue:

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

Rights Series 5 - Class B Performance Rights (Employee)
Performance Rights vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 36 months from the date of issue:

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

Rights Series 6 - Class C Performance Rights (Employee)
Performance Rights vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 48 months from the date of issue:

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

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

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

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

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

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

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

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

Vesting Conditions	
Joining K2P	
(1) - sign on bonus	250,000

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

Note 1: Share Price Allocation Matrix

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

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

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

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

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

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

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

On 29 February 2016, 250,000 Fully Paid Ordinary Shares were issued following the vesting of the Performance Rights as a sign on bonus for the Project Director. In addition, subsequent to year end on 3 February 2017,

250,000 Fully Paid Ordinary Shares were issued to the Project Director following the vesting of the Performance Rights due to one year of service being completed on 7 December 2016. On 18 December 2017, 2,245,000 Performance Rights was cancelled upon Mr. Swanepoel's resignation. The remaining 2,255,000 Performance Rights were outstanding as at 31 December 2019.

Rights Series 8 - Performance Rights (Chairman)
On 2 March 2016, following shareholders' approval, the Company granted 13,000,000 Performance Rights to Mr David Hathorn under the Group's Employee Performance Rights Plan. Performance Rights vested as one Share for each Performance Right subject to the satisfaction of the following:

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

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

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

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

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

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

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

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

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

The remaining 11,000,000 Performance Rights were cancelled following shareholder approval at the Company's AGM on 27 June 2018 and replaced with Rights Series 16.

Rights Series 9 - Performance Rights (Previous CEO)

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

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

Note 1: Share Price Allocation Matrix

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

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
   (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
   (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
   (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
   (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
   (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the operational performance rights granted (6,375,000) is calculated based on the share price at grant date. The fair value of these operational performance rights is AUD 0.20.

The fair value of the remaining performance rights granted with a share price threshold (2,125,000) is estimated as at the grant date using the Monte-Carlo Pricing Model taking into account the terms and conditions upon which the instruments were granted.

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

Inputs into the model	**Series 9**
Issue date share price	AUD 0.165
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1469

The following Fully Paid Ordinary Shares were issued to the previous CEO during the 2016 and 2017 years:

Date	***Shares***	
2 March 2016	531,250	Following vesting due to sign-on bonus.
3 February 2017	531,250	Following 1 year of service being completed on 20 November 2016.
20 November 2017	531,250	Following 2 years of service being completed on 20 November 2017.
Total	**1,593,750**	

On 4 June 2018, 1,025,000 Performance Rights were cancelled following the resignation of the previous CEO. The remaining 5,881,250 was outstanding at year end.

Rights Series 10 - Performance Rights (non-executive director - J Trollip)

On 6 July 2016, following shareholders' approval, the Company granted 2,000,000 Performance Rights to Mr Jonathan Trollip under the Group's Employee Performance Rights Plan. Performance Rights vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Share Price Allocation Matrix	2,000,000
25% initial tranche (Note 1(a))	*500,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))	
100%	*1,500,000*
TOTAL	**2,000,000**

<u>Note 1: Share Price Allocation Matrix</u>

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

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
 (i) where the 30-day average daily VWAP is less than AUD 0.50, nil;
 (ii) where the 30-day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 1,000 Shares for each one tenth of a cent that the 30-day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
 (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 1,000 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
 (ii) where the 30-day average daily VWAP is less than the 30-day average daily VWAP for any pervious Vesting Period, nil.

(iii) where the 30-day average daily VWAP is equal to or more than the highest previous 30-day average daily VWAP, 1,000 Shares for each one tenth of a cent that the 30-day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the performance rights granted with a share price threshold (2,000,000) was estimated as at the grant date using the Monte-Carlo Pricing Model taking into account the terms and conditions upon which the instruments were granted.

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

Inputs into the model	**Series 10**
Issue date share price	AUD 0.190
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1258

The above Performance Rights were cancelled following shareholder approval at the Company's AGM on 27 June 2018 and replaced with Rights Series 17.

Rights Series 11 - Performance Rights (non-executive director - L Math)

On 6 July 2016, following shareholders' approval, the Company granted 1,000,000 Performance Rights to Mr Leonard Math under the Group's Employee Performance Rights Plan. Performance Rights vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Share Price Allocation Matrix	1,000,000
25% initial tranche (Note 1(a))	*250,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))	
100%	*750,000*
TOTAL	**1,000,000**

<u>Note 1: Share Price Allocation Matrix</u>

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

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

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

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

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

Inputs into the model	**Series 11**
Issue date share price	AUD 0.190

Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1258

The above Performance Rights were cancelled following shareholder approval at the Company's AGM on 27 June 2018 and replaced with Rights series 18.

Rights Series 12

On 29 May 2017, the Group granted 2,000,000 performance rights to its employees, under the Group's Employee Performance Rights Plan, to recognise their overall contribution and performance during 2016. These performance rights vest as one fully paid ordinary share for each performance right in 2 years on 31 May 2018, on the condition that the employee is still employed by the Group.

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

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

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

Rights Series 13

In addition, following shareholders' approval at the Group's 2017 AGM on 31 May 2017, the Group granted 660,000 performance rights to Mr Sean Bennett, the Group's previous CEO, under the Group's Employee Performance Rights Plan. These performance rights were granted on the same basis as the 2,000,000 Performance Shares as detailed above. The 660,000 performance rights vested in full upon Mr Bennett's resignation on 4 June 2018.

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

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

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

Rights Series 14

On 29 May 2017, the Group announced that under an STIP the Board resolved and agreed to issue up to 4,482,005 performance rights for employees for 2017. Under the STIP, the final amount of performance rights issued may be reduced by the Board (in its sole discretion) depending upon each employee's performance during the 2017 year. Under the STIP, in accordance with the Group's remuneration strategy, the employee's performance is assessed by the Board against a range of objectives including delivery of the Kola DFS on time and in budget, progressing the Kola ESIA and maintaining control of costs within the business. The performance rights vest a third on award, a third after 1 year of continuous service and a third after 2 years continuous service, as one fully paid ordinary share for each performance right.

The fair value of the performance rights was estimated at AUD 0.17 per performance right, calculated based on the share price at grant date using the Cox, Ross and Rubinstein Binomial Option Pricing Model.

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

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

During the 2018 year, the Board approved the allocation of 2,845,314 STIP performance rights to various KMP and other employees. In addition, during the 2017 year, at the Board's discretion, 735,000 was allocated to two employees (including Mr Werner Swanepoel, who was allocated 490,000 STIP performance rights), which vested immediately and were converted into fully paid ordinary shares upon their resignation.

Rights Series 15

On 29 May 2017, the Group announced that the Board resolved and agreed to issue up to 11,734,853 performance rights available to employees under the LTIP. These performance rights vest as one fully paid ordinary share for each performance right, of which the final amount issued may be reduced by the Board (in its discretion) depending upon the employee's performance against the following objectives:

Non-market performance conditions

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

Market performance conditions

- The Company's share price being between AUD 0.50 and AUD 2.00 (or GBP equivalent), vesting on the basis of one fully paid ordinary share for each performance right vesting, and calculated using a Share Price Allocation Matrix (straight-line basis).

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

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

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

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

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

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

As at reporting date, the Board has not yet determined the allocation of the LTIP performance rights. The allocation will be determined against each objective for each employee on a case by case basis.

Rights Series 16 to 20

At the Company's AGM on 27 June 2018, the Company's shareholders approved the grant of performance rights to the following non-executive directors as a replacement to the previous rights held by these directors:

Series	***Director***	***Number of Performance Rights***
Rights Series 16	David Hathorn	1,500,000
Rights Series 17	Jonathan Trollip	750,000
Rights Series 18	Leonard Math	750,000
Rights Series 19	David Netherway	750,000
Rights Series 20	Timothy Keating	750,000

The performance rights are a one-off award and will unconditionally vest in three equal tranches on the first, second and third anniversary of the Company's admission to the AIM market. They will vest as one fully paid ordinary share for each performance right and will expire on 22 May 2022.

The fair value of the performance rights granted was estimated as at the grant date at GBP 0.0564 per performance right, using the Black-Scholes Option Pricing Model taking into account the terms set out above.

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

Inputs into the model	***Rights Series 16***	***Rights Series 17***	***Rights Series 18***
Grant date share price	GBP 0.06	GBP 0.06	GBP 0.06
Expected volatility	90.12%	90.12%	90.12%
Rights life	4 years	4 years	4 years
Grant date fair value	GBP 0.0564	GBP 0.0564	GBP 0.0564

Inputs into the model	***Rights Series 19***	***Rights Series 20***
Grant date share price	GBP 0.06	GBP 0.06
Expected volatility	90.12%	90.12%
Rights life	4 years	4 years
Grant date fair value	GBP 0.0564	GBP 0.0564

On the first anniversary, 27 June 2019 of these options 1,562,500 were vested and immediately converted into shares. t Leonard Math ceased to be a non-executive director on 28 June 2019, resulting in his remaining allotment of 437,500 being cancelled. A more detailed disclosure is available in Note 12(a).

Rights Series 21 and 22

At the Company's AGM on 27 June 2018, the Company's shareholders approved the grant 500,000 (Rights Series 21) and 1,050,000 (Rights Series 22) performance rights to Sean Bennett, the Company's previous CEO, to recognise his contribution to the Company and the transition of his position as CEO to a successor and his role in successfully implementing the re-domicile of the Group in the United Kingdom, the listing of the Company on the AIM and JSE and the recent completion of a capital raising.

The performance rights have no vesting conditions and will be exercisable on and from the date of their issue, with each performance right being convertible into one fully paid ordinary share.

The fair value at grant date of the performance rights was estimated at GBP 0.0564 per performance right, using the Black-Scholes Option Pricing Model. The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	***Rights Series 21***	***Rights Series 22***
Grant date share price	GBP 0.06	GBP 0.06
Expected volatility	90.12%	90.12%
Rights life	4 years	4 years
Grant date fair value	GBP 0.0564	GBP 0.0564

Share based payment arrangements in existence

The following options from share based payment arrangements were in existence during the current and prior periods:

	Grant Date	Vesting Date	Number of Options	Expiry Date	Fair Value at Grant Date	Exercise Price
Option Series 22 *	9/04/2014	10/04/2014	2,169,671	15/04/2018	AUD 0.1242	AUD 0.33
Option Series 23 *	9/04/2014	10/04/2015	1,760,778	15/04/2018	AUD 0.1391	AUD 0.33
Option Series 24 *	9/04/2014	10/04/2016	1,760,777	15/04/2018	AUD 0.1522	AUD 0.33
Option Series 25 *	12/05/2014	10/04/2014	333,333	15/04/2018	AUD 0.0948	AUD 0.33
Option Series 26 *	12/05/2014	10/04/2015	333,333	15/04/2018	AUD 0.1073	AUD 0.33
Option Series 27 *	12/05/2014	10/04/2016	333,334	15/04/2018	AUD 0.1194	AUD 0.33
Option Series 28 *	30/05/2014	10/04/2014	500,000	26/06/2018	AUD 0.1177	AUD 0.33
Option Series 29 *	30/05/2014	10/04/2015	500,000	26/06/2018	AUD 0.1303	AUD 0.33
Option Series 30 *	30/05/2014	10/04/2016	500,000	26/06/2018	AUD 0.1432	AUD 0.33
Option Series 31 **	27/06/2018	*Refer Below*	17,200,000	27/06/2028	GBP 0.0518	GBP 0.11
Option Series 32 ***	27/06/2018	*Refer Below*	4,000,000	27/06/2020	GBP 0.0241	GBP 0.11
Option Series 33 **	17/07/2019	*17/07/2028*	26,900,000	17/07/2024	GBP 0.007	GBP 0.022

* *Option Series expired during the previous financial year.*

** *Option Series 31 were issued to Brad Sampson (Option Series 31) The vesting conditions for these Options include milestones being achieved in relation to the Kola Project. The fair value of the options granted was estimated as at the grant date using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the instruments were granted. These options were cancelled at the AGM this year and were replaced by Option Series 33. These have been accounted for under the modification accounting.*

*** *These options were granted to David Hathorn. The vesting conditions for these Options include milestones being achieved in relation to the Kola Project. The fair value of the options granted was estimated as at the grant date using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the instruments were granted.*

The following Performance Rights from share based payment arrangements were in existence during the current and prior periods:

	Grant Date	Vesting Date	Number of Rights	Expiry Date	Fair Value at Grant Date
Rights Series 4 (1)	17/09/2015	1 Dec 2016	2,666,090	16/09/2018	AUD 0.1451
Rights Series 5 (2)	17/09/2015	*Refer below*	2,666,090	16/09/2018	AUD 0.1507
Rights Series 6 (3)	17/09/2015	*Refer below*	2,666,090	16/09/2018	AUD 0.1510
Rights Series 7 (4)	07/12/2015	*Refer below*	5,000,000	06/12/2020	AUD 0.1753
Rights Series 8 (5)	20/11/2015	*Refer below*	13,000,000	01/03/2021	AUD 0.1596
Rights Series 9 (6)	20/11/2015	*Refer below*	8,500,000	01/03/2021	AUD 0.1867
Rights Series 10 (7)	6/07/2016	*Refer below*	2,000,000	30/06/2021	AUD 0.1258
Rights Series 11 (7)	6/07/2016	*Refer below*	1,000,000	30/06/2021	AUD 0.1258

(1) Fully vested on 1 December 2016 pursuant to the satisfaction of performance criteria. Performance Rights were converted to fully paid ordinary shares on 3 February 2017.

(2) On 3 February 2017, 402,720 Performance Rights vested and were converted into fully paid ordinary shares. In addition, on 30 June 2017, 2,263,370 Performance Rights vested and were converted into fully paid ordinary shares.

(3) On 30 June 2017, 402,720 Performance Rights vested and were converted into fully paid ordinary shares. In addition, on 20 December 2017, 376,374 Performance Rights vested and were converted to fully paid ordinary shares on the

resignation of Mr Lawrence Davidson. The remaining 1,886,996 Performance Rights vested on 17 May 2018 pursuant to the satisfaction of performance criteria and were converted into fully paid ordinary shares on 13 February 2019 (see note 11).

(4) *250,000 Performance Rights vested and were converted to fully paid ordinary shares on 29 February 2016. In addition, on 3 February 2017, 250,000 fully paid ordinary shares were issued to Mr Werner Swanepoel following the vesting of the Performance Rights due to one year of service being completed on 7 December 2016. On 20 December 2017, 2,245,000 of these Performance Rights were cancelled following his resignation. The remaining 2,255,000 Performance Rights of this series has not yet vested.*

(5) *On 3 February 2017, 1,000,000 fully paid ordinary shares were issued following vesting of one year service conditions on 20 November 2016. On 20 December 2017, 1,000,000 fully paid ordinary shares were issued to Mr David Hathorn following the vesting of the Performance Rights due to his two years of service being completed on 20 November 2017. The remaining 11,000,000 Performance Rights were cancelled on 27 June 2018 following shareholder approval at the Company's AGM.*

(6) *531,250 performance rights vested and converted to fully paid ordinary shares on 2 March 2016. In addition, on 3 February 2017, 531,250 fully paid ordinary shares were issued to Mr Sean Bennett following vesting of one year service condition on 20 November 2016. On 20 December 2017, 531,250 Fully Paid Ordinary Shares were issued to him following the vesting of the Performance Rights due to two years of service being completed on 20 November 2017. On 4 June 2018, 1,025,000 of these Performance Rights were cancelled following his resignation. Out of the remaining 5,881,250 Performance Rights of this series, 531,250 vested on 4 June 2018 (upon resignation) and is yet to be converted into shares, and the remaining has not yet vested.*

(7) *These Performance Rights were cancelled on 27 June 2018 following shareholder approval at the Company's AGM. These were replaced with the Rights issues 16 to 20.*

The following Performance Rights from share based payment arrangements were in existence during the current and prior periods (cont):

	Grant Date	**Vesting Date**	**Number of Rights**	**Expiry Date**	**Fair Value at Grant Date**
Rights Series 12 (8) (9)	29/05/2017	*Refer below*	2,000,000	31/05/2022	AUD 0.1700
Rights Series 13 (8) (10)	31/05/2017	4 June 2018	660,000	31/05/2022	AUD 0.1700
Rights Series 14 (8) (11)	29/05/2017	*Refer below*	4,482,005	31/05/2022	AUD 0.1700
Rights Series 15 (12)	29/05/2017	*None vested*	11,734,853	31/05/2022	AUD 0.17 / AUD 0.104

(8) *The fair value of the performance rights granted was estimated as at the grant date using the Cox, Ross and Rubinstein Binomial Option Pricing Model taking into account the terms and conditions upon which the instruments were granted. The input used in the measurement of the fair value at grant date of the performance rights were as follows:*

Input into the model	***Rights Series 12***	***Rights Series 13***	***Rights Series 14***
Grant date share price	*AUD 0.17*	*AUD 0.17*	*AUD 0.17*
Expected volatility	*75.00%*	*75.00%*	*75.00%*
Rights life	*2 years*	*2 years*	*2 years*
Risk free rate	*1.66%*	*1.66%*	*1.66%*
Grant date fair value	*AUD 0.1700*	*AUD 0.1700*	*AUD 0.1700*

(9) *The On 20 December 2017, 595,000 Performance Rights vested and were converted into ordinary shares following the resignation of certain employees.*

(10) *These Performance Rights fully vested on 4 June 2018 following Mr Sean Bennett's resignation, and are yet to be converted into fully paid ordinary shares as at 31 December 2019.*

(11) *On 20 December 2017, 735,000 Performance Rights vested and were converted into ordinary shares following the resignation of certain employees. In addition, 948,438 Performance Rights vested on 21 May 2018 following Board assessment and approval of the award portion of these rights and are yet to be converted into fully paid ordinary shares at reporting date. The remaining 2,798,567 Performance Rights have not yet been vested.*

(12) *The fair value of the performance rights granted was estimated as at the grant date using the Cox, Ross and Rubinstein Binomial Option Pricing Model (for performance rights with performance conditions) and the Monte Carlo Simulation Model (for performance rights with market conditions) taking into account the terms and conditions upon*

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

Input into the model	*Rights Series 15 (Performance Conditions)*	*Rights Series 15 (Market Conditions)*
Grant date share price	*AUD 0.17*	*AUD 0.17*
Expected volatility	*75.00%*	*75.00%*
Rights life	*5 years*	*5 years*
Risk free rate	*2.05%*	*2.05%*
Grant date fair value	*AUD 0.1700*	*AUD 0.1040*

The following Performance Rights from share based payment arrangements were in existence during the current and prior periods (cont):

	Grant Date	Vesting Date	Number of Rights	Expiry Date	Fair Value at Grant Date
Rights Series 16 (13)	27/06/2018	*None vested*	1,500,000	22/05/2022	GBP 0.0564
Rights Series 17 (13)	27/06/2018	*None vested*	750,000	22/05/2022	GBP 0.0564
Rights Series 18 (13)	27/06/2018	*None vested*	750,000	22/05/2022	GBP 0.0564
Rights Series 19 (13)	27/06/2018	*None vested*	750,000	22/05/2022	GBP 0.0564
Rights Series 20 (13)	27/06/2018	*None vested*	750,000	22/05/2022	GBP 0.0564
Rights Series 21 (15)	27/06/2018	*Vested Immediately*	500,000	22/05/2022	GBP 0.0564
Rights Series 22(15)	27/06/2018	*Vested Immediately*	1,050,000	22/05/2022	GBP 0.0564

(13) These performance rights were issued to the following non-executive directors following shareholder approval at the Company's AGM on 27 June 2019:

Series	*Director*	*Number*	*Converted into shares on 27 June 2019*	*Cancelled on resignation*
Rights Series 16	*David Hathorn*	*1,500,000*	*500,000*	*-*
Rights Series 17	*Jonathan Trollip*	*750,000*	*250,000*	*-*
Rights Series 18	*Leonard Math*	*750,000*	*312,500*	*437,500*
Rights Series 19	*David Netherway*	*750,000*	*250,000*	*-*
Rights Series 20	*Timothy Keating*	*750,000*	*250,000*	*-*

The performance rights are a one-off award and will unconditionally vest in three equal tranches on the first, second and third anniversary of the Company's admission to the AIM market. These performance rights will expire on 22 May 2022. Please see note 12(a) for further disclosure

The fair value of the performance rights granted was estimated as at the grant date using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the instruments were granted. The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	*Rights Series 16 to 20 (Inclusive)*
Grant date share price	*GBP 0.06*
Expected volatility	*90.12%*
Rights life	*4 years*
Grant date fair value	*GBP 0.0564*

On 18 October 2019, it was confirmed that David Hawthorn was converting 500,000 performance rights to shares; whilst Jonathan Trollip, David Netherway and Timothy Keating were all converting 250,000.

Leonard Math's resignation on 28 June 2019 resulted in the forfeiture of 437,500 of his Right Series 18 Performance rights. The remaining 312,500 were converted into shares at that date.

(14) These were issued to David Hathorn and Sean Bennett at the 2018 AGM to recognise their continued service. These had no vesting conditions.

The Performance Rights outstanding at 31 December 2019 had a weighted average remaining contractual life of 2.06 years.

NOTE 23: LOSS PER SHARE

Classification of securities as ordinary shares
The Company has only one category of ordinary shares included in basic earnings per share.

Classification of securities as potential ordinary shares – share options and rights outstanding
The Company has granted 30,900,000 share options in respect of a total of ordinary shares at 31 December 2019 (31 December 2018: 71,200,000), equity warrants (31 December 2018: 13,144,659) and 28,193,108 performance rights (31 December 2018: 32,070,104). Options, equity warrants and rights are considered to be potential ordinary shares. However, as the Company and Group are in a loss position they are anti-dilutive in nature, as their exercise will not result in a diluted earnings per share that shows an inferior view of earnings performance of the Company and Group than is shown by basic earnings per share. The options warrants and performance rights have not been included in the determination of basic earnings per share.

	Parent		**Consolidated Entity**	
	Dec 2019 USD Cents	**Dec 2018 USD Cents**	**Dec 2019 USD Cents**	**Dec 2018 USD Cents**
Basic and diluted loss per share from continuing operations	(1.68)	(0.20)	(0.36)	(0.75)

	Parent		**Consolidated Entity**	
Earnings reconciliation	**Dec 2019 USD**	**Dec 2018 USD**	**Dec 2019 USD**	**Dec 2017 USD**
Loss attributable to ordinary shareholders	(19,593,518)	(1,715,799)	(4,204,007)	(6,249,696)

	Parent		**Consolidated Entity**	
	Dec 2019 Number	**Dec 2017 Number**	**Dec 2019 Number**	**Dec 2017 Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,163,030,183	838,752,968	1,163,030,183	838,752,968

Headline earnings/loss per share
It is a JSE listing requirement to disclose headline earnings/loss per share, a non-IFRS measure. It is considered to be a useful metric as it presents the earnings/loss per share after removing the effect of re-measurements to assets and liabilities (for example impairment of property, plant and equipment) otherwise recognised in the profit/loss for the year. During the current and prior year there was no difference between earnings/loss per share and headline earnings/loss per share and therefore no reconciliation between the two measures has been presented.

NOTE 24: CONTINGENT LIABILITIES

As at the date of this report, the Company's subsidiary, SPSA, has been in litigation before the Administrative Chamber of the Supreme Court of the Republic of Congo and before the Labour Tribunal. These two proceedings result from an action taken by a former employee, as well as a group of 30 claimants, following the retrenchment of these 31 employees on 20 November 2014.

On 14 June 2018 the Supreme Court confirmed that the retrenchments had followed due process and cancelled the previous decision of the Minister of Labour against SPSA. The former employees have appealed the findings and the Company has until 27 September 2019 to respond. The Labour Tribunal action is anticipated to be favourably concluded following the Supreme Court findings with the next hearing on 9 October 2019. The 9

October 2019 hearing was postponed to 18 November 2019. On 18 November 2019, the President decided to push the hearing to 30 December 2019. On 30 December 2019, the Company performed oral pleading before the judge. The judge scheduled the next hearing to 23 March 2020.

On 28 August 2018, 25 former employees working on the exploration site from 2009 to 2013 instituted further action before the Labour Tribunal, claiming compensation for unpaid overtime and damages. The Company presented its position and responded to the Supreme Court on 27 September 2019. The legal proceedings are ongoing.

On 31 October 2019 the former Finance and Administration Manager (Serge Koffi) of SPSA, claimed unfair and abusive dismissal from Kore Potash Ltd and from SPSA. The parties are discussing a possible amicable settlement agreement to avoid court proceedings.

The Directors have concluded that any possible exposure and cash outflow from the Group as a result of the first two legal proceedings would be immaterial.

Glossary

Acronym / Term	**Stands For / Meaning**	**Definition and/or Additional Information**
$	Denotes USD or 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.
2018 UK Code	2018 UK Corporate Governance Code	The UK corporate governance code that came into effect on 1 January 2018 and applies to accounting reference periods commencing on and after 1 January 2019.
AGM	Annual General Meeting	The mandatory yearly gathering of the Company's interested shareholders. The latest AGM was held on 28 June 2019.
AIM	AIM	AIM (formerly the Alternative Investment Market) is a sub-market of the LSE.
ASX	Australian Securities Exchange	The ASX is Australia's primary securities exchange.
AUD	Australian dollars	The official currency of the Commonwealth of Australia.
Board	The board of directors of Kore Potash plc	As listed on page **Error! Bookmark not defined.** of the Annual Report.
Carnallitite	A rock type comprised predominantly of the potash mineral carnallite ($KMgCl_3 \cdot 6H_2O$) and halite ($NaCl$).	Carnallitite may be replaced by the word carnallite for simplicity.
CDIs	CHESS Depositary Interests	CDIs are instruments traded on the ASX that allow non-Australian companies to list their shares on the exchange and use the exchange's settlement systems. In the Company's case, one CDI is equivalent to one share traded on the AIM market or on the JSE.
CEO	Chief Executive Officer	As listed on page **Error! Bookmark not defined.** of the Annual Report.
CFR	Cost and Freight	"Cost and Freight" means that the seller must pay the costs and freight necessary to bring the goods to the named port of destination but the risk of loss of or damage to the goods, as well as any additional costs due to events occurring after the time the

		goods have been delivered on board the vessel is transferred from the seller to the buyer when the goods pass the ship's rail in the port of shipment.
Company	Kore Potash PLC	Kore Potash PLC is public company incorporated and registered in England and Wales (registered number 10933682).
CRU	Commodity Research Unit	
DFS	Definitive Feasibility Study	A DFS is an evaluation of a proposed mining project to determine whether the mineral resource can be mined economically.
Dougou	Denotes the Dougou Project	The Dougou Project (including the Dougou Extension Project) is part of the Sintoukola Potash Project.
DPM	Dougou Potash Mining S.A.	DPM is one of the subsidiaries of SPSA.
DUP	Déclaration d'Utilité Publique	A DUP, or, translated as a "declaration of public utility", is a formal recognition in RoC law that a proposed project has public benefits.
DX	Dougou Extension	The Dougou Extension sylvinite solution mining project
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	
EPC	Engineering, Procurement and Construction	A particular form of contracting arrangement used in some industries where the EPC contractor is made responsible for all the activities from design, procurement, construction, commissioning and handover of the project to the end-user or owner.
EPCM	Engineering, Procurement and Construction Management	As opposed to EPC where the Contractor is responsible for the construction directly, not only the management of it.
ESIA	Environmental and social impact assessment	A process for predicting and assessing the potential environmental and social impacts of a proposed project, evaluating alternatives and designing appropriate mitigation, management and monitoring measures.
FC	The French Consortium of Engineering Companies	The FC is a consortium of engineering companies who undertook the DFS on the Kola Project. The FC consists of TechnipFMC, VINCI Construction Grands Projects, Egis and Louis Dreyfus Armateur.
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 is on page 104 under Note 8.
Insoluble material	Here refers to clays, organic material and other insoluble components of the sylvinite.	Low insoluble content is considered advantageous.
JORC	Australasian Joint Ore Reserves Committee	JORC is sponsored by the Australian mining industry and its professional organisations.
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves	The JORC Code is one of the most accepted standards for the reporting of a company's Mineral Resources and Ore Reserves.
JSE	Johannesburg Stock Exchange	The securities exchange, licenced under the Financial Markets Act (No 19 of 2012), as amended from time to time, operated by JSE Limited.

KCl	Potassium Chloride	
KMP	Key Management Personnel	Refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Kola	Denotes the Kola Project.	The Kola Project is part of the Sintoukola Potash Project.
Kore Potash	Kore Potash plc	See definition for “Company” above.
KPM	Kola Potash Mining S.A.	KPM is one of the subsidiaries of SPSA.
LSE	London Stock Exchange	The LSE is the primary stock exchange in the United Kingdom.
LTIP	Long Term Incentive Plan	
Mt	Million tonnes	
Mining Convention	Denotes the mining convention signed by the Group and the government of RoC.	The mining convention governs the conditions of construction, operation and mine closure of the Kola and Dougou (including Dougou Extension) mining projects.
MoP	Muriate of Potash	The saleable form of potassium chloride (KCl), comprising of a minimum 95% KCl.
NED	Non-Executive Director	Non-Executive Director of Kore Potash plc
NPV	Net Present Value	NPV_{10} denotes the Net Present Value calculated at a 10% discount rate.
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.
RoC	The Republic of Congo	The RoC is where the Group’s exploration activities are located.
Rock-salt	In this case, a rock comprised predominantly of the mineral halite (NaCl)	
SBP	Share-Based Payment(s)	
SGRF	The State General Reserve Fund of Oman	SGRF, is a sovereign wealth fund in Oman, and is one of the Company’s substantial shareholders. Their investment in the Company is held in the name of Princess Aurora Company Pte.
Sintoukola Potash Project	Denotes the large potash project operated by the Group through SPSA located in the Kouilou Province of the Republic of Congo.	The Sintoukola Potash Project includes the Kola Project, the Dougou Project and the Dougou Extension Project (previously known as the Yangala Project).
SJCS	St James’s Corporate Services Limited	SJCS, together with Henko Vos, is the Company’s joint company secretary.
SoP	Sulphate of Potash	Also called potassium sulphate, arcanite, or archaically known as potash of sulphur. SoP is the inorganic compound with formula K2SO4. It is a white water-soluble solid. It is commonly used in fertilizers, providing both potassium and a source of sulphur.
SPSA	Sintoukola Potash S.A.	SPSA is the Company’s 97%-owned subsidiary located in the RoC, owned through the Company.
SQM	Sociedad Quimica y Minera de Chile S.A.	SQM is a New York listed Chilean lithium & potash company and is one of the Company’s substantial shareholders.

Standard MoP	The selling description for uncompacted MoP.	
STIP	Short Term Incentive Plan	
Sylvinite	A rock type comprised predominantly of the potash mineral sylvite (KCl) and halite (NaCl)	
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.