

28 April 2020

## **Kore Potash Plc**

("Kore Potash" or the "Company")

### **Review of Operations for the Quarter ended 31 March 2020**

Kore Potash, the potash exploration and development company whose flagship asset is the 97%-owned Sintoukola Potash Project ("**Sintoukola**" or the "**Project**"), located within the Republic of Congo ("**RoC**"), provides the following quarterly update, for the period to 31 March 2020 (the "**Quarter**").

#### **Quarterly Highlights:**

- Detailed work continued on the Dougou Extension ("DX") Pre-feasibility Study ("PFS") and the Company anticipates publication in May 2020.
  - Technical studies, design and costing have been delivered to Company for review.
- Extensions of environmental approval period to 25 years for Kola and Dougou Mining licences were received on 31 March 2020.
- The Company continued to engage with the RoC Government on the implementation of specific commitments contained within the Mining Convention.

#### **Corporate Highlights**

- At 31 March 2020, the Company held USD 4.7 million cash at bank.
- The Company published its 2019 annual report on 24 March 2020.

#### **Brad Sampson, Chief Executive of Kore Potash, commented:**

*"We are excited to be nearing completion of the DX Pre-feasibility Study. The DX project with its very high grade and shallow potash, and close proximity to the coastline and the major port of Pointe Noire is ideally placed to produce potash at low cost for supply into the nearby and growing markets in Africa and South America."*

#### **Operational activities**

##### **Dougou Extension Sylvinite Pre-feasibility Study**

During the Quarter, the Company progressed the Pre-feasibility Study ("PFS") on the Dougou Extension ("DX") project. The Company reports the following progress:

- All technical and trade off studies, design and cost estimation planned for the pre-feasibility study have been delivered to Kore for review.
- The Company drilled 3 infill diamond drill holes at the DX deposit as part of the PFS scope of work. The results of these holes are currently being assessed and will be released as soon as they have been compiled and verified.
- The Company anticipates release to shareholders of the pre-feasibility outcomes during May 2020.

There were no mining production or construction activities during the Quarter.

## **Environmental and social impact assessment for Kola and Dougou (“ESIA”)**

The Minister of Tourism and Environment of the RoC issued certificates on 31 March 2020 granting a 25-year approval period for the ESIA's for both the Dougou and the Kola Mining Licences.

This approval aligned with the provisions of the Mining Convention in place between the Government and Kore and eliminated the previous requirement for annual re-approvals.

The Company plans in the future to seek approval for amendments to the ESIA for the Dougou Mining Licence to include the planned mining and processing of the DX sylvinite Deposit which sits within the Dougou Mining Licence.

## **Mining Convention and Research Convention**

The Company continues to engage with the RoC Government on the implementation of specific commitments contained within the Mining Convention. This includes the government's approval for the intra-group transfer of the Dougou Mining License from Sintoukola Potash S.A. to the operating entity Dougou Potash Mining S.A. and the transfer of a 10% shareholding in Kola Potash Mining S.A. and Dougou Potash Mining S.A. to the Government.

The Company further progressed discussion with the Government on terms and conditions for a Mining Research Convention covering the Sintoukola 2 exploration licence. This convention is required to be negotiated in advance of any exploration activity.

## **Covid-19 response**

In response to the Covid-19 situation the Company has closed its offices and management and office staff are all working remotely from home, with little disruption to the normal workflow.

The Koutou exploration camp and core yard remains guarded and secured. The Koutou camp manager and mechanics remain on site to ensure the condition of assets.

Provision of assistance to local communities and stakeholders near our project area in the ROC continues, via support for the Covid-19 response strategy of the Local Health Department, and the local clinic at Koutou village and through working in conjunction with the chiefs of local villages, to distribute essential food aimed at alleviating the impact of the crisis on vulnerable people.

## **Quarterly cashflow report**

The Company will also today lodge its cashflow report for the quarter ended 31 March 2020. Included in those cashflows are non-executive directors' fees and CEO salary of approximately USD182,000 settled in cash. The Company also settled outstanding directors' fees for the quarter ended December 2019 through the issue of 3,811,398 ordinary shares, as announced on 21 January 2020.

The Company invested USD1.35 million in exploration in the Quarter and ended the Quarter with USD 4.7 million of cash at bank.

**ENDS**

For further information, please visit [www.korepotash.com](http://www.korepotash.com) or contact:

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### **About Kore Potash's Projects**

Kore Potash is an advanced stage mineral exploration and development company whose primary asset is 97%-owned interest in the Sintoukola project, a potash project located in the Republic of Congo. The Sintoukola project comprises the Dougou Extension sylvinite Deposit, the Kola sylvinite and carnallite Deposits, and the Dougou carnallite Deposit. These deposits are within the Dougou and Kola Mining Licenses. The Sintoukola project also includes the Sintoukola 2 Exploration License.

Sintoukola is located approximately 80 km to the north of the city of Pointe Noire which has a major port facility, and within 30 km of the Atlantic coast. Sintoukola has the potential to be among the world's lowest-cost potash producers and its location near the coast offers a transport cost advantage to global fertilizer markets.

The Dougou Extension sylvinite Deposit contains a total sylvinite Mineral Resource Estimate of 232 Mt grading 38.1% KCl, hosted by two seams. Dougou Extension is located 15 km southwest of Kola. The deposit is open laterally; an Exploration Target for the northward extension of sylvinite was announced on the 21 November 2018.

The Kola sylvinite Deposit has a Measured and Indicated sylvinite Mineral Resource Estimate of 508 million tonnes grading 35.4% KCl. The results of a Definitive Feasibility Study ("DFS") were announced on 29 January 2019, which determined Ore Reserves of 152 Mt with an average grade of 32.5% KCl. The deposit is open laterally; an Exploration Target for the Southward extension of sylvinite was announced on the 21 November 2018.

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

### **Tenement Details and Ownership**

The Company is incorporated and registered in England and Wales and wholly owns Kore Potash Limited of Australia. Kore Potash Limited has a 97% holding in SPSA in the RoC. SPSA is the 100% owner

of Dougou Potash Mining S.A. which will hold the Dougou Mining Lease upon the transfer from SPSA to Dougou Potash Mining S.A. through the issue of a Presidential Decree. In addition, SPSA were recently awarded the Sintoukola 2 Exploration Permit. The Kola Deposit is located within the Kola Mining Lease. The Dougou Mining lease hosts the Dougou Deposit and the Dougou Extension Deposit.

**Table 1: Schedule of mining tenements (Republic of Congo) \***

<b>Project &amp; Type</b>	<b>Tenement Issued</b>	<b>Company Interest</b>	<b>Title Registered to</b>
Kola Mining	Decree 2013-412 of 9 August 2013	100% potassium rights only	Kola Potash Mining S.A.
Dougou Mining	Decree 2017-139 of 9 May 2017	100% potassium rights only	Sintoukola Potash S.A.
Sintoukola2 Exploration	Decree 2018-34 of 9 February 2018	100% potassium rights only	Sintoukola Potash S.A.

\* these remain unchanged from the quarter ended 31 December 2019.