

KORE POTASH PLC

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DIRECTORS

Chairman: David Hathorn
 CEO: Brad Sampson
 Non-exec Director: Jonathan Trollip
 Non-exec Director: David Netherway
 Non-exec Director: Timothy Keating
 Non-exec Director: Trinidad Perez

ISSUED CAPITAL

(As at 29 January 2021)
 2,452m Ordinary Shares
 AIM, JSE & ASX Code: KP2

29 January 2021

Kore Potash Plc

("Kore Potash" or the "Company")

Review of Operations for the Quarter ended 31 December 2020

Kore Potash plc, the potash development company with 97%-ownership of the Kola and DX Potash Projects in the Sintoukola Basin, located within the Republic of Congo ("RoC"), provides the following quarterly update, for the period to 31 December 2020 (the "Quarter").

Quarterly Highlights:
DX Project Definitive Feasibility Study ("DX DFS")

- Phase 1 of the DX DFS remains on track for completion in May 2021.
- Drilling productivity and costs during the Quarter were better than budgeted and the Company is anticipating drilling additional diamond drill holes in the quarter ending 31 March 2021.
- The revised drilling plan aims to drill up to two more diamond drill holes than previously planned for a total of seven diamond drill holes.
- Diamond drilling is on track to be completed within the quarter ending 31 March 2021.
- Production brine test works being undertaken in the Sociedad Quimica Minera de Chile's ("SQM") laboratory in Chile are on track for completion in the quarter ending 31 March 2021.
- Geomechanical testing of DX core in Germany and the USA is expected to be completed in the quarter ending 31 March 2021.

The Kola Potash Project

- Discussions continued in the Quarter with a number of potential financiers who have indicated potential interest in financing the Kola project.
- In addition, the Company continued dialogue with engineering and construction companies with the capability to conduct further optimisation of the Kola design and capital cost.

Corporate Highlights

- Ms Trinidad Maria Reyes Perez was appointed as a Non-Executive Director of the Board after nomination by SQM on 24 November 2020. Trinidad replaces Mr Jose Antonio Merino who resigned from the Board with effect from the same date.
- Following correspondence received from the RoC's Minister of Mines regarding the development of Kore's projects in the Sintoukola Basin, the Company met with and held a productive dialogue with the Minister of Mines on 28 December 2020 and again on 13 January 2021. These meetings afforded Kore and the Minister the opportunity to constructively consider options to accelerate the development of the projects.
- As communicated by the Company on 14 December 2020, the Company is progressing the development of the DX and Kola projects towards production and continues to comply with its obligations to the Government of the RoC.

- On 31 December 2020, the Company held USD 5.56 million cash at bank.

Brad Sampson, Chief Executive Officer of Kore Potash, commented:

“The Company continues to progress the definitive feasibility study for the DX project as this currently represents the fastest route to first production and cash generation, which will provide a firm foundation for the further development of the Sintoukola Basin.

“The larger Kola project remains important for Kore and our stakeholders and dialogue continues with potential strategic, financial and construction partners on the capital optimisation of Kola and then construction.”

Operational activities

DX DFS

- On 2 December 2020, the Company provided a progress update on the first phase of the DX DFS and as at 31 December 2020 progress was:
 - Phase 1 remains on track to be completed in May 2021.
 - The planned diamond drilling is progressing within the schedule. Mud rotary drilling of drill holes DX 10, 11, 12, 13 and 14 has been completed to the anhydrite layer and the holes have been cased and grouted ready for diamond drilling of core samples.
 - The diamond drilling and coring of DX 11, 12 and 13 was completed and preparation of samples for assay testing is underway.
 - Geo-mechanical testing of samples from previously drilled core and from core taken from DX 12 and 13 has commenced. To date Agapito Associates Inc. (“AAI”) has completed 21 Unconfined Compressive Strength tests and 21 Triaxial Compressive Strength tests. The test report is expected in the quarter ending 31 March 2021.
 - Creep tests at the Institut für Gebirgsmechanik laboratory in Germany are progressing with 6 of the 12 tests completed, results expected in the quarter ending 31 March 2021.
 - The geomechanical modelling work commenced in December 2020. The modelling work for eight scenarios has been completed with two more scenarios currently being modelled. Preliminary geomechanical modelling results are expected to be received in the quarter ending 31 March 2021.
 - Modelling to predict surface subsidence that will be caused by cavern extraction has commenced and results are expected in the quarter ending 31 March 2021.
 - SQM is conducting test works within their pilot plant to improve confidence in the estimate of the potassium carrying capacity of the production brine. This work has commenced and is expected to be completed within the ending 31 March 2021.

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

Next steps

DX DFS work planned for the quarter ending 31 March 2021 includes the following:

- Completion of the planned diamond drill holes.
- Completion of the geo-mechanical testing and modelling.
- Completion of the subsidence modelling.
- Design of the cavern layout and production extraction sequencing.
- Commencement of an update of the geological model to incorporate the DFS drilling results.
- Completion of the test works being done by SQM to improve confidence in the potassium carrying capacity of the production brine.

Quarterly cashflow report

In accordance with the ASX Listing Rules, the Company will also lodge its cashflow report for the Quarter today. Included in those cashflows are non-executive directors' fees and CEO salary and bonus of approximately USD371k settled in cash. The Company settled outstanding directors' fees for the quarter ended 30 June 2020 and for the quarter ended 30 September 2020 through the issue of 6,566,821 ordinary shares, as announced on 13 October 2020. The Company also settled outstanding directors' fees for the quarter ended 31 December 2020 through the issue of 2,909,389 ordinary shares, as announced on 15 January 2021.

The Company invested USD788k in exploration in the Quarter which comprised USD583k related to DX DFS design work, USD156k in sourcing DX DFS related drilling consumables, and USD49k DX DFS management related costs. The Company ended the Quarter with USD5.56 million of cash at bank.

This announcement has been approved for release by the Board.

ENDS

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

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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) *

Project & Type	Tenement Issued	Company Interest	Title Registered to
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 30 September 2020.

Kore's Potash Mineral Resources and Ore Reserves - Gross and according to future 90% interest (10% by the RoC government)

KOLA SYLVINITE DEPOSIT						
	Gross			Net Attributable (90% interest)		
Mineral Resource Category	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes
Measured	216	34.9	75.4	194	34.9	67.8
Indicated	292	35.7	104.3	263	35.7	93.9
Sub-Total Measured + Indicated	508	35.4	179.7	457	35.4	161.7
Inferred	340	34.0	115.7	306	34.0	104.1
TOTAL	848	34.8	295.4	763	34.8	265.8

	Gross			Net Attributable (90% interest)		
Ore Reserve Category	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes
Proved	62	32.1	19.8	56	32.1	17.9
Probable	91	32.8	29.7	82	32.8	26.7
TOTAL	152	32.5	49.5	137	32.5	44.6

Ore Reserves are not in addition to Mineral Resources but are derived from them by the application of modifying factors

DOUGOU EXTENSION SYLVINITE DEPOSIT (HWSS and TSS)						
	Gross			Net Attributable (90% interest)		
Mineral Resource Category	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes
Measured	-	-	-	-	-	-
Indicated	79	39.1	30.8	71	39.1	27.7
Sub-Total Measured + Indicated	79	39.1	30.8	71	39.1	27.7
Inferred	66	40.4	26.7	59	40.4	24.0
TOTAL	145	39.7	57.5	130	39.7	51.8

	Gross			Net Attributable (90% interest)		
Ore Reserve Category	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes
Proved	-	-	-	-	-	-
Probable	17.7	41.7	7.4	16	41.7	6.6
TOTAL	17.7	41.7	7.4	16	41.7	6.6

Ore Reserves are not in addition to Mineral Resources but are derived from them by the application of modifying factors

DOUGOU CARNALLITE DEPOSIT						
	Gross			Net Attributable (90% interest)		
Mineral Resource Category	Million Tonnes carnallite	Average Grade KCl %	Contained KCl million tonnes	Million Tonnes carnallite	Average Grade KCl %	Contained KCl million tonnes
Measured	148	20.1	29.7	133	20.1	26.8
Indicated	920	20.7	190.4	828	20.7	171.4
Sub-Total Measured + Indicated	1,068	20.6	220.2	961	20.6	198.2
Inferred	1,988	20.8	413.5	1789	20.8	372.2
TOTAL	3,056	20.7	633.7	2750	20.7	570.3

KOLA CARNALLITE DEPOSIT						
	Gross			Net Attributable (90% interest)		
Mineral Resource Category	Million Tonnes carnallite	Average Grade KCl %	Contained KCl million tonnes	Million Tonnes carnallite	Average Grade KCl %	Contained KCl million tonnes
Measured	341	17.4	59.4	307	17.4	53.5
Indicated	441	18.7	82.6	397	18.7	74.4
Sub-Total Measured + Indicated	783	18.1	142.0	705	18.1	127.8
Inferred	1,266	18.7	236.4	1140	18.7	212.8
TOTAL	2,049	18.5	378.5	1844	18.5	340.6

Competent Persons Statements

All Mineral Resource and Ore Reserves are reported in accordance with the JORC Code (2012 edition). Numbers are rounded to the appropriate decimal place. Rounding 'errors' may be reflected in the "totals". 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 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 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 is reported herein. Ms. Vanessa Santos, P.Geo. of Agapito Associates Inc., for the Exploration Results and Mineral Resources. Ms. Santos is a licensed professional geologist in South Carolina (Member 2403) and Georgia (Member 1664), USA, and is a registered member (RM) of the Society of Mining, Metallurgy and Exploration, Inc. (SME, Member 04058318). 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.

Forward-Looking Statements

This release contains certain statements that are "forward-looking" with respect to the financial condition, results of operations, projects and business of the Company and certain plans and objectives of the management of the Company. Forward-looking statements include those containing words such as: "anticipate", "believe", "expect", "forecast", "potential", "intends", "estimate", "will", "plan", "could", "may", "project", "target", "likely" and similar expressions identify forward-looking statements. By their very nature forward-looking statements are subject to known and unknown risks and uncertainties and other factors which are subject to change without notice and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct, which may cause the Company's 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. Neither the Company, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur. Except as required by law, and only to the extent so required, none of the Company, its subsidiaries or its or their directors, officers, employees, advisors or agents or any other person shall in any way be liable to any person or body for any loss, claim, demand, damages, costs or expenses of whatever nature arising in any way out of, or in connection with, the information contained in this document.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Kore Potash Plc

ABN

621 843 614

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(642)	(2,426)
	(e) administration and corporate costs	(828)	(2,322)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	32
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes refunded	-	8
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,466)	(4,708)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(15)	(16)
	(d) exploration & evaluation	(788)	(4,529)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(803)	(4,545)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3	7,494
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(20)	(272)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(17)	7,222

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,826	7,579
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,466)	(4,708)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(803)	(4,545)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(17)	7,222

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	16	8
4.6	Cash and cash equivalents at end of period	5,556	5,556

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	5,556	7,826
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,556	7,826

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	276
6.2	Aggregate amount of payments to related parties and their associates included in item 2	276

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,466)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(788)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,254)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,556
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,556
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.46
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not Applicable		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not Applicable		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not Applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.