

25 October 2021

**Kore Potash Plc**  
("Kore Potash" or "the Company")

**Review of Operations for the Quarter ended 30 September 2021**

Kore Potash, 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 ended 30 September 2021 (the "**Quarter**").

**Quarterly Highlights:**

**Kola Potash Project**

- The process to potentially finance the construction of the Kola Potash Project ("**Kola Project**") progressed in line with the Memorandum of Understanding ("**MoU**") signed with the Summit Consortium ("**Consortium**") in April 2021.
- The Optimisation Study ("**Study**") on the Kola Project remains on track for completion in Q1 2022.
- The Company expects to receive an interim report on the Study within weeks.
- Engineering, Procurement and Construction ("**EPC**") contract terms are being discussed with the Consortium consistent with the 2017 2<sup>nd</sup> edition FIDIC Silver book.
- The Consortium remains on track to present an EPC proposal for the construction of Kola to the Company in Q2 of 2022.
- The Consortium also continues to progress its debt and royalty financing arrangements and is finalising its interest in product offtake.
- The Consortium advise that subject to completion of a successful Study, they remain on track to provide the royalty and debt financing proposal for the full construction cost of Kola to the Company in Q2 of 2022.
- Kore Potash management also continued to brief potential offtake partners with the capability to procure all of the Kola production and who have expressed interest in partnering with the Company.

**DX Potash Project**

- Work commenced developing an updated geological model for the DX deposit which is expected to be completed in Q4 2021.

**Corporate Highlights**

- Ms Amanda Farris was appointed as interim Chief Financial Officer on 15 July 2021.
- Mr Ignacio Maijluf was appointed as a Non-Executive Director on the Board as a nominee of Sociedad Química y Minera de Chile S.A.
- As of 30 September 2021, the Company held US\$ 12.6 million in cash.
- After the end of the Quarter, as a result of the COVID-19 pandemic, two long term Congolese consultants to the Company sadly passed away. Kore Potash expresses its deepest sympathy to their families, friends, and colleagues. The Company's Pointe Noire office has been temporarily closed while risks to our employees and additional mitigation measures are further assessed. This action is not expected to have any material impact on the next Quarter's activities.

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

*“We are saddened by the recent COVID-19 impacts on our people and their families in the Congo and continue to work with our communities and the Government to further mitigate COVID-19 risks to our people in the Congo.”*

*“The Company is very pleased that the Optimisation Study and the Consortium’s financing process are progressing to schedule. We are excited that the next key milestones for the Consortium are imminent and look forward to receiving the interim study report and being able to update shareholders further on the progress to develop Kola.”*

**Operational activities**

**Kola Potash Project**

The financing process for the construction of the Kola Project progressed in line with the MoU signed with the Consortium in April 2021.

**Optimisation Study**

The Consortium’s first key milestone in the MoU is to complete the Study on the Kola Project with key goals to improve the project value, reduce the capital cost and shorten the construction schedule. The Consortium set objectives at the start of the Study to reduce the capital cost to US\$ 1.65 billion and the construction schedule to 40 months. The Study continues to progress as planned and remains on track for completion in Q1 2022.

The completion of the Study has been the major focus of the Company and the Consortium during the Quarter.

The Consortium has advised the Company that its key technical partner with accountability for engineering design and construction, SEPCO Electric Power Construction Corporation (“**SEPCO**”), is nearing completion of an interim report on the Study and that the interim report will be delivered to the Company during Q4 2021.

The Company intends to update shareholders further on the Study progress following the completion of this interim report.

SEPCO and its subcontractor China ENFI Engineering Corporation (“**ENFI**”) have had more than 80 personnel engaged full time on the Study including a review of value opportunities identified in all major areas of the Kola Definitive Feasibility Study (“**DFS**”) design.

During the Quarter, SEPCO appointed CCCC-FHDI Engineering (“**FHDI**”) as marine consultants to bring additional marine capability to the Study team. FHDI is a wholly-owned subsidiary of the China Communications Construction Company Ltd founded in 1964 and was previously known as the Fourth Harbour Design Institute of the Ministry of Transport.

The Study process includes weekly meetings between SEPCO, other members of the Consortium, and Kore Potash management. These meetings include discussion on capital cost and construction schedule reduction initiatives being considered by SEPCO. Some of the topics discussed during the Quarter included accommodation camp design and construction methodology, possible relocation of the processing plant closer to the mining area, improved mine shaft design, improved shaft sinking methodology, optimum process plant equipment design and a reduced cost approach to key component and equipment sourcing.

### ***Construction Contract Terms***

In advance of completion of the Study and facilitating the earliest possible receipt of a construction proposal from the Consortium, the Company is engaging with SEPCO to agree EPC contract terms consistent with the 2017 2<sup>nd</sup> edition FIDIC Silver book and appropriate for the construction of Kola.

The Consortium has also advised it remains on track to present an EPC proposal for the construction of Kola to the Company in Q2 2022 following completion of the Study.

### ***Kola Financing***

The Study and the EPC proposal are two key milestones committed to by the Consortium in the MoU the Company signed with the Consortium in April 2021. The Study will confirm the total quantum of capital required to construct Kola and the construction timeframe. This is important information the Consortium require to be able to present the financing proposal to the Company.

Kore Potash management continued twice-weekly meetings with the Consortium to remain briefed on the Consortium's progress towards forming its debt and royalty financing proposal. The Consortium has also continued to keep the Company informed on their level of product offtake interest.

The Consortium advises that it remains on track, subject to the completion of a successful Study, to provide the royalty and debt financing proposal for the full construction cost of Kola to the Company in Q2 2022.

### ***Other Kola matters***

Separate from the Consortium's activity, Kore Potash management also continued to brief potential offtake partners with the capability to procure all of the Kola production and who have expressed interest in partnering with the Company.

During the Quarter, the Company requested the Government of the RoC to extend the existing Kola land access agreement Decree D'Utilité Publique ("**DUP**") to incorporate additional land areas to allow flexibility for possible relocation of the Kola Processing Plant following completion of the Study. Representatives of the Ministry of Land Affairs visited the Kola Project site during September to facilitate the Company's request. This request was well received by the Government and the Ministry's staff are working cooperatively with the Company to complete this as rapidly as possible.

### ***DX Potash Project***

Following completion of the drilling at the DX Potash Project ("**DX Project**") by the Company earlier in 2021 as part of the first phase of a DFS for the DX Project, all of the geological data for the DX Project has now been provided to the geological consultants to develop an updated geological model for the DX deposit.

This modelling work is expected to be completed late in Q4 2021 and presented to the Company for review.

This new model is expected to facilitate decision making on the most appropriate next steps in the development of the DX Project. The completion of this work may also result in a re-estimate of the DX Mineral Resources.

## **Corporate**

On 15 July 2021, Mr Jean-Michel Bour resigned from the Chief Financial Officer role due to personal circumstances that prevented his continued employment with the Company.

Ms Amanda Farris was subsequently appointed as Chief Financial Officer on 15 July 2021. Ms Farris is a respected mining industry accountant who has been working with the Company since May 2021 and is familiar with the Company's systems, processes, and people.

On 24 August 2021, the Company announced its financial results for the half year ended 30 June 2021.

On 2 September 2021, the Company announced the appointment of Mr Ignacio Maijluf as a Non-Executive Director. Mr Majluf was nominated by Sociedad Química y Minera de Chile S.A. ("**SQM**") to replace Ms Trinidad Reyes, who has taken maternity leave from SQM and resigned from the Board on 1 September 2021.

As at 30 September 2021, the Company held US\$ 12.6 million cash.

After the end of the Quarter, as a result of the COVID-19 pandemic, two long term Congolese consultants to the Company sadly passed away. The Company expresses its deepest sympathy to their families, friends, and colleagues. The Company has provided support to the families in line with our normal practice in the Congo.

The Company's Pointe Noire office has been temporarily closed, and the staff are working from home, while risks to our employees and additional potential mitigating actions are further assessed.

This action is not expected to have any material impact on the next quarter's activities.

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

## **Planned Activity**

During the quarter ending 31 December 2021, the Company aims to:

### **Kola Potash Project**

- Receive the interim Study report from the Consortium.
- Update shareholders on the Study progress following the completion of this interim report by SEPCO.
- Continue to work with SEPCO to evaluate the optimisation initiatives for inclusion in the Final Optimisation Study Report.
- Finalise the granting of the revised DUP with the Minister of Land Affairs.
- Continue discussing the financing proposal with the Consortium for the royalty and debt financing for the full cost of construction of the Kola Project.

### **DX Potash Project**

- Receive the completed updated geological model for the DX Project incorporating the results of the 2021 drilling campaign.
- Commence review of this model and determination of the appropriate next steps in developing the DX Project.

## 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 of US\$ 198 thousand settled in cash. The Company settled outstanding directors' fees for the Quarter ended 30 June 2021 through the issue of 2,954,079 ordinary shares, as announced on 8 July 2021.

The Company invested US \$681 thousand in exploration in the Quarter, which comprised US\$ 671 thousand related to the Kola Study and US\$ 10 thousand for the DX DFS Study. The Company ended the Quarter with US\$ 12.6 million in cash.

This announcement has been approved for release by the Board of Kore Potash.

### ENDS

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

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

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

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

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

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

Ore Reserve Category	Gross			Net Attributable (90% interest)		
	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
<b>TOTAL</b>	<b>17.7</b>	<b>41.7</b>	<b>7.4</b>	<b>16</b>	<b>41.7</b>	<b>6.6</b>

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

DOUGOU CARNALLITE DEPOSIT							
Mineral Resource Category	Gross			Net Attributable (90% interest)			
	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	
<b>Sub-Total Measured + Indicated</b>	<b>1,068</b>	<b>20.6</b>	<b>220.2</b>	<b>961</b>	<b>20.6</b>	<b>198.2</b>	
Inferred	1,988	20.8	413.5	1789	20.8	372.2	
<b>TOTAL</b>	<b>3,056</b>	<b>20.7</b>	<b>633.7</b>	<b>2750</b>	<b>20.7</b>	<b>570.3</b>	

KOLA CARNALLITE DEPOSIT							
Mineral Resource Category	Gross			Net Attributable (90% interest)			
	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	
<b>Sub-Total Measured + Indicated</b>	<b>783</b>	<b>18.1</b>	<b>142.0</b>	<b>705</b>	<b>18.1</b>	<b>127.8</b>	
Inferred	1,266	18.7	236.4	1140	18.7	212.8	
<b>TOTAL</b>	<b>2,049</b>	<b>18.5</b>	<b>378.5</b>	<b>1844</b>	<b>18.5</b>	<b>340.6</b>	



### **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 Ore Reserve Estimate for sylvinitic at Kola was first reported 29 January 2019 in an announcement titled "Kola Definitive Feasibility Study" and was prepared by Met-Chem; the Competent Person for the estimate was Mr Mo 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 sylvinitic Mineral Resource Estimate and Ore Reserve Estimate were reported in an announcement titled "Dougou Extension (Dx) Project Pre-Feasibility Study" on 13 May 2020. Ms. Vanessa Santos, P.Geo. of Agapito Associates Inc. was the Competent Person, 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). Dr. Michael Hardy was the Competent Person for the Ore Reserves and he is a registered member in good standing (Member #01328850) of Society for Mining, Metallurgy and Exploration (SME) which is an RPO included in a list that is posted on the ASX website from time to time

The Company confirms that, other than the activity currently underway to develop an improved geological model for the DX deposit which may in the future necessitate a change in the DX Mineral Resources, 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.