

20 January 2022

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

**Review of Operations for the Quarter ended 31 December 2021**

Kore Potash, the potash development company with 97%-ownership of the Kola and DX Potash Projects in the Sintoukola Basin, located in the Republic of Congo ("RoC"), provides the following quarterly update for the period ended 31 December 2021 (the "Quarter").

**Quarterly Highlights:**

**Kola Potash Project**

- The process to potentially finance the construction of the Kola Potash Project ("Kola" or the "Kola Project") progressed in line with the Memorandum of Understanding ("MoU") signed with the Summit Consortium ("Consortium") in April 2021.
- The receipt of the Interim Report for the Optimisation Study ("Study") on the Kola Project was announced to shareholders on 10 November 2021.
- The Company expects to receive the following from the Consortium by the end of Q1 2022
  - The completed Optimisation Study Report.
  - An Engineering, Procurement and Construction ("EPC") contract proposal for the construction of Kola consistent with the 2017 2<sup>nd</sup> edition FIDIC Silver book.
- The Company expects to receive the Consortium's financing proposal for the full construction cost of Kola 60 days after the successful completion of the Study.
- Kore Potash management continued to brief potential offtake partners with the capability to procure all the planned Kola MOP production.

**DX Potash Project**

- An updated geological model for the DX deposit was completed.

**Corporate Highlights**

- Mr Pablo Mac-Donald was appointed as a Non-Executive Director on the Board as a nominee of Sociedad Química y Minera de Chile S.A ("SQM") replacing Mr Ignacio Majluf.
- As of 31 December 2021, the Company held US\$ 11.1 million in cash.

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

*"The first half of 2022 is set to be a very busy period for Kore particularly with the imminent completion of the Study and receipt of the EPC proposal for our flagship Kola potash project. The Company expects to receive the Financing Proposal from the Consortium 60 days after the Study is completed and we are pleased that the work of the Consortium continues to track the timeline agreed in our MoU. The delivery of the financing proposal for the full financing of the construction of Kola is a key milestone for our Company. We are looking forward to the completion of the financing phase and being able to move rapidly into the construction of 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 (“Study”)***

The Consortium’s first key milestone in the MoU is to complete the Study on the Kola Project to improve the project value, reduce the capital cost and shorten the construction schedule.

During the Quarter, the Consortium presented a set of documents that collectively formed the Interim Report on the Study to the Company.

The Interim Report was provided following the Consortium’s review of the Definitive Feasibility Study (“DFS”) of the Kola Potash project as released in our announcement dated 29 January 2019 entitled “Kola Definitive Feasibility Study” and their investigation of a number of improvement opportunities.

The Interim Report details optimisation opportunities that offer the potential to substantially reduce the capital cost of Kola compared to the DFS capital cost and identified 53 capital cost reduction initiatives, of which 45 have been incorporated into the current optimisation of Kola.

The 53 capital reduction initiatives identified in the Interim Report focused on the following areas:

- Potential relocation of the processing plant site closer to the Mine site.
- Mining: Two initiatives related to alternate sourcing of major equipment and construction materials.
- Processing: Eight initiatives related to optimising processing layouts, major equipment selection and sourcing.
- Processing wet area: 21 initiatives related to the process design and major equipment selection.
- Processing dry areas: 12 initiatives related to the muriate of potash product produced, processing reagent management and MoP product storage.
- Infrastructure: Three initiatives related to road design and construction and run of mine overland conveyor belt and product conveyor belt optimisations.
- Utilities: Six initiatives related to electrical transmission, instrumentation designs and laboratory area cost reductions.

During the period, the Company reviewed the Interim Report and continued to discuss the technical details in relation to the cost reduction initiatives to be included in the Study.

Subsequent to the Interim Report, the Consortium appointed Marine Engineers CCCC-FHDI Engineering Co. Ltd to propose potential cost reduction opportunities in the marine area, including changes to the method of jetty construction and the design of the breakwater.

The Study continues to progress as planned, and the Company expects to receive the report on the completed Study by the end of Q1 2022. The Company intends to update shareholders on the Study outcomes following its review of the completed Study Report.

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

In advance of completion of the Study and to facilitate the earliest possible receipt of a construction proposal from the Consortium, the Company is engaging with the Consortium to agree to EPC contract terms consistent with the 2017 2<sup>nd</sup> edition Fédération Internationale des Ingénieurs-Conseils ("**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 at the end of Q1 2022 following successful completion of the Study.

### ***Kola Financing***

The Study and the EPC proposal are two key milestones committed to in the MoU the Company signed with the Consortium in April 2021. The Study will confirm the total capital required to construct Kola and the construction timeframe. This is important information the Consortium requires 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 Muriate of Potash product offtake interest.

The Consortium advises that it is pleased with the progress of the Study and 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 within 60 days of the successful completion of the Study.

### ***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 the Kola production and who have expressed interest in partnering with the Company.

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

Following the completion of the drilling at the DX Potash Project ("**DX Project**") by the Company earlier in 2021, the Company's geological consultants developed an updated geological model for the DX deposit.

This new model incorporates all information received from the latest drilling programme. It improves confidence in the geological modelling of the DX deposit and improves our understanding of the Sylvinite / Carnallite boundaries in the Top Seams and Hangingwall seams.

There has been no update of the DX Mineral Resources or Ore Reserves.

The Company is assessing the most appropriate next steps for developing the DX deposit and intends to update shareholders further once these steps have been confirmed.

### ***Corporate***

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

The Company's Pointe Noire office was temporarily closed in October 2021 to reduce potential staff exposures to COVID, and our staff worked from home. The office reopened in November 2021. This had no material impact on the activities during the Quarter.

On 1 December 2021, the Company announced the appointment of Mr Pablo Mac-Donald as a Non-Executive Director. SQM nominated Mr Mac-Donald to replace Mr Ignacio Maijluf, who resigned from SQM and the Kore Potash Board on 30 November 2021.

As at 31 December 2021, the Company held US\$ 11.1 million cash.

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

### **Planned Activity**

During the quarter ending 31 March 2022, the Company aims to:

#### **Kola Potash Project**

- Receive the Study Report from the Consortium.
- Receive an EPC proposal for the construction of Kola from the Consortium.
- 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**

- Determine 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\$ 198,000 settled in cash.

The Company invested US\$1,111,000 in exploration in the Quarter, which comprised US\$ 1,080,000 related to the Kola Study and US\$ 31,000 for the DX DFS Study. The Company ended the Quarter with US\$ 11.1 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% shareholding in Sintoukola Potash SA (“**SPSA**”) in the RoC. SPSA has 100% ownership of Kola Potash Mining SA (“**KPM**”). KPM has 100% ownership of the Kola Mining Lease on which the Kola Deposit is situated. The Kola Deposit is located within the Kola Mining Lease. SPSA is also the 100% owner of the Dougou Mining Lease. The Dougou Mining lease hosts the Dougou Deposit and the Dougou Extension (“**DX**”) Deposit.

Under the existing Mining Convention, the Government of the Congo is entitled to 10% ownership in the Kola and Dougou projects. The transfer of this 10% awaits instructions from the Government and the Mineral Resources and Ore Reserves are shown below in gross and 90% attributable bases

**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 sylvinite 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 ( "DX") sylvinite 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.