

18 July 2022

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

Review of Operations for the Quarter ended 30 June 2022

Kore Potash (AIM: KP2, ASX: KP2, JSE:KP2), the potash development company with 97%-ownership of the Kola Potash Project ("**Kola**" or "**the Kola Project**") and Dougou Extension ("**DX**") Potash Project in the Sintoukola Basin, located in the Republic of Congo ("**RoC**"), provides the following quarterly update for the period ended 30 June 2022 (the "**Quarter**").

Quarterly Highlights:

Kola Potash Project

- The process to potentially finance the construction of Kola progressed in line with the Memorandum of Understanding ("**MoU**") signed with the Summit Consortium ("**Consortium**") in April 2021.
- Receipt of the Optimisation Study ("**Study**") on the Kola Project was announced to shareholders on 1 April 2022.
- Kore Potash completed its detailed review of the Study and announced the outcomes of the Study to shareholders on 27 June 2022.
- On 28 June 2022, the Company announced it had signed a Heads of Agreement ("**HoA**") for the construction of Kola.
- Engineering, Procurement and Construction ("**EPC**") contract proposal for the construction of Kola based on the outcomes of the Study expected in August 2022.
- Financing proposal for the complete construction of Kola is expected following Kore Potash's receipt of the EPC contract proposal and agreement on key EPC terms.

Corporate Highlights

- 550,000 new ordinary shares of US\$0.001 each in the capital of the Company ("**Ordinary Shares**") were issued on 5 May 2022 following vesting of performance rights.
- The Company held its Annual General Meeting ("**AGM**") on 9 June 2022.
- 44,132,674 new Ordinary Shares were issued to Sociedad Quimica y Minera de Chile S.A. ("**SQM**") on 13 June 2022.
- The Kore Potash registered address changed and was announced on 14 June 2022.
- As of 30 June 2022, the Company held US\$7.6 million in cash.

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

"Recent global events have heightened concerns for food security and continuity of supply of fertiliser to feed the world's growing population. The dramatic increase in the potash price reinforces the need for the development of new low-cost potash production from high quality potash deposits located close to customers, such as our projects in the Sintoukola basin. The progress towards financing our Kola Project is exciting and we look forward to receiving the financing proposal later this year."

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 highlights of the outcomes of the Study completed by the Consortium as announced on 27 June 2022 were:

- Capital cost reduced by US\$520 million to US\$1.83 billion on an EPC basis compared to the Definitive Feasibility Study (“**DFS**”) capital cost of US\$2.35 billion on an equivalent EPC basis.
- Construction period reduced to 40 months from the DFS construction period of 46 months.
- Key financial metrics improved on DFS outcomes (at potash pricing averaging US\$360/ tonne unchanged from the DFS):
 - Kola net present value (“**NPV**”) NPV₁₀ post tax improved to US\$1.623 billion
 - Internal Rate of Return (“**IRR**”) improved to 20% on ungeared post tax basis
- At a potash price of US\$1000/t Muriate of Potash (“**MoP**”) CFR Brazil (less than current potash price of approximately US\$1100/t MoP CFR Brazil) the Kola financial metrics improve to:
 - Kola NPV₁₀ post tax US\$9.354 billion
 - IRR of 49% on ungeared post tax basis
- Kola designed with a nameplate production capacity of 2.2 million tonnes per annum (“**Mtpa**”) of MoP.
- MoP production from Kola scheduled over an initial 31 year project life.
- Kola is designed as a conventional mechanised underground potash mine with shallow shaft access. Ore from underground is transported to the process plant via an overland conveyor approximately 25 km long. After processing, the MoP product is conveyor transported 11 km to the marine export facility. MoP is conveyed from the storage area onto barges via the dedicated barge loading jetty and then trans-shipped into ocean going vessels for export.

Heads of Agreement

Kore Potash signed a HoA for the construction of Kola in the presence of the Minister of State and Minister of Mining, Industry and Geology of the RoC, Mr Pierre Oba. Following the signing of the HoA the Minister of State commented that, *“the Kola project is of vital international interest and congratulated Kore Potash on the successful outcome of negotiations with SEPCO”*.

The HoA confirms the timeline for SEPCO Electric Power Construction Corporation (“**SEPCO**”) to complete their discussions with Kore Potash ahead of presenting the Company an EPC contract proposal for Kola. It also provides additional clarity on matters that SEPCO are required to finalise in advance of presenting Kore with the construction contract proposal.

The HoA provides for:

- Kola to be designed and constructed as a conventional underground potash mine and processing plant producing up to 2.2 mtpa of granular MoP over an initial 31 year life.
- The granular MoP produced by Kola will be at a minimum quality of 95.3% Potassium Chloride (“**KCl**”) in line with international standards.
- The capital cost to construct Kola will be US\$1.83 billion and the construction period will be 40 months.

- During the preconstruction engineering design phase, the HoA provides SEPCO with an opportunity to adjust the costs related to the underground mine portion of the works. SEPCO's current capital cost is based in part upon information collected during the DFS Study phase, some of which SEPCO continues to review. Should the final agreed quantities of materials and labour or the underground construction period differ materially from the baseline, SEPCO will be able to adjust proportionately. The underground portion of the works (excluding equipment and infrastructure) is currently estimated as US\$164 million, which represents 9% of the total Kola capital cost.
- SEPCO will also be able to adjust the capital cost if the Chinese RMB or Congolese FCFA currency exchange rates to the US dollar vary materially prior to commencement of the works. In such circumstance only the cost of affected works or components may be adjusted.

Kola EPC

The results of the Study support moving to the next phase of the Kola development. Therefore, the Consortium has advised that SEPCO will continue negotiations with Kore Potash with a view to finalising all EPC terms based on FIDIC Silver book 2017 and present the complete EPC contract proposal for the construction of Kola during August 2022. The EPC contract proposal will be based on the capital cost and construction schedule from the Study.

Kola Financing

The Summit consortium has advised that the strongly positive outcomes of the Study continue to support their financing of Kola and it intends to provide the financing proposal for the construction cost of Kola after the Company's receipt of the EPC proposal and agreement on key EPC terms.

Other Kola matters

Separate from the Consortium's activity, Kore Potash's management team also continued discussions with 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

The Company's focus during the Quarter remained on the Kola Project. 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

On 5 May 2022, a total of 550,000 new Ordinary Shares were issued to employees and ex-employees following the vesting of Performance Rights awarded under the Company's Employee Performance Incentive Plans, of which 283,333 shares were issued to Gavin Chamberlain, Chief Operating Officer.

At the Company's AGM held on 9 June 2022, all resolutions were all duly passed on a poll by the requisite majority.

On 13 June 2022, pursuant to the resolution passed at the AGM, 44,132,674 new Ordinary Shares were issued to SQM in lieu of fees payable under a Technical Services Agreement. The value of the work performed under the Technical Services Agreement by SQM on the DX DFS was US\$375,470.

On 14 June 2022, the Company announced that its registered office in the United Kingdom had changed to 45 Gresham Street, London, EC2V 7BG.

As at 30 June 2022, the Company held US\$7.6 million in cash.

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

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 the CEO 's salary of US\$198,000 settled in cash.

The Company invested US\$1,253,000 in Exploration and Evaluation in the Quarter on the Kola Study. The Company ended the Quarter with US\$7.6 million in cash.

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

Market Abuse Regulation

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

ENDS

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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 DX Deposit.

Under the existing Mining Convention, the RoC Government is entitled to 10% ownership in the Kola and DX 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)

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 Revised Decree No 2021-389 of 2 August 2021	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)

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

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
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							
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	
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							
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	
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 Resources were 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 Reserves for sylvinite at Kola was first stated on 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 Ore Reserves were reviewed when the changes to the underlying assumptions (as detailed in 27 June 2022 announcement "Kola Project optimisation study outcomes") were made and Mr Molavi verified that the Ore Reserves remained unchanged.

The Dougou carnallite Mineral Resources were 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 DX sylvinite Mineral Resources and Ore Reserves 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 statements of 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.