

19 January 2023

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

**Review of Operations for the Quarter ended 31 December 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 its quarterly update for the period ended 31 December 2022 (the "**Quarter**").

**Quarterly Highlights**

**Kola Project**

- The process to potentially finance the construction of Kola further progressed in line with the Memorandum of Understanding ("**MoU**") signed with the Summit Consortium ("**Consortium**") in April 2021.
- Contractual terms are being negotiated prior to accepting the Engineering, Procurement and Construction ("**EPC**") proposal for the construction of Kola provided to the Company by SEPCO Electric Power Construction Corporation ("**SEPCO**"), the engineering partner of the Consortium.
- The financing proposal for the full construction cost of Kola is expected to be provided by the Consortium following agreement on the EPC contract terms that the Company is currently finalising with SEPCO.
- On 19 October 2022, the Company announced receipt of correspondence from the Minister of Mines of the RoC (the "**Minister**") expressing discontent with the progress towards construction of the Kola Project. The letter was received following the arrest and subsequent release, without charge, of two senior employees of the Company by the Congolese police. Neither the employees nor the Company have been informed of the reason for the arrests. The Company provided a response to the Minister on 11 November 2022. On 17 December 2022 the Company met in person with the Minister, and the discussion included a further update on the progress towards financing Kola. At the end of the meeting the Minister expressed his thanks for how the Company responded to his most recent letter and assured the Company of his and the RoC Government's ongoing support for Kore Potash and to develop the Kola Project.

**Corporate**

- On 21 December 2022, Mr Sameer Oundhakar resigned as a Non-Executive Director on the Board as a nominee of Oman Investment Authority ("**OIA**").
- On 23 December 2022, the Company announced that Mr Gavin Chamberlain Chief Operations Officer ("**COO**") would be leaving the Company in January 2023.
- As of 31 December 2022, the Company held US\$5.0 million in cash.

## **Operational Activities**

### **Kola Project**

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

### **Kola EPC**

Kore Potash signed a MoU with the Consortium in April 2021 for the Optimisation of Kola, the provision of an EPC contract proposal and to provide a debt and royalty financing proposal for the full construction cost of Kola.

The results of the Optimisation Study ("**Study**") announced on 27 June 2022 supported moving to the next phase of the Kola development.

On 28 June 2022, the Company announced that it had signed a Heads of Agreement ("**HoA**") for the construction of Kola with SEPCO.

On 10 October 2022, Kore Potash announced that SEPCO had delivered the EPC proposal for Kola. The EPC proposal was approved for presentation to Kore Potash by the Boards of SEPCO, and its parent company, Power Construction Corporation of China ("**Power China**").

The EPC proposal reflects the capital cost and construction timeline reported in the Study and the terms agreed to in the HoA. The EPC proposal includes an EPC Agreement which details the contractual terms in a format congruent with the FIDIC silver book (2nd Edition, 2017) conditions of contract.

The contractual terms are being finalised prior to acceptance of the EPC. Kore Potash and SEPCO are in dialogue to complete this process. The Company notes that it may transpire that SEPCO will require further SEPCO and Power China Board approvals prior to the finalisation of the contractual terms.

### **Kola Financing**

The Consortium has advised that the strongly positive outcomes of the Study continue to support its proposed financing of Kola and it intends to provide the royalty and debt financing proposal for the full construction cost of Kola after the EPC contract terms are finalised.

### **Correspondence from Minister of Mines**

The Company's local subsidiary received a letter dated 12 October 2022 from the Minister expressing his discontent with aspects of the administration of the Company's subsidiary companies in the RoC and the apparent lack of progress that Kore Potash and the Consortium are making towards the financing of Kola.

The letter was received following the arrest, and subsequent release without charge, of two senior employees of the Company by the Congolese police. Neither the employees nor the Company have been informed of the reason for the arrests.

The letter generally reserved the Government's right to take measures in accordance with its existing agreements and the Mining Code of the RoC, failing a response from the Company within 30 days.

The Company advised the Minister, in a formal response on the 11 November 2022, that it is continuing to progress the development of the Kola and DX projects towards production, believes that it is compliant with its obligations to the Government of the RoC under the Mining Code and Mining Convention and will continue to keep the Minister briefed on the Company's plans and progress.

Following receipt of the Minister's letter, an internal review of the administration of the Subsidiaries did not identify any material deficiencies in their administration. The Company has additionally commissioned two separate independent reviews of the administration of its Subsidiaries via a respected RoC legal services firm and the RoC office of an international legal and financial services firm. These reviews are planned to be completed in January 2023.

On 17 December 2022, the Company met in person with the Minister, and the discussion included a further update on the progress towards financing the Kola Project.

At the end of the meeting, the Minister expressed his thanks for how the Company responded to his most recent letter and assured the Company of his and the RoC Government's ongoing support for Kore Potash to develop its Kola Project.

The Minister reinforced the great importance of the Kola Project to the people of the RoC and encouraged the Company to continue to keep him informed on its continued progress. He further encouraged the Company to continue with its work to conclude the EPC contract terms and financing arrangements to enable the commencement of the construction of the Kola Project as soon as possible.

#### **Other Kola Matters**

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

#### **DX Potash Project**

The Company is currently updating the Pre-Feasibility Study and production target for the DX project and will update shareholders on the outcomes of this work shortly.

#### **Corporate**

Mr Oundhakar served on the Board of the Company as a non-executive director since 1 April 2021 after having been nominated by the OIA. He resigned from his employment with OIA to pursue other interests and as a consequence was no longer able to continue as a Director of Kore Potash. OIA has advised the Company of its preferred non-executive director candidate to replace Mr Oundhakar. This nomination is currently being considered by the Board and the Company intends to provide a further update to shareholders following completion of the normal due diligence processes.

Mr Gavin Chamberlain, the Chief Operating Officer will be leaving the organisation in January 2023. Mr Ryan Leland continues in this role as Project Director for Kola and will report directly to the Chief Executive Officer.

As at 31 December 2022, the Company held US\$5.0 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\$1,087,000 in exploration in the Quarter, which comprised US\$ 729,000 related to the Kola Study and US\$358,000 for the DX DFS Study. The Company ended the Quarter with US\$5.0 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**

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 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)**

<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 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)**

<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</b>	<b>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</b>	<b>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 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.