

9 February 2024

Kore Potash Plc

("Kore Potash" or "the Company")

EPC update

Kore Potash plc (AIM: KP2, ASX: KP2, JSE:KP2), 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"), is pleased to announce that, in line with expectations, PowerChina International Group Limited ("PowerChina") delivered its Engineering, Procurement and Construction ("EPC") proposal and draft EPC contract on the 6th of February 2024.

Kola Construction Contract

In April 2021, Kore Potash established a Memorandum of Understanding ("MoU") with the Summit Consortium ("Consortium") for optimisation and EPC services, alongside a debt and royalty financing proposal of the Kola Project ("Kola"). The Optimisation Study ("Study") results, released on 27 June 2022, supported advancing to Kola's next developmental phase. On 28 June 2022, Kore Potash entered into a Heads of Agreement ("HoA") with SEPCO Electric Power Construction Corporation ("SEPCO"). The HoA acknowledged the Study's verification of Kola's capital costs and construction timeframe and initiated further EPC contract negotiations.

Due to Kola's significant scale, lengthy construction period, and extensive financing needs, Kore Potash sought from SEPCO's holdings company, PowerChina, the customary EPC contract assurances, including performance and retention bonds to ensure construction and operational efficacy. On 8 August 2023, Kore Potash and SEPCO reached a revised agreement to furnish an EPC contract for the Kola Project, contingent on completing further engineering designs resulting from PowerChina's review, leading to a joint EPC proposal and contract presentation by PowerChina and SEPCO to Kore Potash.

During the past five months, PowerChina led five external technical groups that completed additional design and engineering work. Specific design areas included the underground mine, mineral processing jetty and transshipment operations, energy transportation and storage, conveyor systems and material handling (the "Works").

SEPCO had personnel living in the RoC for the past 24 months who continued dialogue with potential in-country service providers and conducted several Kola site visits collecting information for both the Study and the Works. Additionally, SEPCO mobilised a larger team to Kola for four months in the second half of 2023 to source additional information to enable finalisation of the Works, including the planned service corridors, conveyor route, and geomechanical information on foundation materials. These findings were presented to PowerChina in early December 2023.

In line with the expectations PowerChina has now delivered the EPC Proposal and draft EPC contract offer. The initial EPC contract price aligns with expectations and reconfirms the capital cost detailed in the Study. Kore Potash and SEPCO/PowerChina will now further negotiate the EPC proposal and draft the EPC contract, targeting signing full EPC documentation by the end of April 2024. The Summit Consortium has advised that the financing proposal for the total construction cost of Kola will be provided to the Company within six weeks of EPC documentation terms finalisation.

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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