

Kore Potash plc
(Incorporated in England and Wales)
Registration number 10933682
ASX share code: KP2
AIM share code: KP2
JSE share code: KP2
ISIN: GB00BYP2QJ94
("Kore Potash" or the "Company")

27 July 2021

Review of Operations for the Quarter ended 30 June 2021

Kore Potash plc, 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 to 30 June 2021 (the "Quarter").

Quarterly Highlights:

The Kola Potash Project

- During the Quarter, the Company and the Summit Consortium signed the Optimisation Agreement for the Kola Potash Project ("Kola Project") on terms congruent with the Memorandum of Understanding ("MoU") announced by the Company on 6 April 2021.
- The key engineering partner of the Summit Consortium, SEPCO Electric Power Construction Corporation ("SEPCO") and its subcontractor China ENFI Engineering Corporation ("ENFI"), commenced work on the Optimisation Study for the Kola Project.
- The study is considering capital cost reduction initiatives in most of the project areas including mine design, underground access, material transportation system, processing plant design and location, key infrastructure design and marine facilities.
- The Optimisation Agreement requires the Summit Consortium to provide an interim report by the end of September 2021 and to complete the optimisation study by 29 January 2022.

DX Project

- The Phase 1 work programme of the DX Definitive Feasibility Study was completed on budget within the Quarter and the results were released to shareholders on the 27 May 2021.
- Work has commenced to develop an improved geological model for the DX deposit incorporating all recent drilling information and is expected to be completed before the end of 2021. The completion of this work may result in a re-estimate of the DX Mineral Resources.

Corporate Highlights

- On 8 April 2021, the Company successfully completed an oversubscribed fundraising. A total of 823,475,618 New Ordinary Shares were issued at the Placing Price of 1.1 pence (2.0 Australian cents) for a total value of approximately US\$12.50 million (the "Fundraise"), exceeding the initial US\$11 million target.
- Subsequent to the Fundraise, the Oman Investment Authority, Kore's largest shareholder, in line with its rights under their investment agreement with the Company, subscribed for 92,226,613 new ordinary shares in the Company at the Placing Price for a total cash consideration of \$1.4m.
- On 9 June 2021 the Company held its Annual General Meeting, at which all resolutions were passed.

- On 9 June 2021 the Company announced the appointment of Mr Jean-Michel Bour as the Chief Financial Officer. Subsequent to the close of the Quarter, on 15 July 2021 Mr Bour resigned as a result of his personal circumstances preventing his continued employment.
- Ms Amanda Farris was appointed as interim CFO on 15 July 2021 while the Company conducts a search for a permanent CFO. 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.
- As at 30 June 2021, the Company held USD 14.2 million cash.

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

“The Company is pleased that the agreement to deliver the Optimisation Study was signed and that the engineering partner of the Summit Consortium (SEPCO) is committed to completing the study within the same timeframe contemplated in the MoU.”

“Successful completion of the Optimisation Study will potentially lead to the Company receiving in the first half of 2022 a binding engineering, procurement and construction contract and financing proposal from the Summit Consortium to fully finance the construction of Kola.”

Operational activities

Kola

- During the Quarter representatives of SEPCO and the Company met with the RoC Minister of Mines and his staff in Brazzaville. A site inspection at the Kola Project was conducted with an ENFI representative and delegates from the Ministry of Mines.
- The Optimisation Agreement with SEPCO to undertake the Kola optimisation study was signed.
- Further Kola Project data was sent to SEPCO to facilitate the Optimisation Study.
- SEPCO and ENFI have commenced the Optimisation Study.
- The study is considering capital cost reduction initiatives in most of the project areas including mine design, underground access, material transportation system, processing plant design and location, key infrastructure design and marine facilities.
- The Optimisation Agreement requires the Summit Consortium to provide an interim report by the end of September 2021 and to complete the Optimisation Study by 29 January 2022.

DX

- The first phase of the DX Definitive Feasibility Study was completed, and results released in “Dougou Extension (DX) Project drilling results and progress update” on 27 May 2021.
- Work to incorporate all the recent drilling results into an improved geological model has commenced and is expected to be completed before the end of 2021. The completion of this work may result in a re-estimate of the DX Mineral Resources.

Sintoukola 2 exploration permit

- The Company did not renew the Sintoukola 2 exploration permit. The Company's focus is on the development of Kola and DX deposits.

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

Planned Activity

During the Quarter ending 30 September 2021, the Company aims to:

Kola

- Continue to progress the Kola Optimisation Study with the Summit Consortium.

DX

- Progress the development of an improved geological model which incorporates the results of the recent drilling campaign. This work is expected to be completed by the end of 2021.

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 approximately US \$165,000 settled in cash. The Company settled outstanding directors' fees for the quarter ended 31 March 2021 through the issue of 1,103,296 ordinary shares, as announced on 9 April 2021. The Company also 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 raised US \$14,025,000 during the quarter at a cost of US \$931,000. The Company invested US \$1,768,000 in exploration in the Quarter which comprised US \$1,548,000 related to the Kola Study and US \$214,000 for the DX DFS study. The Company ended the Quarter with US \$14.2 million in cash.

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

The announcement is available on the JSE's website at <https://senspdf.jse.co.za/documents/2021/jse/isse/kp2e/QJun21.pdf> and on the Company's website at <https://korepotash.com>

ENDS

For further information, please visit 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)

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	100% potassium rights only	Sintoukola Potash S.A.

During the Quarter the Company surrendered the Sintoukola 2 Exploration Permit, comprising Decree 2018-34 of 9 February 2018.

Kore's 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	

		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	-	-	-	-	-	-	
Probable	17.7	41.7	7.4	16	41.7	6.6	

TOTAL	17.7	41.7	7.4	16	41.7	6.6
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Ore Reserves are not in addition to Mineral Resources but are derived from them by the application of modifying factors

DOUGOU CARNALLITE DEPOSIT							
		Gross			Net Attributable (90% interest)		
Mineral	Resource Category	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							
		Gross			Net Attributable (90% interest)		
Mineral	Resource Category	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 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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Kore Potash Plc

ABN

621 843 614

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(339)	(546)
(e) administration and corporate costs	(35)	(1,186)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	10
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Intercompany payments	-	-
1.9 Net cash from / (used in) operating activities	(366)	(1,724)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(1,768)	(2,763)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,768)	(2,763)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	14,025	14,025
3.2	Proceeds from issue of convertible debt securities	(931)	(931)
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	13,094	13,094

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,181	5,556
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(366)	(1,724)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,768)	(2,763)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	13,094	13,094

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	22	-
4.6	Cash and cash equivalents at end of period	14,163	14,163

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	14,163	3,181
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	14,163	3,181

6.	Payments to related parties of the entity and their associates	Current quarter \$USD'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	165
6.2	Aggregate amount of payments to related parties and their associates included in item 2	165

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(366)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(1,768)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(2,134)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	14,163
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	14,163
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	6.64

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

The entity expects the expenditure to remain the same for the remainder of the calendar year as it continues to work on the Optimisation Study of the Kola Project.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

As the company raised fund in the current quarter it is not anticipated that another funds raise would be undertaken until the Kola Optimisation is complete.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, The company will be able to continue its operations. The company will use its existing cash reserves to fund the Kola Optimisation study an general working capital.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.