

Kore Potash Plc
(Incorporated in England and Wales)
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13 September 2024

Kore Potash Plc
("Kore Potash" or the "Company")
("Group" refers to Kore Potash Plc and its subsidiaries)

Financial Results for Half Year Ended 30 June 2024

Kore Potash, 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"), today reports its unaudited financial results and operational highlights for the half year ended 30 June 2024 ("the Period").

The full financial report is available online at the Company's website at <https://korepotash.com/wp-content/uploads/2024/09/Half-Year-Report-June-2024.pdf>. The financial statements contained within this announcement should be read in conjunction with the notes contained within the full financial report.

Highlights for the Period

- Power Construction Corporation of China ("PowerChina") delivered the Engineering Procurement Construction ("EPC") proposal and draft EPC contract to the Company on 6 February 2024.
- Kore Potash and PowerChina commenced further detailed negotiations on the EPC proposal and draft EPC contract. The Company met senior PowerChina officials in Beijing in May 2024 and again in Dubai in July 2024, where both parties satisfactorily resolved all outstanding commercial points. The agreements are now with the respective legal counsels of both parties for finalisation. When in final agreed form, Kore Potash and PowerChina will determine a date for a signing ceremony with the Minister of Mines and his colleagues of the RoC in Brazzaville. Relevant details of the agreement will be made public.
- Successful completion of US\$0.53 million fundraise with a further US\$0.15m conditionally raised and subsequently approved by shareholders at a General Meeting held on 13 May 2024.
- André Baya, appointed as Chief Executive Officer on 4 April 2024, effective from 15 April 2024.
- On 15 April 2024, the Company granted options over 35,000,000 new Ordinary Shares to senior management.
- On 7 May 2024, the Company announced a secondary listing on the A2X exchange with effect from 14 May 2024.
- The Company held its Annual General Meeting on 6 June 2024, at which all resolutions were duly passed.
- Amit Mehta, nominated by OIA, was appointed as a non-executive director on 27 June 2024.
- Successful completion of US\$1.221 million fundraise on 1 July 2024 with a further US\$60,000 conditionally raised and approved by shareholders at a General Meeting held on 23 August 2024.
- Cash and cash equivalents held at 30 June 2024 was US\$959,956 (31 Dec 2023: US\$1,583,657).
- The exploration and evaluation assets at 30 June 2024 were US\$172,738,487, a decrease of US\$3,632,770 from US\$176,371,257 at 31 December 2023. During the Period the Company capitalised US\$1,338,666 in exploration and evaluation expenditure and the expenditure decreased by US\$4,971,436 as a result of the strengthening of the US\$ against the currency of the RoC.

Kola Potash Project

- Kore Potash signed a Memorandum of Understanding with the Summit 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 announced on 27 June 2022 supported moving to the next phase of Kola's development.
- On 28 June 2022, the Company announced that it had signed a Heads of Agreement ("HoA") for the construction of Kola with SEPCO Electric Power Construction Corporation ("SEPCO").
- Under the HoA, SEPCO undertook to continue negotiations with Kore Potash towards an EPC contract for the construction of Kola. Importantly, the HoA recognises the outcomes of the Optimisation Study, and confirmed the capital cost of Kola, the construction period and related EPC contract terms.
- 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.
- The EPC proposal reflects the capital cost and construction timeline reported in the Optimisation 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.
- On 8 August 2023, Kore Potash entered into a revised agreement with SEPCO to provide the Company with an EPC contract for the construction of the Kola Project. Following the completion of SEPCO's parent company, PowerChina's, review of the Kola design and construction schedule, one of the agreed outcomes was that further engineering design works must be completed before PowerChina and SEPCO jointly present an EPC proposal and EPC contract to the Group.
- PowerChina subcontracted five technical groups who commenced additional design and engineering works. Specific design areas included the underground mine, mineral processing jetty and transhipment operations, energy transportation and storage, conveyor systems and material handling (together the "Works"). PowerChina advised the Company that the Works would cost in excess of US\$10 million to complete. Illustrating PowerChina's commitment to Kola, it capped Kore Potash's contribution at a maximum of US\$5 million, with the balance of the costs to be paid by PowerChina.
- Two payments of US\$1.0 million each were made in August and November 2023 as required under the Agreement. Of the remaining US\$3 million, US\$800,000 is payable up to 6 weeks from the date of PowerChina and SEPCO having presented to Kore a "complete contractual document capable of finalising the financing arrangement of the Kola Project and capable of acceptance by Kore to form a binding construction contract" and US\$2.2 million to be paid subject to Kore concluding its fund raise with a target date of no later than 12 months from the signing of the EPC.
- PowerChina, SEPCO and the subcontractors, in pursuit of the timeline objectives, commenced the Works before reaching an agreement with the Company on costs.
- SEPCO has had personnel living in the RoC for the past 24 months who continue to engage in dialogue with potential in-country service providers and who have 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 the Works finalisation, including the planned service corridors, conveyor route, and geomechanical information on foundation materials in the proposed processing plant and infrastructure areas. These findings were presented to PowerChina in early December 2023.

- Throughout 2023 representatives of Kore Potash have maintained increased levels of dialogue with the Ministry of Mines, including with the Minister of State and Minister of Geology and Mining Industry, Mr Pierre Oba. This was done with the objective to improve the Ministry's understanding of the Company's projects at Kola and Dougou; the capability of the intended financiers for Kola; the intended construction partner; and the processes the Company must work through towards securing financing for the construction of the Kola Potash Project. This dialogue has included meetings between the Ministry and members of the Summit Consortium who intend to provide royalty and debt financing to cover the full construction cost of Kola and PowerChina including SEPCO who intend to construct Kola on an Engineering, Procurement and Construction contract basis.
- On 21 August 2023 the Minister of Mines wrote a letter to Kore Potash that pledges the Ministry and the RoC's support for Kore's development of its projects at Kola and Dougou. The Minister acknowledged that some of the development objectives for the Projects, as outlined in the Mining Convention, have not yet been met. He assured the Ministry's steadfast support, in the form of a moral guarantee, to assist in addressing remaining challenges to complete the financing of Kola. The Minister reaffirmed the validity of the Company's mining tenement titles and the Mining Convention which is the operating agreement between the Company and the Government.
- PowerChina delivered an EPC proposal and draft EPC contract on 6 February 2024.
- Kore Potash and PowerChina commenced further detailed negotiation on the EPC proposal and draft EPC contract. The Company met senior PowerChina officials in Beijing in May 2024 and again in Dubai in July 2024, where both parties satisfactorily resolved most of the outstanding commercial points. Summit Consortium and UAE representatives also visited Beijing in August to facilitate resolution of any outstanding matters and accelerate signing of the EPC. The agreements are now, as at signing date of this half-year report, with the respective legal counsels of both parties for finalisation. When in final agreed form, Kore Potash and PowerChina will determine a date for a signing ceremony with the Minister of Mines and his colleagues of the RoC in Brazzaville. Relevant details of the agreement will be made public.
- Once the EPC agreement is signed Kore Potash will then progress towards seeking financing proposal for the complete construction of Kola project from the Summit Consortium. When funding is in place this will allow Kore Potash to build Kola project and eventually produce Muriate of Potash ("MoP") product and generate revenue. As at the current date there are no formal plans in relation to alternative arrangements based on the current probability of the EPC contract being signed.

Dougou Extension ("DX") Sylvinite Defined Feasibility Study Phase 1

- The DX Project update of the JORC (2012) compliant Mineral Resource, Ore Reserve, PFS information and Production Target was announced on the 24 January 2023.
- The updated information confirms that the DX Project is a financially attractive, low capital cost project with a shorter construction period than Kola.
- At present, the Company remains focused on completing the financing of Kola and moving forward to construction of Kola as soon as possible. The Company is also exploring what strategic options are available for the DX project, including a potential sale.

The financial statements below should be read in conjunction with the notes contained within the full financial report which is available online at the Company's website at <https://korepotash.com/wp-content/uploads/2024/03/Financial-Results-for-Year-Ended-31-December-2023.pdf>.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
6 MONTHS ENDED 30 JUNE 2024

	6 months ended 30 June 2024 USD Unaudited	6 months ended 30 June 2023 USD Unaudited	Year ended 31 Dec 2023 USD Audited
Directors' remuneration	(71,750)	(151,769)	(252,602)
Equity compensation benefits	(34,560)	-	-
Salaries, employee benefits and consultancy expense	(134,553)	(95,704)	(239,615)
Administration expenses	(280,780)	(273,020)	(644,850)
Interest income	2,894	51,348	54,107
Interest and finance expenses	(1,695)	(1,395)	(2,991)
Net realised and unrealised foreign exchange (loss)/gain	(8,192)	5,557	(5,104)
Loss before income tax expense	(528,636)	(464,983)	(1,091,055)
Income tax income/(expense)	-	-	-
Loss for the period	(528,636)	(464,983)	(1,091,055)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences gain/(loss) on translating Operations	(4,864,377)	2,540,490	5,046,256
Other comprehensive profit/(loss) for the period	(4,864,377)	2,540,490	5,046,256
Total comprehensive profit/(loss) for the period	(5,393,013)	2,075,507	3,955,201
Loss attributable to:			
Owners of the Company	(528,571)	(464,474)	(1,089,761)
Non-controlling interest	(65)	(509)	(1,294)
	(528,636)	(464,983)	(1,091,055)
Total comprehensive profit/(loss) attributable to:			
Owners of the Company	(5,392,948)	2,076,016	3,956,495
Non-controlling interest	(65)	(509)	(1,294)
	(5,393,013)	2,075,507	3,955,201
Loss per share			
Basic and diluted loss per share (cents per share)	(0.01)	(0.01)	(0.03)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	30 June 2024 USD Unaudited	30 June 2023 USD Unaudited	31 Dec 2023 USD Audited
ASSETS			
Current Assets			
Cash and cash equivalents	959,956	2,555,254	1,583,657
Trade and other receivables	130,181	140,479	180,532
Total Current Assets	1,090,137	2,695,733	1,764,189
Non-Current Assets			
Trade and other receivables	37,072	39,218	38,147
Property, plant and equipment	330,122	373,633	356,259
Exploration and evaluation expenditure	172,738,487	167,201,357	176,371,257
Total Non-Current Assets	173,105,681	167,614,208	176,765,663
TOTAL ASSETS	174,195,818	170,309,941	178,529,852
LIABILITIES			
Current Liabilities			
Trade and other payables	1,484,108	572,417	1,240,527
Derivative financial liability	26	26	26
Total Current Liabilities	1,484,134	572,443	1,240,553
Non-Current Liabilities			
Design optimisation works	2,200,000	-	2,200,000
TOTAL LIABILITIES	3,684,134	572,443	3,440,553
NET ASSETS	170,511,684	169,737,498	175,089,299
EQUITY			
Issued share capital – Ordinary Shares	4,260,626	3,421,937	4,119,667
Reserves	224,812,384	223,948,269	229,228,412
Accumulated losses	(57,997,253)	(57,069,485)	(57,694,772)
Equity attributable to the shareholders of Kore Potash plc	171,075,757	170,300,721	175,653,307
Non-controlling interests	(564,073)	(563,223)	(564,008)
TOTAL EQUITY	170,511,684	169,737,498	175,089,299

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 JUNE 2024

	Ordinary Shares USD	Share Premium Reserve USD	Merger Reserve USD	Accumulated Losses USD	Option Reserve USD	Foreign Currency Translation Reserve USD	Owners of the Parent USD	Non- controlling Interest USD	Total Equity USD
Balance as at 1 Jan 2024	4,119,667	47,301,569	203,738,800	(57,694,772)	565,688	(22,377,645)	175,653,307	(564,008)	175,089,299
<i>Loss for the period</i>	-	-	-	(528,571)	-	-	(528,571)	(65)	(528,636)
<i>Other Comprehensive (loss)/gain</i>	-	-	-	-	-	(4,864,377)	(4,864,377)	-	(4,864,377)
Total Comprehensive (loss)/gain	-	-	-	(528,571)	-	(4,864,377)	(5,392,948)	(65)	(5,393,013)
Transactions with owners:									
Issue of Shares	140,959	539,041	-	-	-	-	680,000	-	680,000
Cancellation of performance rights	-	-	-	226,090	(226,090)	-	-	-	-
Share issue cost	-	(12,849)	-	-	-	-	(12,849)	-	(12,849)
Share Based payments	-	-	-	-	148,247	-	148,247	-	148,247
Balance at 30 June 2024	4,260,626	47,827,761	203,738,800	(57,997,253)	487,845	(27,242,022)	171,075,757	(564,073)	170,511,684

	Ordinary Shares USD	Share Premium Reserve USD	Merger Reserve USD	Accumulated Losses USD	Option Reserve USD	Foreign Currency Translation Reserve USD	Owners of the Parent USD	Non- controlling Interest USD	Total Equity USD
Balance as at 1 Jan 2023	3,420,177	44,537,309	203,738,800	(56,793,651)	734,259	(27,423,901)	168,212,993	(562,714)	167,650,279
<i>Loss for the period</i>	-	-	-	(464,474)	-	-	(464,474)	(509)	(464,983)
<i>Other Comprehensive (loss)/gain</i>	-	-	-	-	-	2,540,490	2,540,490	-	2,540,490
Total Comprehensive (loss)/gain	-	-	-	(464,474)	-	2,540,490	2,076,016	(509)	2,075,507
Transactions with owners:									
Issue of Shares	1,760	-	-	-	-	-	1,760	-	1,760
Conversion of performance rights	-	-	-	188,640	(188,640)	-	-	-	-
Share Based payments	-	-	-	-	9,952	-	9,952	-	9,952
Balance at 30 June 2023	3,421,937	44,537,309	203,738,800	(57,069,485)	555,571	(24,883,411)	170,300,721	(563,223)	169,737,498

	Ordinary Shares USD	Share-Based Payments Reserve USD	Share Premium Reserve USD	Foreign Currency Translation Reserve USD	Merger Reserve USD	Accumulated Losses USD	Equity Attributable to the Shareholders of Kore Potash plc USD	Non- Controlling Interest USD	Total Equity USD
Balance at 01 Jan 2023	3,420,177	734,259	44,537,309	(27,423,901)	203,738,800	(56,793,651)	168,212,993	(562,714)	167,650,279
<i>Loss for the period</i>	-	-	-	-	-	(1,089,761)	(1,089,761)	(1,294)	(1,091,055)
<i>Other comprehensive income for the year</i>	-	-	-	5,046,256	-	-	5,046,256	-	5,046,256
<i>Total comprehensive (loss)/income for the year</i>	-	-	-	5,046,256	-	(1,089,761)	3,956,495	(1,294)	3,955,201
<i>Transactions with shareholders</i>									
<i>Conversion of performance rights</i>	-	(188,640)	-	-	-	188,640	-	-	-
<i>Share issues</i>	699,490	-	2,764,260	-	-	-	3,463,750	-	3,463,750
<i>Share based payments</i>	-	20,069	-	-	-	-	20,069	-	20,069
Balance at 31 Dec 2023	4,119,667	565,688	47,301,569	(22,377,645)	203,738,800	(57,694,772)	175,653,307	(564,008)	175,089,299

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS ENDED 30 JUNE 2024

	6 months ended 30 June 2024 USD Unaudited	6 months ended 30 June 2023 USD Unaudited	Year ended 31 Dec 2023 USD Audited
Cash Flows from Operating Activities			
Payments to suppliers and employees	(185,492)	(577,006)	(1,256,713)
Net cash flows (used in) operating activities	(185,492)	(577,006)	(1,256,713)
Cash Flows from Investing Activities			
Payments for plant and equipment	-	-	(1,527)
Payments for exploration and evaluation	(1,108,548)	(1,984,021)	(5,779,186)
Interest received	2,894	51,348	54,107
Net cash flows (used in) investing activities	(1,105,654)	(1,932,673)	(5,726,606)
Cash Flows from Financing Activities			
Proceeds from issue of shares	680,000	1,760	3,504,618
Payment for share issue costs	(12,849)	-	-
Net cash flows generated from financing activities	667,151	1,760	3,504,618
Net decrease in cash and cash Equivalents	(623,995)	(2,507,919)	(3,478,701)
Cash and cash equivalents at beginning of Period	1,583,657	5,046,629	5,046,629
Foreign currency differences	294	16,544	15,729
Cash and Cash Equivalents at Period End	959,956	2,555,254	1,583,657

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.

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

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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.

In particular, statements in this release regarding the Company's business or proposed business, which are not historical facts, are "forward-looking" statements that involve risks and uncertainties, such as Mineral Resource estimates market prices of potash, capital and operating costs, changes in project parameters as plans continue to be evaluated, continued availability of capital and financing and general economic, market or business conditions, and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Shareholders are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made. The forward-looking statements are based on information available to the Company as at the date of this release. Except as required by law or regulation (including the ASX Listing Rules), the Company is under no obligation to provide any additional or updated information whether as a result of new information, future events, or results or otherwise.