

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" or the "Group")

Extracts from financial results for the year ended 31 December 2023

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 audited financial results and operational highlights for the year ended 31 December 2023 (the "Period").

The full financial report including its Corporate Governance Statement is available online at the Company's website at <https://korepotash.com/investors/results-and-reports/> The financial statements contained within this announcement should be read in conjunction with the notes contained within the full financial report.

Highlights

- On 24 January 2023, the Company announced an update of the JORC (2012) compliant Mineral Resource, Ore Reserve, PFS information and Production Target at the DX Project. The updated Mineral Resource incorporates the most recent drilling results and interpretation of the geophysical data.
- On 21 August 2023 the Minister of Mines wrote a letter to Kore Potash that pledges the Ministry and the Republic of Congo'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 also assures the Ministry's steadfast support, in the form of a moral guarantee, to assist in addressing remaining challenges to completing 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.
- 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 SEPCO who intend to construct Kola on an Engineering, Procurement and Construction contract basis.
- 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 dialogue has been aimed at improving 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.

- SEPCO has had personnel living in the RoC for the past 24 months who continue 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.
- PowerChina, SEPCO and the subcontractors, in pursuit of the timeline objectives, commenced the Works before reaching an agreement with the Company on costs.
- PowerChina subcontracted five technical groups who commenced additional design and engineering works. Specific design areas included the underground mine, mineral processing jetty and transshipment operations, energy transportation and storage, conveyor systems and material handling. PowerChina advised the Company that the Works would cost in excess of USD10 million to complete. Illustrating PowerChina's commitment to Kola, it capped Kore Potash's contribution at a maximum of USD5 million, with the balance of the costs to be paid by PowerChina.
- Two payments of USD1.0 million each were made in August and November 2023 as required under the Agreement. The remaining USD 3 million of which USD 800,000 payable up to 6 weeks from the date 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 USD 2.2 million to be paid subject to Kore concluding its fund raise with a target date of no later than 12 months of the signing of the Engineering, Procurement and Construction ("EPC") 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 presenting an EPC proposal and EPC contract to the Company.
- Summit Consortium has confirmed that the financing proposal for the full capital cost of Kola will be provided within six weeks of finalisation of EPC contract terms.
- PowerChina has delivered EPC proposal and draft EPC contract on 6 February 2024.
- Kore Potash and SEPCO/PowerChina will now further negotiate the EPC proposal and draft the EPC contract, targeting signing full EPC documentation in Q2 2024.
- On 22 March 2024 the Company raised USD 530,000 via issue of five separate Convertible Loan Notes ("CLNs"). The net proceeds from the CLNs will be used to further advance work that is expected to lead to signing of an EPC contract for the Kola Potash Project and provide working capital for Kore Potash. Each Convertible Loan has a zero interest coupon and is convertible into new ordinary shares of US\$0.001 each in the Company at a price of 0.38 pence per new Ordinary Share and will be converted immediately after publication of the 2023 Annual Report on 28 March 2024. Subject to the conversion of the CLNs the Company will issue 109,865,053 new Ordinary Shares in the Company.

- On 22 March 2024 the Company also announced that it is the intention of David Hathorn, Chairman and Interim CEO, to subscribe for new ordinary shares of the Company for a consideration of USD 150,000 as soon as practicable following publication of the 2023 Annual Report and on the same terms as the CLNs.

David Hathorn, Chairman & Interim CEO of Kore Potash, commented: *“During 2023, the Company continued to make tangible progress towards the financing of the Kola Project.*

PowerChina delivered its Engineering, Procurement and Construction proposal and draft EPC contract on the 6th of February 2024. The Company and PowerChina are now working towards signing EPC contract in Q2 2024.

Global events continue to reinforce the importance of potash in the production of food and the need for the development of new potash projects outside the traditional northern hemisphere potash production regions.

Our potash projects stand out globally. With very high in situ quality, significant resources and a beneficial location, we believe the Sintoukola Basin is one of the most promising undeveloped potash regions in the world. It has the potential to produce Muriate of Potash needed by farmers around the world for generations.”

Summary of financials

- During the Period, the Group’s Total Comprehensive income was USD 3,955,201 (2022: Loss USD 10,174,361), and the Group experienced net cash outflows from operating and investing activities of USD 6,983,319 (2022: USD 5,744,285). Cash and cash equivalents totalled USD 1,583,657 as at 31 December 2023 (2022: USD 5,046,629).
- Group net assets increased in the year to USD 175,089,299 (2022: USD 167,650,279). This was primarily driven by a USD 13,642,063 increase in exploration capitalised.
- The Directors prepared a cash flow forecast for the period ending 30 June 2025, which indicates that the Group will not have sufficient liquidity to meet its working capital requirements to the end of the going concern period (March 2025). Please refer to Note 1 (b) to the financial statements for more detail on the going concern statement.
- The Company will be required to raise funds in Q2 2024 for the working capital requirements for Kore Potash for the period up to signing full EPC documentation and the financing proposal for the complete construction of Kola from the Summit Consortium to ensure the realisation of assets on an orderly basis and the extinguishment of liabilities as and when they fall due.
- Upon signing the EPC documentation and financing for the construction of Kola additional capital will be required until the commencement of production.
- The Directors have considered various mitigating actions, which include raising additional capital to enable the Group to continue to fund its working capital requirements.

Salient consolidated financials required to be disclosed under the JSE Listings Requirements

	31 December 2023 USD	31 December 2022 USD	Change USD
Interest Income	54,107	66,956	(12,849)
Loss for the year	(1,091,055)	(1,513,953)	422,898
Headline loss per share	(0.03)	(0.04)	0.01
Basic loss per share	(0.03)	(0.04)	0.01
Diluted loss per share	(0.03)	(0.04)	0.01

Short-form announcement

This short-form announcement is the responsibility of the board of directors of Kore Potash and is a summarised version of the Group's full announcement and financial results and as such, it does not contain full or complete details pertaining to the Group's results for the financial year ended 31 December 2023. Any investment decision should be made after taking into consideration the full annual results for the financial year ended 31 December 2023. The full announcement and the annual results for the financial year ended 31 December 2023 is available on the JSE's website at <https://senspdf.jse.co.za/documents/2024/jse/isse/kp2e/FY2023.pdf> and on the group's website at <https://korepotash.com/investors/results-and-reports/>

The full announcement and annual report for the financial year ended 31 December 2023 can be requested via direct message under the contact section on the company website at <https://korepotash.com/contact/offices/>

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28 March 2024

For further information, please visit www.korepotash.com or contact:

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