

KORE POTASH plc

Level 3, 88 William Street,
Perth,
Western Australia 6000
Telephone: +61 (8) 9463 2463
Facsimile: +61 (8) 9463 2499

EMAIL AND WEBSITE

info@korepotash.com
www.korepotash.com

DIRECTORS

Chairman: David Hathorn
CEO: Brad Sampson
Non-exec Director: Jonathan Trollip
Non-exec Director: David Netherway
Non-exec Director: Trinidad Reyes
Non-exec Director: Sameer Oundhakar

ISSUED CAPITAL

(As at – 23 April 2021)
2,554m Ordinary Shares
AIM, JSE & ASX Code: KP2

23 April 2021

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

Review of Operations for the Quarter ended 31 March 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 31 March 2021 (the "Quarter").

Quarterly Highlights:**The Kola Potash Project**

- Following ongoing discussions with a number of financiers who indicated potential interest in financing the Kola project, on 1 April 2021 the Company and the Summit Consortium signed a non-binding Memorandum of Understanding to arrange the total financing required for the construction of the Kola Potash Project.

DX Project Definitive Feasibility Study ("DX DFS")

- Work continued on Phase 1 of the DX Definitive Feasibility Study
- The current Phase 1 work programme of the DX DFS remains planned for completion during May 2021.
- During the quarter, the Company's consultants completed work on the production well specifications, rock mechanics testing, the blanket design to control cavern formation and initial aquifer modelling.
- The drilling campaign at DX was completed during the quarter. A total of seven diamond drill holes were completed and the Company is currently awaiting assay results.

Corporate Highlights

- Questco Corporate Advisory Proprietary Limited was appointed as the Company's JSE Limited Sponsor on 5 March 2021.
- On 11 March 2021 the Company's Chief Financial Officer, Mr Andrey Maruta, notified the Company of his resignation. During Andrey's notice period of 3 months the Company will commence the process to select his replacement.
- On 31 March 2021, the Company held USD 3.18 million cash at bank.
- On 8 April 2021, the Company announced that it has conditionally raised, in aggregate, approximately USD 12.5 million at a price of 1.1 pence (2.0 Australian cents) per new Ordinary Share. This fundraise is conducted in two separate tranches. The Company has successfully raised approximately USD 5.5 million of the total under tranche one, with the balance of approximately USD 7 million remaining under tranche two. The Company will be seeking shareholder approval at a General Meeting scheduled for 5 May 2021 for the shares to be issued and funds to be raised under tranche two.

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

"The Company is excited at the opportunity presented to us by the Summit Consortium to potentially finance the construction of the world class Kola Project. Pursuing this opportunity is the Company's focus over the next 12 months.

Our recent fundraise puts Kore on firm financial footing to complete our portion of the work needed on Kola for optimisation and beyond.

At the same time, the development of the DX project remains important and once we complete the current work programme at DX, we will review what the next steps will be for the DX project."

Operational activities

DX DFS

- At end of March 2021, progress on the first phase of the DX Definitive Feasibility Study was:
 - The planned diamond drilling has been completed on seven additional drill holes (drill hole numbers DX 10 to DX 16).
 - The preparation of samples was completed and shipped to the SGS Lakefield laboratory in Canada for assay. The Company is currently awaiting the final assay report.
 - Testing of rock mechanics properties (both unconfined compressive strength and triaxial compressive strength) were completed on samples from previously drilled core and from core taken from drill holes DX 12 and 13. The initial test report has been received.
 - Creep tests at the Institut fur Gebirgsmechanik laboratory in Germany have also been completed and the test report received.
 - The geomechanical modelling utilising the rock mechanics properties and creep results has been completed on ten production scenarios.

- SQM has completed the planned test works within their pilot plant to confirm the project assumptions around magnesium content in the process. The draft report on this has been received by the Company for review.

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

Next steps

During the quarter ending 30 June 2021 the Company aims to:

Kola

- Finalise an Optimisation Agreement with SEPCO Electric Power Construction Corporation (“SEPCO”) to put the contractual framework in place for the Kola optimisation study
- Complete the transfer of Kola data to SEPCO to facilitate the optimisation study
- Receive reports from SEPCO on the progress of the Kola optimisation study

DX

- Receive assay results from the recent drilling programme and release the results.
- Commence an update of the geological model to incorporate the DX Phase 1 DFS drilling results.

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 USD 158k settled in cash. The Company settled outstanding directors’ fees for the quarter ended 31 December 2020 through the issue of 2,909,389 ordinary shares, as announced on 15 January 2021. The Company also 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 issued 1,250,000 ordinary shares, as announced on 9 April 2021, to satisfy the unconditional vesting of the third and final tranche of the Performance Rights issued to certain Non-Executive Directors on 29 March 2021, being the third anniversary of admission to trading on AIM.

The Company invested USD 995k in exploration in the Quarter which comprised USD 867k related to DX DFS study and design work, USD 78k in sourcing DX DFS related drilling and other consumables, and USD50k in DX DFS management related costs. The Company ended the Quarter with USD 3.18 million of cash at bank.

This announcement has been approved for release by the Board.

ENDS

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

Kore Potash
Brad Sampson – CEO

Tel: +27 11 469 9140

Tavistock Communications
Jos Simson
Edward Lee

Tel: +44 (0) 20 7920 3150

Canaccord Genuity – Nomad and Broker

James Asensio

Henry Fitzgerald-O'Connor

Tel: +44 (0) 20 7523 4600

Shore Capital – Joint Broker

Jerry Keen

Toby Gibbs

James Thomas

Tel: +44 (0) 20 7408 4050

Questco Corporate Advisory – JSE Sponsor

Mandy Ramsden

Tel: +27 (11) 011 9208

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. In addition, SPSA were recently awarded the Sintoukola 2 Exploration Permit. 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.
Sintoukola2 Exploration	Decree 2018-34 of 9 February 2018	100% potassium rights only	Sintoukola Potash S.A.

* these remain unchanged from the quarter ended 31 December 2020.

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	Sylvinitic Million Tonnes	Average Grade KCl %	Contained KCl million tonnes	Sylvinitic 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

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 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 sylvinite Mineral Resource Estimate is reported herein. Ms. Vanessa Santos, P.Geo. of Agapito Associates Inc., 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). The Company confirms 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")

31 March 2021

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 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	(206)	(206)
(e) administration and corporate costs	(1,152)	(1,152)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,358)	(1,358)

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)	(995)	(995)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 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	(995)	(995)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,556	5,556
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,358)	(1,358)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(995)	(995)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	(22)	(22)
4.6	Cash and cash equivalents at end of period	3,181	3,181

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	3,181	5,556
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)	3,181	5,556

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	158
6.2	Aggregate amount of payments to related parties and their associates included in item 2	158
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.		

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

7.	Financing facilities <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>	Total facility amount at quarter end \$US’000	Amount drawn at quarter end \$US’000
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)	(1,358)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(995)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,353)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,181
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	3,181
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.35
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 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?	
	<p>Answer:</p> <p>The period under review has seen a focus of the Dougou Extension project. The Company has changed its focus for the next 9 to 12 month period to its planned Optimisation Study of the Kola Project. It is expected that the current levels of expenditures will reduce given the different area of focus.</p>	
	8.8.2 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?	

	<p>Answer:</p> <p>On 8 April 2021, the Company announced that it has conditionally raised, in aggregate, approximately USD 12.5 million at a price of 1.1 pence (2.0 Australian cents) per new Ordinary Share. This fundraise is conducted in two separate tranches. The Company has successfully raised approximately USD 5.5 million of the total under tranche one, with the balance of approximately USD 7 million remaining under tranche two. The Company will be seeking shareholder approval at a General Meeting scheduled for 5 May 2021 for the shares to be issued and funds to be raised under tranche two.</p>
	<p>8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?</p>
	<p>Answer:</p> <p>Yes, the Company will be able to continue its operations. The Company will use the net proceeds from the April 2021 Fundraise, together with the Company's existing cash reserves, as follows during the next 12 month period:</p> <ul style="list-style-type: none"> • to fund the work in relation to its planned Optimisation Study of the Kola Project; and • for general working capital purposes.

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: 23 April 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.