KORE POTASH – REVIEW OF OPERATIONS

FOR THE QUARTER ENDED 31 DECEMBER 2016

Perth, Australia – 31 January 2017 – Kore Potash Ltd. (ASX: K2P). ("**Kore Potash**" or "the **Company**") is pleased to provide the following quarterly update on its corporate activities and activities at its Sintoukola Potash Project located in the Republic of Congo ("**RoC**").

HIGHLIGHTS

- Strategic Investment of US$45m completed with funds received and securities issued to fund the Kola Sylvinite Project ("Kola") Definitive Feasibility Study ("DFS") and additional drilling at Kola and Dougou Extension.
- Two new global cornerstone investors introduced in SQM, the NYSE-listed Chilean Lithium and Potash producer and distributor and SGRF, the Sovereign Wealth Fund of Oman.
- Preliminary off-take signed with SQM and SGRF for aggregate of 40% of future production from Kola.
- Commencement of a 3 hole drilling programme at Kola as final preparation for the DFS. The first hole intersected Sylvinite 'Hangingwall Seam' grading 58.9% KCl over a thickness of 4.04 meters.
- The Kola DFS, with a world class consortium of French engineering and construction companies, is expected to commence in Q1 2017.
- The Company has now appointed all the lead engineers to its project team which has added almost 200 years of additional experience to the Kore Potash project management team.
- Negotiation of the Mining Convention is at an advanced stage.
- Dougou area mining license expected to be signed shortly.
- Change in name to Kore Potash Limited (previously Elemental Minerals Limited).

CORPORATE ACTIVITIES

Strategic Investment

During the Quarter, a US$45m Strategic Investment was successfully completed on 15 November 2016 bringing in two global cornerstone investors in SQM, the integrated producer and distributor of specialty plant nutrients, lithium, potash and industrial chemicals which is listed on the NYSE, and SGRF, the sovereign wealth fund of the Sultanate of Oman. The additional US$5m from Summit was not received by the backstop date of 20 January 2017, as announced on 11 November 2016, and will need to be raised prior to completion of the DFS.

The investment also included the signing of a preliminary agreement for a minimum aggregate off-take of 40% of the Company's future potash production.

The strategic investment is a landmark event for the Company that allows it to pursue its strategy of minimising risk through the various stages of development to construction. This investment allows the Company to appoint a world class Engineering and Construction Consortium, led by Vinci and Technip, to complete a DFS for its flagship potash project, the Kola Sylvinite Project in the Republic of Congo ("RoC"), within 14 months. Importantly it is proposed that the Consortium will be required to, within 3 months of completing the DFS, deliver a fixed price Engineering, Procurement and Construction ("EPC") offer. This will significantly de-risk the construction of Kola for Kore Potash.

The strategic investment also allows Kore Potash to do additional drilling to further test the resource at Kola, ahead of the commencement of the DFS. In addition, Kore Potash will also be able to drill another 8 holes at Dougou Extension (previously named Yangala) to further prove out the high grade Exploration Target. Dougou Extension is a candidate for the world's highest grade Sylvinite seam in the world at 55-60% KCl. These drilling results will provide more information on how to define the best strategy going forward.

As part of the transaction the Company has appointed new non-executive directors to the board, Mr. Timothy Keating (SGRF) and Mr. Pablo Altimiras (SQM).

DFS Contract

Final contractual negotiations with the French Consortium are almost completed and it is expected that the DFS will commence in February 2017.

Investigation of Potential Secondary Listing in London

Following recent feedback from existing and potential shareholders, the Company has made preliminary inquiries about the possibility of a secondary listing of its shares in London. The Board will continue to investigate and assess the merits of a secondary listing during the first half of 2017 to determine whether it would be of benefit to Kore Potash shareholders.

Change of name to Kore Potash

Given the new strategic direction of the Company, the Board considered that is was the appropriate time to change the name of the Company to Kore Potash in order to signal the beginning of a new era. This name change was approved at the EGM on 20 October 2016.

OPERATIONAL ACTIVITIES

Technical Studies

- The approval of the Dougou ESIA, which was submitted in August 2016, is expected in Q1 2017.
- The Company continued preparation and clarification meetings with its engineering teams around the globe to ensure good alignment and to facilitate a quick start to the DFS. Contract negotiations are now substantially completed and this will allow the DFS to commence early in February 2017.
- The Company completed project execution planning and preparation of the terms of reference for the first phase of the DFS trade off studies.
- The Company completed the appointment of all lead engineers to the Company's project team and is now suitably staffed to manage the DFS. These appointments added almost 200 years of additional expertise into the Company to assist in managing the project.
- SRK Consulting (UK) Limited was appointed to manage the Kola ESIA amendment process in parallel with the DFS and work is underway.
- RSK has been appointed to undertake the IFC-compliant Resettlement Action Plan (RAP) for the Kola project area and infrastructure footprint. This work stream has been initiated and will follow the DFS and ESIA processes.

ROC Regulatory Requirements

- The Company submitted the Mining Permit application for the Dougou area to the Ministry of Mines on 17 May 2016. The application was approved by both the Ministry of Mines and the Prime Minister's office and will now be tabled at the next Cabinet meeting for final approval and issuance through Decree.
- The Company submitted its draft mining convention on 4 October 2016, which governs both the Kola and the future Dougou mining licenses. The inter-ministerial committee in charge of the negotiation of the Mining Convention met with the Company and its advisors from 29 November to 1 December 2016 and the outcome was that the committee has favourably accepted the main terms and conditions of the Mining Convention as submitted by the Company. The Company was requested to provide further details regarding the economic model to the Ministry of Finance and the Company is now waiting for final confirmation from the Ministry of Mines and Geology on the finalized terms and conditions of the Mining Convention as negotiated.

Field Work and Exploration Activity

KOLA SYLVINITE PROJECT

- The 3-hole Kola drill campaign is underway, with EK_49 successfully completed and EK_50 is in progress. The program is expected to be completed in February 2017, after which the drilling will move to the 8-hole campaign at Dougou Extension as originally planned.

- The holes, at Kola, are located in gaps in the resource, where currently no sylvinite is interpreted in the 2012 resource model. If successful they have the potential to positively impact the Kola Resource which is being updated in Q2 2017, and will be the basis for the Definitive Feasibility Study.

- EK_49, the first additional hole at Kola, intersected 4.04 metres of sylvinite grading 58.9% KCl, hosted by the Hangingwall sylvinite Seam, from a depth of 255.85m. The mineralization is comprised of almost 60% sylvite (Figure 1), the remainder is halite and is without visible insoluble material. This intersection is 830m southwest of hole EK_13, drilled in 2010, which also intersected sylvinite Hangingwall Seam (3.73m grading 54.41% KCl from a depth of 258.74m) and supports the continuity of the seam in this area. Analysis of the core and of seismic data shows that in this area the seam is horizontal and is likely to be continuous between these holes. In both EK_13 and EK_49 the seam is over 20m below the top of the salt host rock.

- Work is underway as to determine how the results from EK_49 can best be incorporated into the Kola mining plan and DFS in order to improve plant design and projects economics.
- The KCl grade of the intersection in EK_49 was determined using a factor for the conversion of API values (generated from downhole gamma-ray logging) to KCl%, established by the Company's independent geophysical provider, Wireline Workshop of South Africa. The grade is similar to other intersections of this seam at Kola and visually, sylvite can be seen to comprise approximately 60% of the rock.
- Final handover of the fully re-processed Kola seismic data was made in December 2016. The work by DMT Petrologic of Germany was of a very high standard and has resulted in significantly improved seismic imagery. This is being used for the updated resource model and estimate which is planned to be completed in April 2017 in line with the DFS study schedule requirements

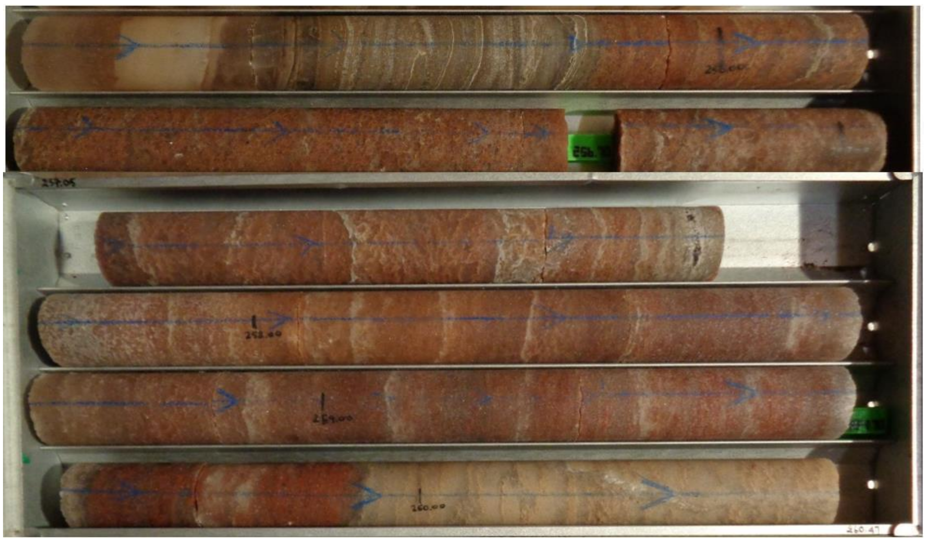

Figure 1. The Hangingwall seam sylvinite in EK_49 (orange-pink colour). 4.04 metres grading 58.9% KCl. Rock-salt above and below the seam is included in the photograph

DOUGOU EXTENSION PROSPECT (previously referred to as the YANGALA SYLVINITE PROSPECT)

- An 8 hole exploration drilling programme is expected to start in March 2017, designed to test the Exploration Target of 235 to 470 Mt grading 55 to 60% KCl, announced in 2015[1] Kore Potash has drilled two holes at this Prospect, 1.4 km apart. ED_01 drilled in 2012 contained 4.47 metres grading 57.66 % KCl (36.41 % K2O) from a depth of 421.93. ED_03 drilled in 2014 returned an intersection of 59.48 % KCl (37.56 % K2O) over a thickness of 4.21 metres, from a depth of 398.95 metres[2]. These intersections are among the highest grade globally for a potash seam of significant thickness.

(*The reader is cautioned that an Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. There is no guarantee that further exploration will lead to the delineation of a Mineral Resource)*

[1] Announcement dated 27 January 2015: Elemental Minerals Announces an Exploration Target for the High Grade Sylvinite Hangingwall Seam at the Yangala Prospect.

[2] Announcements dated 4 September 2012 and 20 October 2014.

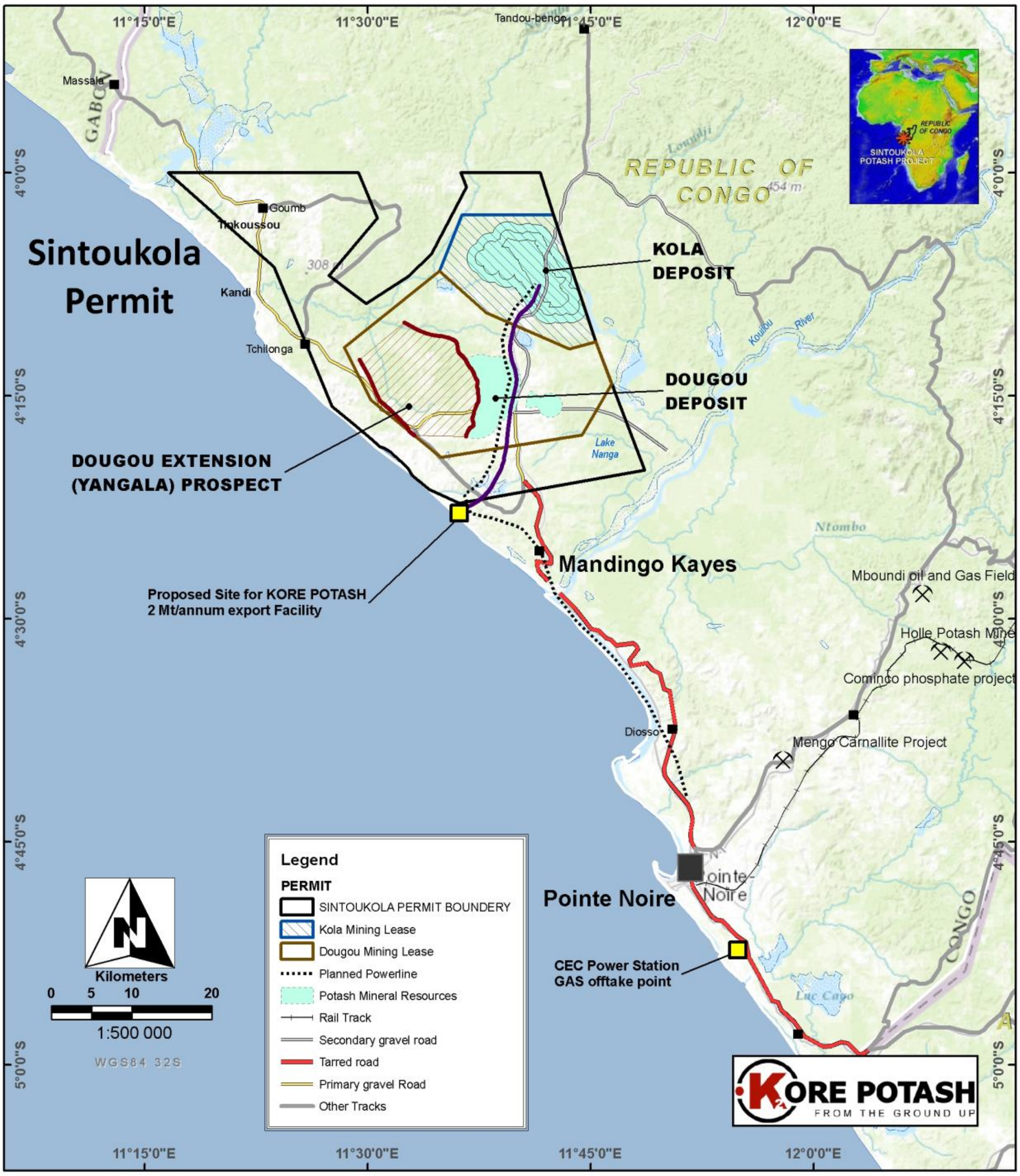

Figure 2. Location of the Sintoukola Project showing the Dougou, Kola and Dougou Extension (previously referred to as Yangala) Projects, and available infrastructure.

About Kore Potash's Projects

Kore Potash (ASX: K2P) is an advanced stage mineral exploration and development company whose primary asset is 97%-owned Sintoukola Potash SARL (SP) in the RoC. The Company has three projects at varying development stages: SP has 100% ownership of the Kola Mining Lease within which the Company's lead project, the Kola deposit is located. SP also has 100% ownership of the 1067 km^2 Sintoukola Exploration Permit which contains the Dougou deposit and Dougou Extension Prospect (previously referred to as Yangala).

These projects are easily accessed, being located approximately 80km to the north of the city of Pointe Noire and 15 to 30km from the coast. The Projects have the potential to be among the world's lowest-cost potash producers and their location near the coast offers a transport cost advantage to key Brazilian and Asian fertilizer markets.

Kola is a large sylvinite deposit, for which a Pre-Feasibility Study (PFS) defined Proven and Probable Reserves of 152 Mt of sylvinite ore[3] with an average grade of 31.7% KCl to be mined by conventional underground methods (at a depth of between 200 and 300 m), for a full-scale production of 2 Mtpa Muriate of Potash (MoP) by 2022. A Mining License and ESIA approval for Kola were granted in August 2013[4].

The Dougou Deposit is 15 km southwest of Kola and is a very large carnallitite deposit with a Measured and Indicated Potash Mineral Resource of 1.1 billion tonnes grading 20.6% KCl (at a depth of between 400 and 600 metres) hosted by 35-40 metres of carnallitite within 4 flat-lying seams[5]. A Scoping Study was completed by ERCOSPLAN of Germany in February 2015[6]. This Study indicates that a low capital cost, low operating cost (Life of Mine operating cost of US$68 per tonne MOP), quick to production carnallite[7] solution mine can be established at Dougou, taking advantage of the deposit quality and availability of cheap energy in the RoC.

The Dougou Extension Prospect (previously referred to as Yangala) lies immediately west of Dougou. Here the Company has drilled two holes, both intersecting a flat-lying layer of thickness 4 to 4.5 metres with a grade of between 57 and 60% KCl. In 2015, the Company announced an Exploration Target for this prospect of 235 to 470 million tonnes grading between 55 and 60 % KCl (refer to note below table 1 for the definition of Exploration Target).

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[3] NI 43-101 Technical Report. PFS for the Kola Deposit, 17 September 2012 (SRK Consulting)

[4] Announcement dated 15 August 2013: Elemental Minerals Announces Award of Mining License for the Kola Potash Project.

[5] Announcement dated 9 February 2015: Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit.

[6] Announcement dated 17 February 2015: Results for the Dougou Potash Project Scoping Study

[7] Carnallitite: a rock comprising of the potash mineral carnallite ($KMgCl_3 \cdot 6H_2O$) and other minerals such as halite ($NaCl$).

Kore Potash's Mineral Resources and Exploration Target

Table 1. Kore Potash's Potash Mineral Resources and Exploration Targets

	Category	Million Tonnes	Grade KCl %	Grade K2O %
Kola Sylvinite Deposit	Measured	264	33.7	21.3
	Indicated	309	32.6	20.6
	Inferred	475	32.5	20.5
	TOTAL	1,048	32.8	20.7
Kola Carnallitite Deposit	Measured	295	17.8	11.3
	Indicated	449	18.7	11.8
	Inferred	473	18.8	11.9
	TOTAL	1,217	18.5	11.7
Dougou Carnallitite Deposit	Measured	148	20.1	12.7
	Indicated	920	20.7	13.0
	Inferred	1,988	20.8	13.1
	TOTAL	3,056	20.7	13.1
TOTAL MINERAL RESOURCES	Measured	707	24.2	15.3
	Indicated	1,678	22.3	14.1
	Inferred	2,936	22.3	14.1
	TOTAL	5,321	22.6	14.3
Dougou Extension Prospect (previously referred to as Yangala)	Exploration Target* (not a Mineral Resource)	235 to 470	55 to 60	35 to 38

Notes: *The Kola Mineral resources were estimated by CSA Global of Perth, and reported under the JORC Code 2004. Kore Potash is not aware of any new information or data that materially affects the information included in the Announcement to the ASX on the 21th August 2012 titled "Elemental Announces Further Significant Mineral Resource Upgrade for Kola". In the case of the Mineral Resources the Company can confirm the assumptions and the technical parameters underpinning the estimates continue to apply and have not materially changed. The form and context of the Competent Person's findings as presented in the announcement have not materially changed. The Dougou Mineral Resource was completed by ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN") and reported in accordance with the JORC code 2012 in the ASX announcement dated 9 February 2015 titled "Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit". Table entries are rounded to the appropriate significant figure. A conversion factor of 1.5837 was used to convert K_2O to KCl. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. *An Exploration Target is not a mineral resource, there being insufficient exploration data to support a resource model and estimate, and there is no guarantee that it will become a resource with additional exploration. For details the reader should refer to the announcement dated 27 January 2015: Elemental Minerals Announces an Exploration Target for the High Grade Sylvinite Hangingwall Seam at the Yangala Prospect*

Table 2. Kore Potash's' Potash Mineral Reserves

	Category	Million Tonnes	Grade KCl %
Kola Sylvinite	Proven	88	31.68
	Probable	64	31.69
	TOTAL	152	31.69

Notes: *The Kola Sylvinite Mineral Reserves were determined by SRK Consulting and described in detail in the report titled 'NI 43-101 Technical Report for the Sintoukola Potash Project, Republic of Congo' dated 17 September 2012. Mineral Reserves have not changed since that date. Mineral Reserves are not in addition to Mineral Resources but are determined from Mineral Resources by the application of modifying factors.*

For more information contact us or visit www.korepotash.com.

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Forward-Looking Statements

This news release contains statements that are "forward-looking". Generally, the words "expect," “potential”, "intend," "estimate," "will" and similar expressions identify forward-looking statements. By their very nature and whilst there is a reasonable basis for making such statements regarding the proposed placement described herein; forward-looking statements are subject to known and unknown risks and uncertainties that may cause our 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. Statements in this news 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 resource estimates 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.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.

Competent Person Statement

The information relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, and the results of economic studies, is extracted from previous reports, as referred to in footnotes herein, and available to view on the Company’s website. 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.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

KORE POTASH LIMITED

ABN	**Quarter ended ("current quarter")**
31 108 066 422	31 DECEMBER 2016

Consolidated statement of cash flows		**Current quarter $US'000**	**Year to date (12 months) $US'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(2,741)	(6,638)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs*	(22)	(89)
	(e) administration and corporate costs	(674)	(2,256)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	17	21
1.5	Interest and other costs of finance paid	(350)	(350)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(3,770)**	**(9,312)**

**Majority of staff costs are allocated in payments for exploration & evaluation*

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $US'000**	**Year to date (12 months) $US'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) 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**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	44,697	48,311
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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**	**44,697**	**48,311**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	556	2,429
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,770)	(9,312)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	44,697	48,311
4.5	Effect of movement in exchange rates on cash held	(24)	31
4.6	**Cash and cash equivalents at end of period**	**41,459**	**41,459**

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	41,459	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)**	**41,459**	**556**

6.	Payments to directors of the entity and their associates	Current quarter $US'000
6.1	Aggregate amount of payments to these parties included in item 1.2	144
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

All transactions involving Directors and associates were on normal commercial terms.

7.	Payments to related entities of the entity and their associates	Current quarter $US'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $US'000**	**Amount drawn at quarter end $US'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

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

9.	**Estimated cash outflows for next quarter**	**$US'000**
9.1	Exploration and evaluation	8 735,8
9.2	Development	
9.3	Production	
9.4	Staff costs	
9.5	Administration and corporate costs	2 915,8
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**11 651,6**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

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.

Sign here: .... Date: 31 January 2017
Company secretary

Print name: Henko Vos.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.