KORE POTASH LIMITED
AND CONTROLLED ENTITIES
ABN 31 108 066 422

FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2016

CONTENTS

CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN
David Hathorn

MANAGING DIRECTOR AND CEO
Sean Bennett

NON-EXECUTIVE DIRECTORS
Jonathan Trollip
Leonard Math
Timothy Keating
Pablo Altimiras

JOINT COMPANY SECRETARY
Lawrence Davidson and Henko Vos

PRINCIPAL & REGISTERED OFFICE
Level 3, 88 William Street,
Perth WA 6000
Telephone: +61 (8) 9463 2463
Facsimile: +61 (8) 9463 2499

SOUTH AFRICA OFFICE
Ground Floor
Cedarwood House
Ballywood Office Park
33 Ballyclare Drive
Bryanston
South Africa
Telephone: +27 11 469 9140
Facsimile: +27 86 613 2973

AUDITORS
Deloitte Touche Tohmatsu
Tower 2, Brookfield Place
123 St Georges Terrace
PERTH WA 6000
Ph: +61 8 9365 7000
Fax: +61 8 9365 7001

SHARE REGISTRY
Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9262 3723

SECURITIES EXCHANGE LISTING
Australian Securities Exchange (ASX)
Code: K2P

WEBSITE: www.korepotash.com

REVIEW OF OPERATIONS

KEY DEVELOPMENTS

- Change of name from Elemental Minerals Limited to Kore Potash Limited.

- On 15 November 2016, the Company completed the USD 45 million strategic investment, including USD 20 million from a Sovereign Wealth Fund of Oman (SGRF) and USD 20 million from SQM. This investment allows Kore Potash to pursue its new strategy of accelerating the development of its various potash projects and creating significant shareholder value through:
  - bringing geographical, financial and industrial expertise into the Company through the two new cornerstone investors.
  - allowing the Company to appoint a team of world class project engineers and managers for the DFS (Vinci, Technip, Egis and Louis Dreyfus) to be completed within 14 months.
  - allowing the Company to receive a binding EPC contract within 3 months of completion of the DFS.
  - reducing timeframes and potentially accelerating construction.
  - commencing drilling at Dougou Extension to follow up on the 55-60% KCl grades in previous holes.
  - enhancing the Company's financing capability.
  - providing preliminary conditional off-take agreements over 40% of the Company's future production.
  - de-risking the project and thereby creating value for shareholders.

- Resignation of Non-Executive Director Robert Samuel Middlemas, and appointment of Jonathan Trollip on 21 April 2016.

- New Non-Executive Directors Timothy Keating, nominated by SGRF, and Pablo Altimiras, nominated by SQM, appointed on 15 November 2016.

- On 28 February 2017, the Company announced that it has signed a contract with TechnipFMC, VINCI Construction Grands Projets, Egis and Louis Dreyfus Armateurs ("French Consortium"), for the implementation of the Kola 2 Mtpa Definitive Feasibility Study (the "DFS"). The DFS contract is scheduled to be completed within 14 months including significant Front End Engineering Design ("FEED") work.

CORPORATE ACTIVITIES

- On 17 May 2016, the Company submitted the Mining Permit application for the Dougou area to the Ministry of Mines. The application was approved by both the Ministry of Mines and the Prime Minister's office and is proposed to be tabled at the next Cabinet meeting for final approval and then issuance through Decree.

- On 4 October 2016, the Company submitted its draft mining convention, which governs both the Kola and the 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.

- Following 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 to determine whether it would be of benefit to Kore Potash shareholders.

REVIEW OF OPERATIONS (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY

Kola Sylvinite Project

- On 12 October 2016, the Company completed three up-front trade-off studies with the French Consortium in preparation for the launch of the DFS. These trade-off studies included the following;
  - The overland conveyor belt remains the preferred method for transporting ROM ore from Kola to Tchiboula. A slurry pumping system was considered as an alternative, but this shows no capex or opex advantages.
  - A decline excavated with a tunnel-boring machine (TBM) was compared to the vertical shaft system at Kola. The study showed, that whilst the decline shows some operational benefits, the vertical shaft remains the preferred option at Kola due to the increases in construction schedule and higher capex associated with the decline.
  - Large scale modularization will not be further considered for the processing plant at Tchiboula. The study showed that sufficient skills are available in-country and site logistics and constraints are favorable to support a stick-build approach to the plant.

- 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, with an average of 25 years mining experience per person, into the Company to assist in managing the project. The DFS was officially launched with a kick-off meeting on 22 February 2017 in Paris.

- On 26 May 2016, the Company completed the Master Plan which provides a comprehensive strategic overview of the Company's Kola, Dougou and Dougou Extension (previously referred to as Yangala) projects, and sets out planning considerations of common infrastructure works which could be utilised across all three projects

- On 7 March 2017, the Company announced the successful completion of the three drill holes at its Kola potash project that were aimed at expanding and adding confidence to the Kola resource for the DFS.
  - Following the exceptional results in the first hole, EK_49 (see ASX announcement dated 23 January 2017), holes EK_50 and EK_51 have also both been successful in intersecting sylvinite mineralisation of mineable widths in areas that were previously not modelled (in the 2012 mineral resource) as containing sylvinite (see ASX announcement dated 7 March 2017).
  - These intersections will positively impact on the Kola resource update, expected to be completed early in the June quarter. The core will also provide material for DFS geotechnical test work. A fourth 'extra' hole (EK_52) was drilled to test an area for sylvinite in the Hangingwall Seam. The hole intersected the seam but it is of carnallitite rather than sylvinite. Consideration is being given to completing additional seismic surveys of the area as a precursor to follow-up drilling.

- On 25 November 2016, the Company appointed SRK Consulting (UK) Limited to manage the Kola ESIA amendment process in parallel with the DFS and work is progressing well, with stakeholder engagement meetings scheduled for early April 2017.

- During December 2016, re-processing of the Kola seismic data was completed. 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 during the June quarter 2017 in line with the DFS study schedule requirements.

Dougou Extension Project (previously named Yangala)

- Drilling of DX_01 at Dougou Extension (previously named Yangala) commenced during March 2017 (see ASX announcement dated 7 March 2017), the first hole of several planned to follow up on some of the best intersections reported globally in potash exploration.
  - ED_01 drilled in 2012 contained 4.47 metres grading 57.66% KCl (36.41% K2O) from a depth of 421.93 metres.
  - ED_03 drilled in 2014 returned 4.21 metres grading of 59.48% KCl (37.56% K2O), from a depth of 398.95 metres.

REVIEW OF OPERATIONS (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY (CONT)

Dougou Extension Project (previously named Yangala) (Cont)

- ED_01 and ED_03 were drilled 1.4 km apart and in both the sylvinite is hosted by a flat or very gently dipping seam (referred to as the Hangingwall Seam). The thicknesses reported can be assumed to be the true thickness.

- The Dougou ESIA was well advanced during the year. The terms of reference were approved by the Ministry of Environment on 5 July 2016. The draft ESIA was submitted by SRK and local partner, CM2E, to the Ministry in November 2016 and is currently being reviewed by an Inter-Ministerial Commission. Informal feedback has been positive and the Company expects to receive approval in H1 2017.

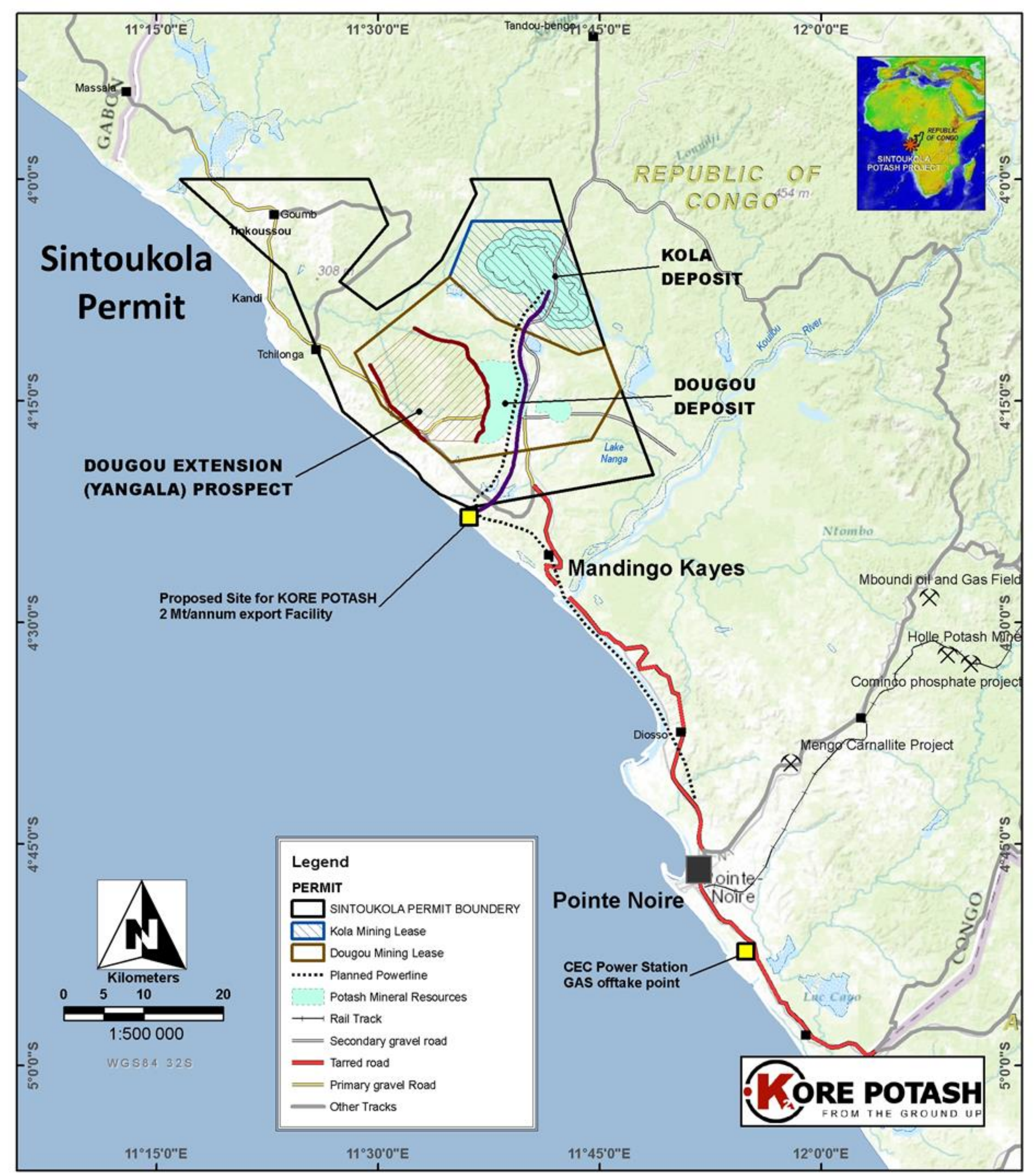

Figure1. Location of the Sintoukola Project showing the Dougou, Kola and Dougou Extension (previously referred to as Yangala) Projects, and available infrastructure.

REVIEW OF OPERATIONS (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY (CONT)

Dougou Extension Project (previously named Yangala) (Cont)

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

	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 K2O 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.

REVIEW OF OPERATIONS (CONT)

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.

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.

DIRECTORS' REPORT

Your Directors present their annual report on Kore Potash Limited ("Kore Potash" or the "Company") and its controlled entities ("Group" or "Consolidated Entity") for the financial year ended 31 December 2016. The Company changed its name from Elemental Minerals Limited to Kore Potash Limited on 4 November 2016 to more accurately reflect what the Company is about which is ultimately the production of potash.

In order to comply with the provisions of the Corporations Act 2001, the Directors' Report is as follows:

Directors
The names of directors in office at any time during or since the end of the year are:

David Hathorn	Non-Executive Chairman
Sean Bennett	Managing Director
Jonathan Trollip	Non-Executive Director (appointed 21 April 2016)
Leonard Math	Non-Executive Director
Timothy Keating	Non-Executive Director (appointed 15 November 2016)
Pablo Altimiras	Non-Executive Director (appointed 15 November 2016)
Robert Samuel Middlemas	Non-Executive Director (resigned 21 April 2016)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Joint Company Secretary
Mr Lawrence Davidson
Mr Henko Vos (appointed 16 November 2016)
Mr Leonard Math (resigned 16 November 2016)

Principal Activities and Significant Changes in Nature of Activities
The principal activity of the Group during the financial year was exploration for potash minerals prospects.

Operating Results
The net loss of the Group for the year ended 31 December 2016 after providing for income tax amounted to USD 4,259,666 (31 December 2015: USD 2,649,102).

Dividends Paid or Recommended
In respect of the year ended 31 December 2016, no dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

Significant Changes in State of Affairs

Board Changes
During the year, Mr Jonathan Trollip was appointed as Non-Executive Director on 21 April 2016, replacing Mr Robert Samuel Middlemas.

Messrs Timothy Keating and Pablo Altimiras were appointed as Non-Executive Directors on 15 November 2016.

Capital Raising
Kore Potash raised USD 45 million on 15 November 2016. This will allow Kore Potash to accelerate the development of the Kola construction strategy and further production targets of the Congolese potash basin to be implemented by a consortium of worldwide leading engineering and construction companies (the "French Consortium"). There were 45 million free-attaching unlisted options issued as part of this capital raising.

DIRECTORS' REPORT (CONT)

Project
The Kola Mining license was granted on 9 August 2013 for a 25 year period and remains valid. The Dougou Mining license application was submitted on 17 May 2016 to the Ministry of Mines. The application was approved by both the Ministry of Mines and the Prime Minister's office and is proposed to be tabled at the next Cabinet meeting for final approval and then issuance through Decree. The Sintoukola exploration license will expire upon the issuance of the Dougou Mining license. A new exploration license application named Sintoukola 2 was submitted on 4 October 2016 and is currently under review by the Office of the Ministry of Mines and Geology.

Capital Structure
Lapsing of Options

- 333,332 Unlisted Options exercisable at AUD 1.09 each expiring 9 January 2016 have lapsed.
- 78,911,086 Listed Options exercisable at AUD 0.25 each expiring 15 January 2016 have lapsed (4,843 Listed Options were exercised).
- 300,000 Unlisted Options exercisable at AUD 1.29 each expiring 13 February 2016 have lapsed.
- 500,000 Unlisted Options exercisable at AUD 1.18 each expiring 1 April 2016 have lapsed.
- 250,000 Unlisted Options exercisable at AUD 1.12 each expiring 23 April 2016 have lapsed.

Performance Rights (Project Director)
On 29 February 2016, the Company granted 5,000,000 Performance Rights to Mr Werner Swanepoel, Project Director, under the Company's Employee Performance Rights Plan. The rights were contractually agreed to on 7 December 2015 pursuant to Mr Swanepoel's employment agreement. The Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Joining K2P	
(1) - sign on bonus	250,000
(1) - allocated after 1 year service	250,000
(1) - allocated after 2 years service	250,000
(1) - allocated after 3 years service	250,000
Kola Resource & Mine	
(2) - DFS Completion	1,000,000
(3) - Off-take secured to support debt finance for mine build	500,000
(4) - Complete finance package for mine build	500,000
Dougou Resource	
(5) - Development advanced to commencement of DFS	500,000
Yangala Resource	
(6) - Development advanced to completion of PFS	500,000
Share Price Allocation Matrix	1,000,000
25% initial tranche (Note 1(a))	*250,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))	
100%	*1,000,000*
TOTAL	**5,000,000**

DIRECTORS' REPORT (CONT)

Capital Structure (Cont)

Performance Rights (Project Director) (Cont)

Note 1: Share Price Allocation Matrix
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
  (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
  (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
  (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
  (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
  (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the operational performance rights granted (4,000,000) is calculated based on the share price at grant date. The fair value of these operational performance rights is AUD 0.19.

The fair value of the remaining performance rights granted with a share price threshold (1,000,000) is estimated as at the grant date using the monte-carlo pricing model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	Series 7
Grant date share price	AUD 0.19
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1167

On 29 February 2016, 250,000 Fully Paid Ordinary Shares were issued following the vesting of the Performance Rights as a sign on bonus for the Project Director. In addition, subsequent to year end on 3 February 2017, 250,000 Fully Paid Ordinary Shares have been issued to the Project Director following the vesting of the Performance Rights due to one year of service being completed on 7 December 2016.

DIRECTORS' REPORT (CONT)

Capital Structure (Cont)

Performance Rights (Chairman)
On 2 March 2016, following shareholders' approval, the Company granted 13,000,000 Performance Rights to Mr David Hathorn under the Company's Employee Performance Rights Plan. Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Joining K2P	
(1) - allocated after 1 year service	1,000,000
(1) - allocated after 2 years service	1,000,000
(1) - allocated after 3 years service	1,000,000
Share Price Allocation Matrix	10,000,000
20%	*2,000,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))	
100%	*10,000,000*
TOTAL	**13,000,000**

<u>Note 1: Share Price Allocation Matrix</u>
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
   (i) where the 30 day average daily VWAP is less than AUD 0.50, nil.
   (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 5,333 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
   (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 5,333 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
   (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any previous Vesting Period, nil.
   (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 5,333 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the operational performance rights granted (3,000,000) is calculated based on the share price at grant date. The fair value of these operational performance rights is AUD 0.20.

The fair value of the remaining performance rights granted with a share price threshold (10,000,000) is estimated as at the grant date using the monte-carlo pricing model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of these performance rights were as follows:

Input into the model	**Series 8**
Issue date share price	AUD 0.165
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1475

Subsequent to year end on 3 February 2017, 1,000,000 Fully Paid Ordinary Shares have been issued to the Chairman following the vesting of the Performance Rights due to his one year of service being completed on 20 November 2016.

DIRECTORS' REPORT (CONT)

Capital Structure (Cont)

Performance Rights (Managing Director)
On 2 March 2016, following shareholders' approval, the Company granted 8,500,000 Performance Rights to Mr Sean Bennett under the Company's Employee Performance Rights Plan. Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Joining K2P	
(1) - sign on bonus	531,250
(1) - allocated after 1 year service	531,250
(1) - allocated after 2 years service	531,250
(1) - allocated after 3 years service	531,250
Kola Resource & Mine	
(2) - DFS Completion	850,000
(3) - Off-take secured to support debt finance for mine build	850,000
(4) - Complete finance package for mine build	850,000
Dougou Resource	
(5) - Development advanced to commencement of DFS	850,000
Yangala Resource	
(6) - Development advanced to completion of PFS	850,000
Share Price Allocation Matrix	2,125,000
25% initial tranche (Note 1(a))	*531,250*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))	
100%	*2,125,000*
TOTAL	**8,500,000**

<u>Note 1: Share Price Allocation Matrix</u>
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
  (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
  (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
  (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
  (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
  (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

Capital Structure (Cont)

Performance Rights (Managing Director) (Cont)
The fair value of the operational performance rights granted (6,375,000) is calculated based on the share price at grant date. The fair value of these operational performance rights is AUD 0.20.

The fair value of the remaining performance rights granted with a share price threshold (2,125,000) is estimated as at the grant date using the monte-carlo pricing model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	Series 9
Issue date share price	AUD 0.165
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1469

On 2 March 2016, 531,250 Fully Paid Ordinary Shares were issued following the vesting of the Performance Rights as a sign on bonus for the Managing Director. In addition, subsequent to year end on 3 February 2017, 531,250 Fully Paid Ordinary Shares have been issued to the Managing Director following the vesting of the Performance Rights due to one year of service being completed on 20 November 2016.

Performance Rights (Non-Executive Director – Jonathan Trollip)
On 6 July 2016, following shareholders' approval, the Company granted 2,000,000 Performance Rights to Mr Jonathan Trollip under the Company's Employee Performance Rights Plan. Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Share Price Allocation Matrix	2,000,000
25% initial tranche (Note 1(a))	*500,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b)) 100%	*1,500,000*
TOTAL	**2,000,000**

Note 1: Share Price Allocation Matrix
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
- (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
- (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 1,000 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
- (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 1,000 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
- (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
- (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 1,000 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the performance rights granted with a share price threshold (2,000,000) is estimated as at the grant date using the monte-carlo pricing model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	Series 10
Issue date share price	AUD 0.190
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1258

DIRECTORS' REPORT (CONT)

Capital Structure (Cont)

Performance Rights (Non-Executive Director – Leonard Math)
On 6 July 2016, following shareholders' approval, the Company granted 1,000,000 Performance Rights to Mr Leonard Math under the Company's Employee Performance Rights Plan. Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Share Price Allocation Matrix	1,000,000
25% initial tranche (Note 1(a))	*250,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b)) 100%	*750,000*
TOTAL	**1,000,000**

Note 1: Share Price Allocation Matrix
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
  (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
  (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
  (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting period is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
  (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
  (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the performance rights granted with a share price threshold (1,000,000) is estimated as at the grant date using the monte-carlo pricing model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	Series 11
Issue date share price	AUD 0.190
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1258

Significant Events Subsequent to Reporting Date

Conversion of Performance Rights
On 3 February 2017, the following performance rights were converted into 4,850,060 fully paid ordinary shares following satisfaction of vesting conditions or satisfaction of other agreements:

Performance Rights	Converted to Shares	Notes
Class A Performance Rights	2,666,090	See Note 1
Class B Performance Rights	402,720	See Note 2
Project Director Performance Rights	250,000	See Note 3
Chairman Performance Rights	1,000,000	See Note 3
Managing Director Performance Rights	531,250	See Note 3

DIRECTORS' REPORT (CONT)

Significant Events Subsequent to Reporting Date (Cont)

Conversion of Performance Rights (Cont)

Note 1: Vesting Conditions for Class A Performance Rights
Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 24 months from the date of issue:

- the Company's market capitalisation averaging, over a period of 30 consecutive days of trading, a daily average of not less than AUD 80 million; and
- completing 12 months of continuous service with the Company from the date of appointment.

Note 2: Conversion of Class B Performance Rights
Although vesting conditions were not met, 402,720 Class B Performance Rights were converted into Fully Paid Ordinary Shares, and issued to one of the Company's employees upon his resignation and as agreed by the Company and the employee as part of the employee's termination benefits.

Note 3: Conversion of Performance Rights for Project Director, Chairman and Managing Director
The shares converted following the vesting of the above performance rights were issued to Mr Werner Swanepoel, Mr David Hathorn and Mr Sean Bennett respectively, as detailed previously.

Other Significant Events
On 28 February 2017, the Company announced that it has signed a contract with TechnipFMC, VINCI Construction Grands Projets, Egis and Louis Dreyfus Armateurs ("French Consortium"), for the implementation of the Kola 2 Mtpa Definitive Feasibility Study (the "DFS"). The DFS contract is scheduled to be completed within 14 months including significant Front End Engineering Design ("FEED") work. In addition, the DFS contract provides a commitment that the French Consortium will provide a Fixed Price Binding EPC proposal, for Kola, within three months of the completion of the DFS.

The signing of the DFS Contract is a key step in Kore's development plans for the Kola Potash Project in the Republic of Congo ("ROC") following the USD 45 million fund raise and the introduction of two new major investors, and future offtake partners, in NYSE global agricultural minerals group SQM and SGRF, the Sovereign Wealth Fund of Oman.

There are no other significant events that have occurred since reporting date requiring separate disclosure.

Future Developments
The Group will continue its mineral exploration activities with the objective of finding mineralised resources, particularly potash and the development of the Kola deposit. The Company will also consider the acquisition of further prospective exploration interests.

Environmental Issues
The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of shareholders, employees and suppliers. In respect of the current year under review, the Directors are not aware of any particular or significant environmental issues which have been raised in relation to the Group's operations. The Group holds exploration tenements in the Republic of Congo. The Group's operations are subject to environmental legislation in this jurisdiction in relation to its exploration activities.

Shares under Options
Share options outstanding at the date of this report:

Exercise Period	Exercise Price AUD	Number of Options
On or before 22 May 2017	0.90	250,000
On or before 15 April 2018	0.33	6,691,226
On or before 26 June 2018	0.33	1,500,000
On or before 15 November 2019	0.30	45,000,000
		53,441,226

The holders of these options do not have the right, by the virtue of the option, to participate in any share issue or interest issue of the Company.

DIRECTORS' REPORT (CONT)

Performance Rights

Performance rights outstanding at the date of this report:

Class	Expiry	Number of Rights
Class B (Emp)	16/09/2018	2,263,370
Class C (Emp)	16/09/2019	2,666,090
Project Director Performance Rights	06/12/2020	4,500,000
Chairman Performance Rights	01/03/2021	12,000,000
Managing Director Performance Rights	01/03/2021	7,437,500
Non-Executive Director Performance Rights	30/06/2021	3,000,000
		31,866,960

Information on Directors

David Hathorn Non-Executive Chairman *CA*	David Hathorn is the Chief Executive Officer ("CEO") of the Mondi Group. Previous to Mondi, Mr Hathorn was at Anglo American, where he was a member of the group executive committee from 2003 and an executive director of Anglo American PLC from 2005, serving on several of the boards of the group's major mining operations. Mondi Group, a FTSE 100 global packaging and paper listed group (listed on both the London and Johannesburg stock exchanges), with a market capitalisation of in excess of USD 10.7 billion, with operations in 30 countries and 25,000 employees, has performed exceptionally well under Mr Hathorn's leadership, with the share price having risen by over 1000% since 2008/9. The group's relative outperformance is reflected in its FTSE ranking improving over the same period from 198th to its current standing of 68th. During the past 25 years Mr Hathorn has acquired in-depth commodity industries related experience, which combined with his strong managerial skills enables him to lead Kore Potash through this next exciting phase of its development.
Interest in Shares and Options	20,568,105 Fully Paid Ordinary Shares 2,049,416 Unlisted Options exercisable at AUD 0.30 each expiring 15 November 2019 12,000,000 Performance Rights each expiring 1 March 2021
Directorships held in other listed entities	Mondi Group
Former directorships of listed companies in last three years	None
Sean Bennett Managing Director *ACA*	Sean Bennett was previously CEO of UBS South Africa and Head of Sub-Saharan Africa. Mr Bennett joined SG Warburg in London in 1995 (now UBS Investment Bank). Mr Bennett moved to South Africa in 2008, with HSBC, where he was Co-head of HSBC Global Banking for Africa before re-joining UBS in 2011. Mr Bennett has over 20 years' experience in advising a wide range of companies, state owned enterprises and Governments, including a number of large mining houses such as BHP, South32 and Sibanye. Mr Bennett has been involved in transactions around the globe as well as numerous countries across Africa.
Interest in Shares and Options	1,719,350 Fully Paid Ordinary Shares 100,000 Unlisted Options exercisable at AUD 0.30 each expiring 15 November 2019 7,437,500 Performance Rights each expiring 1 March 2021
Directorships held in other listed entities	None
Former directorships of listed companies in last three years	None

DIRECTORS' REPORT (CONT)

Information on Directors (Cont)

Jonathan Trollip Non-Executive Director *B.A (Hons) LLM, FAICD* ***(Appointed 21 April 2016)***	Jonathan Trollip is a globally experienced Director with over 30 years of commercial, corporate, governance and legal and transactional expertise. He is currently Non-Executive Chairman of ASX listed Global Value Fund Ltd, Future Generation Investment Company Limited and Antipodes Global Investment Company Limited and holds various private company directorships in the commercial and not-for-profit sectors. Mr Trollip is also a principal and director of Sydney Australia based structured finance group Meridian International Capital Limited with whom he has been for the past 23 years and during which time he has been involved in financing numerous resources transactions in various global locations. Prior to that, Mr Trollip was a Partner with law firm Herbert Smith Freehills.
Interest in Shares & Options	200,000 Fully Paid Ordinary Shares 2,000,000 Performance Rights each expiring 30 June 2021
Directorships held in other listed entities	Future Generation Investment Company Limited Global Value Fund Limited Antipodes Global Investment Company Limited
Former directorships of listed companies in last three years	None
Leonard Math Non-Executive Director & Joint Company Secretary *B.Com., CA* ***(Resigned as Joint Company Secretary on 16 November 2016)***	Leonard Math graduated from Edith Cowan University in 2003 with a Bachelor of Business majoring in Accounting and Information Systems. He is a member of the Institute of Chartered Accountants. In 2005, Mr Math worked as an auditor at Deloitte before joining GDA Corporate as Manager of Corporate Services. In 2015, GDA Corporate merged with Nexia Perth Pty Ltd and Mr Math was appointed as Senior Client Manager for Nexia and was later promoted to Associate Director. Mr Math continued working for Nexia up until his resignation as Joint Company Secretary on 16 November 2016, when he was appointed to be the Chief Financial Officer and Company Secretary of Gulf Manganese Corporation Limited. Mr Math has extensive experience in relation to public company responsibilities including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting and shareholder relations with both retail and institutional investors.
Interest in Shares & Options	183,600 Unlisted Options exercisable at AUD 0.33 each expiring 15 April 2018 1,000,000 Performance Rights each expiring 30 June 2021
Directorships held in other listed entities	None.
Former directorships of listed companies in last three years	Kangaroo Resources Limited Mako Hydrocarbons Limited RMA Energy Limited Global Gold Holdings Limited

DIRECTORS' REPORT (CONT)

Information on Directors (Cont)

Timothy Keating Non-Executive Director ***(Appointed 15 November 2016)***	Timothy Keating is Head of Mining Investment Private Equity at the State General Reserve Fund (SGRF), a sovereign wealth fund of the Sultanate of Oman. Mr Keating joined SGRF in 2015 from Madini Mineral Resources, where he was head of new business development and responsible for identifying, negotiating and structuring acquisitions and investments in private and listed companies. Prior to Madini, Mr Keating was CEO of African Nickel Limited (2010-2013), where he grew the business through various transactions and fund raisings. Mr Keating also worked at Investec Bank for the Commodities and Resource Finance Team (2004-2010), and in the Black Mountain Mine owned by Anglo American plc, in South Africa.
Interest in Shares & Options	None
Directorships held in other listed entities	Kenmare Resources plc
Former directorships of listed companies in last three years	None
Pablo Altimiras Non-Executive Director ***(Appointed 15 November 2016)***	Pablo Altimiras is an Industrial Civil Engineer from the Pontificia Universidad Católica de Chile where he also earned an MBA. In 2007 Mr Altimiras joined SQM as a Chief of Logistics Projects and in 2009 he was promoted to Regulatory Affairs Director. In 2010 Mr Altimiras assumed the position of Business Development vice manager and after 2 years took the position of Development and Planning manager. In 2016 Mr Altimiras was appointed Vice-President of Development and Planning. Mr Altimiras is also board member of Minera EXAR, an Argentinian company that is developing a lithium project in Jujuy Province, Argentina.
Interest in Shares & Options	None
Directorships held in other listed entities	None
Former directorships of listed companies in last three years	None

Joint Company Secretaries

Lawrence Davidson *B.Comm, Finance*	Mr Davidson graduated from the University of the Witwatersrand in Johannesburg, South Africa in 1991, and has held senior financial management roles for the past 20 years. He recently occupied the position of managing director of DF2 Consulting (Pty) Ltd., a South African financial and management consulting company, a position he had held for the past 5 years. Prior to this Mr Davidson was a management consultant to Barclays Bank plc, as part of their Barclays Africa integration team. Mr Davidson spent the early part of his career within the investment banking field, holding various financial management positions at Gensec Bank Ltd., a specialist South African investment bank, and was part of a group of employees to successfully set up and manage Gensec Bank's Irish domiciled operation, Gensec Ireland Ltd., in Dublin, Ireland during 1999-2001.
Henko Vos *B.Compt, CPA, ACIS, RCA* ***(Appointed 16 November 2016)***	Mr Vos is a member of the Governance Institute of Australia and Certified Practicing Accountants Australia with more than 15 years' experience working within public practice, specifically within the area of audit and assurance both in Australia and South Africa. He holds similar secretarial roles in various other listed public companies in both industrial and resource sectors. Mr Vos is an employee of Nexia Perth, a mid-tier corporate advisory and accounting practice.

DIRECTORS' REPORT (CONT)

Meetings of Directors

The number of meetings of the Company's Directors and the number of meetings attended by each Director during the year ending 31 December 2016 are:

Director	Directors Meetings		Audit Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
D Hathorn	9	9	2	2
S Bennett	9	9	2	2
J Trollip (i)	5	5	1	1
L Math	9	9	2	2
T Keating (ii)	-	-	-	-
P Altimiras (ii)	-	-	-	-
RS Middlemas (iii)	4	3	1	1

There were 9 directors' meetings and 2 audit committee meetings held during the year.

(i) Appointed 21 April 2016
(ii) Appointed 15 November 2016
(iii) Resigned 21 April 2016

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year as disclosed in Note 19 is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that non-audit services did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with *APES 110 Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

Indemnifying Officers and Auditor

The Company has agreed to indemnify the Directors of the Company, against all liabilities to another person that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company agreed to pay an annual insurance premium of USD 29,373 (2015: USD 33,630) in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors, officers and employees of the Company. The insurance premium relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty.

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited

Key Management Personnel of the Company

This report details the nature and amount of remuneration for key management personnel of Kore Potash. Key management personnel during the financial year 2016 were:

David Hathorn	Non-Executive Chairman
Sean Bennett	Managing Director
Jonathan Trollip	Non-Executive Director (appointed 21 April 2016)
Leonard Math	Non-Executive Director and Joint Company Secretary (resigned as Joint Company Secretary on 16 November 2016)
Timothy Keating	Non-Executive Director (appointed 15 November 2016)
Pablo Altimiras	Non-Executive Director (appointed 15 November 2016)
Lawrence Davidson	Chief Financial Officer and Joint Company Secretary
Henko Vos	Joint Company Secretary (appointed 16 November 2016)
Werner Swanepoel	Project Director
Julien Babey	Country Manager
Robert Samuel Middlemas	Non-Executive Director (resigned 21 April 2016)

This remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of Kore Potash's key management personnel for the financial year ended 31 December 2016. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the Consolidated Entity. The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel
- remuneration policy
- relationship between the remuneration policy and company performance
- remuneration of key management personnel

The tables below set out summary information about the Consolidated Entity's earnings and movements in shareholder wealth for the five financial periods to 31 December 2016:

	12 months 31 Dec 2016 USD	12 months 31 Dec 2015 USD	12 months 31 Dec 2014 USD	12 months 31 Dec 2013 AUD	12 months 31 Dec 2012 AUD
Other income	20,949	18,339	123,128	121,240	463,278
Net loss before tax	4,259,666	2,649,102	3,940,592	7,680,553	10,671,818
Net loss after tax	4,259,666	2,649,102	3,486,239	7,680,553	10,671,818

	12 months 31 Dec 2016	12 months 31 Dec 2015	12 months 31 Dec 2014	12 months 31 Dec 2013	12 months 31 Dec 2012
Share price at start of year (AUD)	0.20	0.23	0.33	1.03	1.04
Share price at end of period (AUD)	0.16	0.20	0.23	0.33	1.03
Basic loss per share (USD cents)	0.91	0.67	1.08	2.62	AUD 4.34 c
Diluted loss per share (USD cents)	0.91	0.67	1.08	2.62	AUD 4.34 c

There were no dividends paid or payable in the last 5 financial periods.

Voting and Comments Made at the Group's 2015 Annual General Meeting

Kore Potash received more than 96.2% of "yes" votes on its remuneration report for the 2015 financial year.
The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Remuneration Policy

The remuneration policy of Kore Potash has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Kore Potash believes the remuneration policy to be appropriate and effective in its ability to attract and retain high calibre executives and directors to run and manage the Group.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth. Executives are also entitled to participate in the employee share and option arrangements.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. During the financial year, no independent external advice was sought for the purpose of determining the remuneration of the key management personnel. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in employee option plans. The Board has adopted the Kore Potash Performance Rights Plan to establish an incentive plan aiming to create a stronger link between employee performance and reward and increasing shareholder value by enabling the participants of the plan to have a greater involvement with, and share in the future growth and profitability of the Company.

Key Terms of Employment Contracts

Effective 1 January 2017 the following base salaries apply:

Name	Base Salary per Annum	Term of Agreement	Notice Period
Sean Bennett (Managing Director)	USD 300,000	No fixed term	6 month notice period
Werner Swanepoel (Project Director)	USD 250,000	No fixed term	3 month notice period
Lawrence Davidson (CFO and Joint Company Secretary)	USD 200,000	No fixed term	3 month notice period
Julien Babey (Country Manager)	USD 220,000	No fixed term	3 month notice period

Key Terms of Employment Contracts for the financial year ending 31 December 2016:

Name	Base Salary per Annum	Term of Agreement	Notice Period
Sean Bennett (Managing Director)	USD 300,000	No fixed term	6 month notice period
Werner Swanepoel (Project Director)	USD 250,000	No fixed term	3 month notice period
Lawrence Davidson (CFO and Joint Company Secretary)	USD 180,000*	No fixed term	3 month notice period
Julien Babey (Country Manager)	USD 220,000	No fixed term	3 month notice period

** From 15 November 2016, Mr Davidson's base salary increased from USD 180,000 to USD 200,000 per annum.*

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Key Management Personnel Remuneration

The remuneration for each director and key management personnel of the Company during the year ended 31 December 2016 was as follows:

1 January 2016 to 31 December 2016

	Short-Term Benefits			Post-Employment Benefits			
	Salary and Fees USD	**Bonus USD**	**Non-Monetary USD**	**Superannuation USD**	**Share Based Payments – Options / Rights USD**	**Total USD**	**Performance Related %**
Directors							
D Hathorn	-	-	-	-	475,323	475,323	46.23
S Bennett	304,880	-	-	-	508,898	813,778	45.85
J Trollip (i)	35,903	-	-	3,376	19,194	58,473	32.83
L Math (iii)	112,904	-	-	-	10,531	123,435	7.78
T Keating (iv)	5,420	-	-	-	-	5,420	-
P Altimiras (iv)	5,420	-	-	-	-	5,420	-
RS Middlemas (ii)	63,864	-	-	-	1,914	65,778	-
	528,391	**-**	**-**	**3,376**	**1,015,860**	**1,547,627**	
Executives							
L Davidson	182,500	-	-	-	63,307	245,807	24.26
H Vos (iii)	6,106	-	-	-	-	6,106	-
W Swanepoel	250,000	-	-	-	311,286	561,286	43.70
J Babey	220,000	-	-	-	87,057	307,057	26.94
	658,606	**-**	**-**	**-**	**461,650**	**1,120,256**	
Total	**1,186,997**	**-**	**-**	**3,376**	**1,477,510**	**2,667,883**	

(i) Appointed 21 April 2016
(ii) Resigned 21 April 2016
(iii) Nexia Perth Pty Ltd has been engaged to provide directorship, accounting, administrative and company secretarial services on commercial terms. Mr Leonard Math was an employee with Nexia Perth up until his resignation date as joint company secretary on 16 November 2016. On the same day, Mr Henko Vos was appointed as joint company secretary in Mr Math's place. Mr Vos is also currently employed by Nexia Perth. The total amount paid for Mr Math's directors fees is USD 44,078.
(iv) Appointed 15 November 2016.

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Key Management Personnel Remuneration (Cont)

1 January 2015 to 31 December 2015

	Short-Term Benefits			Post-Employment Benefits			
	Salary and Fees USD	Bonus USD	Non-Monetary USD	Superannuation USD	Share Based Payments – Options / Rights USD	Total USD	Performance Related %
Directors							
D Hathorn (i)	-	-	-	-	57,147	57,147	44.61
S Bennett (i)	25,000	-	-	-	139,981	164,981	26.24
RS Middlemas	45,342	-	-	-	10,860	56,202	-
L Math (iii)	122,567	-	-	-	5,307	127,874	-
T Borman (ii)	66,667	-	-	-	153,367	220,034	69.70
J Sanders (ii)	252,000	-	-	-	102,245	354,245	28.86
M Golding (ii)	66,666	-	-	-	102,245	168,911	60.53
	578,242	-	-	-	571,152	1,149,394	
Executives							
L. Davidson	180,000	-	-	-	33,865	213,865	6.10
W.Swanepoel (iv)	14,792	-	-	-	77,934	92,726	18.26
J. Babey	128,457	-	-	-	50,998	179,455	10.09
	323,249	-	-	-	162,797	486,046	
	901,491	-	-	-	733,949	1,635,440	

(i) Appointed 20 November 2015

(ii) Resigned 20 November 2015

(iii) GDA Corporate ("GDA") was engaged to provide directorship, accounting, administrative and company secretarial services on commercial terms. In October 2015, GDA merged with Nexia Perth Pty Ltd and continued to provide directorship, accounting, administrative and company secretarial services to Kore Potash. Mr Leonard Math was an employee with GDA and was employed by Nexia following the merger. Total amount paid for Director's fees is USD 45,795.

(iv) Appointed 7 December 2015

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Share-based payments granted as compensation for the current financial year

Employee Share Option Plan and Employee Performance Rights Plan
Kore Potash operates an ownership-based scheme for executives and senior employees of the Consolidated Entity. In accordance with the provisions of the plans, as approved by shareholders at a previous general meeting, executives and senior employees may be granted performance rights and/or options to purchase parcels of ordinary shares at an exercise price determined by the Remuneration Committee.

Each employee share option converts into one ordinary share of Kore Potash on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. Each employee performance rights will be converted into one ordinary share of Kore Potash upon vesting conditions being met. No amounts are paid or payable by the recipient on receipt of the performance rights. The performance rights carry neither rights to dividends nor voting rights.

The performance rights/options granted expire as determined by the Remuneration Committee, or immediately following the resignation of the executive or senior employee, whichever is the earlier.

During the financial year, the following share-based payment arrangements were in existence:

	Grant Date	Vesting Date	Number of Options	Expiry Date	Fair Value at Grant Date AUD	Exercise Price AUD
Option Series 7 *	31/05/2012	23/04/2013	83,333	23/04/2016	$0.3569	$1.12
Option Series 8 *	31/05/2012	23/04/2014	83,333	23/04/2016	$0.3897	$1.12
Option Series 9 *	31/05/2012	23/04/2015	83,334	23/04/2016	$0.4149	$1.12
Option Series 10 *	12/03/2012	09/01/2013	166,666	09/01/2016	$0.6948	$1.09
Option Series 11 *	12/03/2012	09/01/2014	166,666	09/01/2016	$0.7647	$1.09
Option Series 13 *	12/03/2012	09/01/2013	100,000	09/01/2016	$0.6748	$1.29
Option Series 14 *	12/03/2012	09/01/2014	100,000	09/01/2016	$0.7406	$1.29
Option Series 15 *	12/03/2012	09/01/2015	100,000	09/01/2016	$0.7847	$1.29
Option Series 16 *	30/03/2012	01/04/2013	166,666	01/04/2016	$0.8324	$1.18
Option Series 17 *	30/03/2012	01/04/2014	166,667	01/04/2016	$0.8324	$1.18
Option Series 18 *	30/03/2012	01/04/2015	166,667	01/04/2016	$0.8324	$1.18
Option Series 19	22/05/2013	22/05/2014	83,333	22/05/2017	$0.2181	$0.90
Option Series 20	22/05/2013	22/05/2015	83,333	22/05/2017	$0.2181	$0.90
Option Series 21	22/05/2013	22/05/2016	83,334	22/05/2017	$0.2181	$0.90
Option Series 22	9/04/2014	10/04/2014	2,169,671	15/04/2018	$0.1242	$0.33
Option Series 23	9/04/2014	10/04/2015	1,760,778	15/04/2018	$0.1391	$0.33
Option Series 24	9/04/2014	10/04/2016	1,760,777	15/04/2018	$0.1522	$0.33
Option Series 25	12/05/2014	10/04/2014	333,333	15/04/2018	$0.0948	$0.33
Option Series 26	12/05/2014	10/04/2015	333,333	15/04/2018	$0.1073	$0.33
Option Series 27	12/05/2014	10/04/2016	333,334	15/04/2018	$0.1194	$0.33
Option Series 28	30/05/2014	10/04/2014	500,000	26/06/2018	$0.1177	$0.33
Option Series 29	30/05/2014	10/04/2015	500,000	26/06/2018	$0.1303	$0.33
Option Series 30	30/05/2014	10/04/2016	500,000	26/06/2018	$0.1432	$0.33

** Option Series expired during the financial year.*

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Share-based payments granted as compensation for the current financial year (Cont)

Employee Share Option Plan and Employee Performance Rights Plan (Cont)

	Grant Date	Vesting Date	Number of Rights	Expiry Date	Fair Value at Grant Date AUD
Rights Series 4 *	17/09/2015	1 Dec 2016	2,666,090	16/09/2017	$0.1451
Rights Series 5 *	17/09/2015	*Refer below*	2,666,090	16/09/2018	$0.1507
Rights Series 6	17/09/2015	*Refer below*	2,666,090	16/09/2019	$0.1510
Rights Series 7 *	07/12/2015	*Refer below*	5,000,000	06/12/2020	$0.1753
Rights Series 8 *	20/11/2015	*Refer below*	13,000,000	01/03/2021	$0.1596
Rights Series 9 *	20/11/2015	*Refer below*	8,500,000	01/03/2021	$0.1867
Rights Series 10	30/06/2016	*Refer below*	2,000,000	30/06/2021	$0.1258
Rights Series 11	30/06/2016	*Refer below*	1,000,000	30/06/2021	$0.1258

** Vested and converted to fully paid ordinary shares during and/or after year end - refer below for further information.*

There are no performance criteria that need to be met in relation to options granted above before the beneficial interest vests in the recipient. However, the executives and senior employees receiving the options meet the vesting conditions only if they continue to be employed with the Company at the vesting date.

Below are the performance criteria for the performance rights granted above:

<u>Series 4 - Class A Performance Rights (Employee)</u>
Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 24 months from the date of issue:

- the Company's market capitalisation averaging, over a period of 60 consecutive days of trading, a daily average of not less than AUD 85 million; and
- completing 12 months of continuous service with the Company.

These conditions were met, and the performance rights vested during the year on 1 December 2016. The performance rights were converted into Fully Paid Ordinary Shares subsequent to year end on 3 February 2017.

<u>Series 5 - Class B Performance Rights (Employee)</u>
Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 36 months from the date of issue:

- the Company's market capitalisation averaging, over a period of 60 consecutive days of trading, a daily average of not less than AUD 100 million; and
- completing 24 months of continuous service with the Company.

Subsequent to year end, 402,720 Performance Rights were converted into Fully Paid Ordinary Shares on 3 February 2017.

<u>Series 6 - Class C Performance Rights (Employee)</u>
Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 48 months from the date of issue:

- the Company's market capitalisation averaging, over a period of 60 consecutive days of trading, a daily average of not less than AUD 120 million; and
- completing 36 months of continuous service with the Company.

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Share-based payments granted as compensation for the current financial year (Cont)

Employee Share Option Plan and Employee Performance Rights Plan (Cont)

Series 7 - Performance Rights (Project Director)
Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Joining K2P	
(1) - sign on bonus	250,000
(1) - allocated after 1 year service	250,000
(1) - allocated after 2 years service	250,000
(1) - allocated after 3 years service	250,000
Kola Resource & Mine	
(2) - DFS Completion	1,000,000
(3) - Off-take secured to support debt finance for mine build	500,000
(4) - Complete finance package for mine build	500,000
Dougou Resource	
(5) - Development advanced to commencement of DFS	500,000
Yangala Resource	
(6) - Development advanced to completion of PFS	500,000
Share Price Allocation Matrix	1,000,000
25% initial tranche (Note 1(a))	*250,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))	
100%	*1,000,000*
TOTAL	**5,000,000**

Note 1: Share Price Allocation Matrix
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
  (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
  (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
  (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
  (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
  (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

On 29 February 2016, 250,000 Fully Paid Ordinary Shares were issued following the vesting of the Performance Rights as a sign on bonus for the Project Director. In addition, subsequent to year end on 3 February 2017, 250,000 Fully Paid Ordinary Shares have been issued to the Project Director following the vesting of the Performance Rights due to one year of service being completed on 7 December 2016.

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Share-based payments granted as compensation for the current financial year (Cont)

Employee Share Option Plan and Employee Performance Rights Plan (Cont)

Series 8 - Performance Rights (Chairman)
Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Joining K2P	
(1) - allocated after 1 year service	1,000,000
(1) - allocated after 2 years service	1,000,000
(1) - allocated after 3 years service	1,000,000
Share Price Allocation Matrix	10,000,000
20%	*2,000,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))	
100%	*10,000,000*
TOTAL	**13,000,000**

Note 1: Share Price Allocation Matrix
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
 (i) where the 30 day average daily VWAP is less than AUD 0.50, nil.
 (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 5,333 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
 (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 5,333 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
 (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any previous Vesting Period, nil.
 (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 5,333 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

Subsequent to year end on 3 February 2017, 1,000,000 Fully Paid Ordinary Shares have been issued to the Chairman following the vesting of the Performance Rights due to his one year of service being completed on 20 November 2016.

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Share-based payments granted as compensation for the current financial year (Cont)

Employee Share Option Plan and Employee Performance Rights Plan (Cont)

Series 9 - Performance Rights (Managing Director)
Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Joining K2P	
(1) - sign on bonus	531,250
(1) - allocated after 1 year service	531,250
(1) - allocated after 2 years service	531,250
(1) - allocated after 3 years service	531,250
Kola Resource & Mine	
(2) - DFS Completion	850,000
(3) - Off-take secured to support debt finance for mine build	850,000
(4) - Complete finance package for mine build	850,000
Dougou Resource	
(5) - Development advanced to commencement of DFS	850,000
Yangala Resource	
(6) - Development advanced to completion of PFS	850,000
Share Price Allocation Matrix	2,125,000
25% initial tranche (Note 1(a))	*531,250*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))	
100%	*2,125,000*
TOTAL	**8,500,000**

Note 1: Share Price Allocation Matrix
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
   (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
   (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
   (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
   (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
   (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

On 2 March 2016, 531,250 Fully Paid Ordinary Shares were issued following the vesting of the Performance Rights as a sign on bonus for the Managing Director. In addition, subsequent to year end on 3 February 2017, 531,250 Fully Paid Ordinary Shares have been issued to the Managing Director following the vesting of the Performance Rights due to one year of service being completed on 20 November 2016.

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Share-based payments granted as compensation for the current financial year (Cont)

Employee Share Option Plan and Employee Performance Rights Plan (Cont)

Series 10 - Performance Rights (Non-Executive Director - J Trollip)
Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Share Price Allocation Matrix	2,000,000
25% initial tranche (Note 1(a))	*500,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b)) 100%	*1,500,000*
TOTAL	**2,000,000**

Note 1: Share Price Allocation Matrix
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
  (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
  (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 1,000 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
  (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 1,000 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
  (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
  (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 1,000 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

Series 11 - Performance Rights (Non-Executive Director – L Math)
Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Share Price Allocation Matrix	1,000,000
25% initial tranche (Note 1(a))	*250,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b)) 100%	*750,000*
TOTAL	**1,000,000**

Note 1: Share Price Allocation Matrix
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
  (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
  (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
  (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting period is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
  (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
  (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

KORE POTASH
FROM THE GROUND UP

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Share-based payments granted as compensation for the current financial year (Cont)

The following grants of share-based payment compensation to directors and key management personnel relate to the current financial year:

	Options / Rights Series	Options / Rights Grant Date	Options / Rights Issue Date	Total No. Granted	No. Vested During the Year	% of Grant Vested	% of Grant Forfeited	% of 2016 Compensation Consisting of Rights
Directors								
D Hathorn	Rights Series 8	20/11/2015	2/03/2016	13,000,000	1,000,000	7.69	-	100.00
S Bennett	Rights Series 9	20/11/2015	2/03/2016	8,500,000	1,062,500	12.50	-	62.54
J Trollip	Rights Series 10	30/06/2016	6/07/2016	2,000,000	-	-	-	32.83
L Math	Option Series 24	9/04/2014	9/04/2014	61,200	61,200	100.00	-	8.53
	Rights Series 11	30/06/2016	6/07/2016	1,000,000	-	-	-	
RS Middlemas[1]	Option Series 30	30/05/2014	30/05/2014	133,334	133,334	100.00	-	2.91
Executives								
L Davidson	Option Series 24	9/04/2014	9/04/2014	240,000	240,000	100.00	-	25.75
	Rights Series 4	17/09/2015	17/09/2015	376,374	376,374	100.00	-	
	Rights Series 5	17/09/2015	17/09/2015	376,374	-	-	-	
	Rights Series 6	17/09/2015	17/09/2015	376,374	-	-	-	
W Swanepoel	Option Series 24	9/04/2014	9/04/2014	240,000	240,000	100.00	-	55.46
	Rights Series 7	07/12/2015	29/02/2016	5,000,000	500,000	10.00	-	
J Babey	Option Series 18	30/03/2012	30/03/2012	166,667	-	-	100.00	28.35
	Option Series 24	9/04/2014	9/04/2014	284,445	284,445	100.00	-	
	Rights Series 4	17/09/2015	17/09/2015	521,957	521,957	100.00	-	
	Rights Series 5	17/09/2015	17/09/2015	521,957	-	-	-	
	Rights Series 6	17/09/2015	17/09/2015	521,957	-	-	-	

1 *Resigned 21 April 2016*

There were no exercise of options that were granted to directors and key management personnel as part of their compensation during the year.

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Share-based payments granted as compensation for the current financial year (Cont)

The following table summarises the value of options to key management personnel granted, exercised or lapsed during the year:

	Options / Rights Series	Value of Rights / Options Granted at Grant Date (1) USD	Value of Rights / Options Exercised at the Exercise Date (2) USD	Value of Rights / Options Lapsed at the Lapsed Date (3) USD
Directors				
D Hathorn	Rights Series 8	1,559,985	-	-
S Bennett	Rights Series 9	1,193,229	68,365	-
J Trollip	Rights Series 10	181,809	-	-
L Math	Option Series 24	8,415	-	-
	Rights Series 11	90,904	-	-
RS Middlemas	Option Series 30	17,243	-	-
Executives				
L Davidson	Option Series 24	33,000	-	-
	Rights Series 4	41,057	-	-
	Rights Series 5	42,642	-	-
	Rights Series 6	42,727	-	-
W Swanepoel	Option Series 24	33,000	-	-
	Rights Series 7	659,103	28,497	-
J Babey	Option Series 18	123,095	-	123,095
	Option Series 24	39,111	-	-
	Rights Series 4	56,938	-	-
	Rights Series 5	59,136	-	-
	Rights Series 6	59,254	-	-

(1) The value of options or rights granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian Accounting Standards.

(2) The value of options or rights exercised at the exercised date was based on the number of shares actually awarded to the director and key management personnel at the market value of the shares on the date exercised. Sean Bennett was awarded 531,250 shares on 2 March 2016 when the market price of the Company's shares was AUD 0.18 and the foreign exchange rate was AUD 1: USD 0.71493. Werner Swanepoel was awarded 250,000 shares on 29 February 2016 when the market price of the Company's shares was AUD 0.16 and the foreign exchange rate was AUD 1: USD 0.71242.

(3) The value of options or rights lapsing during the period due to the failure to satisfy a vesting condition or due to options or rights expiring is determined assuming the vesting condition had been satisfied.

Shares issued on exercise of options or performance rights

781,250 shares were issued during the year ended 31 December 2016 following the vesting of the performance rights.

4,843 shares were issued from the exercise of listed options during the year ended 31 December 2016.

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Shareholdings

The numbers of shares in the Company held during the financial year by key management personnel, including shares held by entities they control, are set out below.

31 December 2016	Balance at 1 Jan 2016	Received as Remuneration	Options Exercised / Rights Converted	Other Movements (i) (ii) (iii)	Balance at 31 Dec 2016
Directors					
David Hathorn (i)	4,106,516	-	-	13,137,000	17,243,516
Sean Bennett (i)	-	-	531,250	656,850	1,188,100
Jonathan Trollip (ii)	-	-	-	200,000	200,000
Leonard Math	-	-	-	-	-
Timothy Keating	-	-	-	-	-
Pablo Altimiras	-	-	-	-	-
Robert Samuel Middlemas (iii)	337,122	-	-	(337,122)	-
	4,443,638	**-**	**531,250**	**13,656,728**	**18,631,616**
Executives					
Lawrence Davidson	58,334	-	-	-	58,334
Henko Vos	-	-	-	-	-
Werner Swanepoel	200,000	-	250,000	-	450,000
Julien Babey	-	-	-	-	-
	258,334	**-**	**250,000**	**-**	**508,334**
Total	**4,701,972**	**-**	**781,250**	**13,656,728**	**19,139,950**

(i) Shares acquired as part of the USD 45 million capital raising.
(ii) Shares acquired externally via an on-market purchase.
(iii) Shares held at the end of the resignation date on 21 April 2016.

31 December 2015	Balance at 1 Jan 2015	Received as Remuneration	Options Exercised / Rights Converted	Other Movements (i) (ii) (iii)	Balance at 31 Dec 2015
Directors					
David Hathorn (i)	-	-	-	4,106,516	4,106,516
Sean Bennett	-	-	-	-	-
Robert Samuel Middlemas	337,122	-	-	-	337,122
Leonard Math	-	-	-	-	-
Thomas Borman (ii)	2,000,000	1,500,000	-	(3,500,000)	-
John Sanders (ii)	1,227,859	1,000,000	-	(2,227,859)	-
Michael Golding (ii)	-	1,000,000	-	(1,000,000)	-
	3,564,981	**3,500,000**	**-**	**(2,621,343)**	**4,443,638**
Executives					
Lawrence Davidson	58,334	-	-	-	58,334
Werner Swanepoel (iii)	-	-	-	200,000	200,000
Julien Babey	-	-	-	-	-
	58,334	**-**	**-**	**200,000**	**258,334**
Total	**3,623,315**	**3,500,000**	**-**	**(2,421,343)**	**4,701,972**

(i) Shares held at the beginning of the appointment date on 20 November 2015.
(ii) Shares held at the end of the resignation date on 20 November 2015.
(iii) Shares held at the beginning of the appointment date on 7 December 2015.

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Options and rights over equity instruments granted as compensation

The numbers of options and rights over ordinary shares in the Company held during the financial year by key management personnel, including options and rights held by entities they control, are set out below.

31 December 2016	Balance at 1 Jan 2016	Received as Remuneration	Rights/Options Exercised / (Expired)	Other Movements (i) (ii)	Balance at 31 Dec 2016	Vested and exercisable at year end
Directors						
David Hathorn (i)	322,824	13,000,000	(322,824)	2,000,000	15,000,000	3,000,000
Sean Bennett (i)	-	8,500,000	(531,250)	100,000	8,068,750	631,250
Jonathan Trollip	-	2,000,000	-	-	2,000,000	-
Leonard Math	183,600	1,000,000	-	-	1,183,600	183,600
Timothy Keating	-	-	-	-	-	-
Pablo Altimiras	-	-	-	-	-	-
Robert Samuel Middlemas (ii)	472,242	-	(72,242)	(400,000)	-	-
	978,666	**24,500,000**	**(926,316)**	**1,700,000**	**26,252,350**	**3,814,850**
Executives						
Lawrence Davidson	1,861,623	-	(12,501)	-	1,849,122	1,096,374
Henko Vos	-	-	-	-	-	-
Werner Swanepoel	5,720,000	-	(250,000)	-	5,470,000	970,000
Julien Babey	2,919,204	-	(500,000)	-	2,419,204	1,375,290
	10,500,827	**-**	**(762,501)**	**-**	**9,738,326**	**3,441,664**
Total	**11,479,493**	**24,500,000**	**(1,688,817)**	**1,700,000**	**35,990,676**	**7,256,514**

(i) Options acquired as part of the USD 45 million capital raising.
(ii) Options held at the end of the resignation date on 21 April 2016.

31 December 2015	Balance at 1 Jan 2015	Received as Remuneration	Rights/Options Exercised / (Expired)	Other Movements (i) (ii) (iii)	Balance at 31 Dec 2015	Vested and exercisable at year end
Directors						
David Hathorn (i)	-	-	-	322,824	322,824	322,824
Sean Bennett	-	-	-	-	-	-
Robert Samuel Middlemas	722,242	-	(250,000)	-	472,242	338,908
Leonard Math	183,600	-	-	-	183,600	122,400
Thomas Borman	-	4,500,000	(4,500,000)	-	-	-
John Sanders (ii)	1,763,112	3,000,000	(4,500,000)	(263,112)	-	-
Michael Golding	-	3,000,000	(3,000,000)	-	-	-
	2,668,954	**10,500,000**	**(12,250,000)**	**59,712**	**978,666**	**784,132**
Executives						
Lawrence Davidson	1,932,501	1,129,122	(1,200,000)	-	1,861,623	492,501
Werner Swanepoel (iii)	-	5,000,000	-	720,000	5,720,000	730,000
Julien Babey	1,353,333	1,565,871	-	-	2,919,204	1,068,889
	3,285,834	**7,694,993**	**(1,200,000)**	**720,000**	**10,500,827**	**2,291,390**
Total	**5,954,788**	**18,194,993**	**(13,450,000)**	**779,712**	**11,479,493**	**3,075,522**

(i) Appointed 20 November 2015. Options held at the beginning of the appointment date.
(ii) Resigned 20 November 2015. Options held at the end of the resignation date.
(iii) Appointed 7 December 2015. Options held at the beginning of the appointment date.

DIRECTORS' REPORT (CONT)

Remuneration Report – Audited (Cont)

Other transactions with Key Management Personnel during the financial year ended 31 December 2016
During the year, the Company paid USD 63,864 (31 December 2015: USD45,342) to Sparkling Investments Pty Ltd for Mr Sam Middlemas' director's fees. Mr Sam Middlemas is a director of and has a beneficial interest in Sparkling Investments Pty Ltd.

Nexia Perth Pty Ltd has been engaged to provide directorship, accounting, administrative and company secretarial services on commercial terms. Mr Leonard Math was an employee with Nexia Perth during the year up until his resignation as company secretary on 16 November 2016. During the year, the total amounts paid to Nexia Perth for providing accounting, administration and company secretarial services were USD 68,826 (2015: USD 76,772). The total amount paid to Nexia Perth for Director's fees received on behalf of Mr Leonard Math during the year were USD 44,078 (2015: USD 49,401).

Mr Henko Vos was appointed as joint company secretary in Mr Math's place and is also currently an employee with Nexia Perth during the year. The total amounts paid to Nexia Perth for providing accounting, administration and company secretarial services since Mr Vos' appointment as joint company secretary were USD 6,106.

- End of Remuneration Report -

Proceedings on Behalf of Company
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration
The auditor's independence declaration for the year ended 31 December 2016 has been received and can be found on page 36.

This Directors' Report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

David Hathorn
Non-Executive Chairman
Date: 31 March 2017

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2
Brookfield Place
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 9365 7001
www.deloitte.com.au

The Board of Directors
Kore Potash Limited
Level 3, 88 William Street
PERTH WA 6000

31 March 2017

Dear Board of Directors

Kore Potash Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Kore Potash Limited.

As lead audit partner for the audit of the consolidated financial statements of Kore Potash Limited for the year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

John Sibenaler
Partner
Chartered Accountants

DIRECTORS' DECLARATION

The Directors of the Company declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
(b) in the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;
(c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Entity; and
(d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

David Hathorn
Non-Executive Chairman
Date: 31 March 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Dec 2016 USD	Dec 2015 USD
Continuing Operations			
Other income	2	20,949	18,339
Directors remuneration		(310,501)	(350,314)
Equity compensation benefits	3(a)	(1,777,625)	(920,489)
Salaries, employee benefits and consultancy expense	3(b)	(1,243,365)	(448,810)
Administration expenses		(1,156,793)	(752,677)
Net realised foreign exchange gain/(losses)		213,582	(171,854)
Interest and finance expenses		(5,913)	(23,297)
Loss before income tax expense		(4,259,666)	(2,649,102)
Income tax	4	-	-
Loss for the year from continuing operations		**(4,259,666)**	**(2,649,102)**
Other comprehensive loss, net of income tax			
Items that may be classified subsequent to profit or loss			
Exchange differences on translating foreign operations		(3,360,183)	(9,794,758)
Other comprehensive income for the year, net of tax		(3,360,183)	(9,794,758)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(7,619,849)**	**(12,443,860)**
Loss attributable to:			
Owners of the Company		(4,259,666)	(2,649,102)
Non-controlling interest		-	-
		(4,259,666)	**(2,649,102)**
Total comprehensive loss attributable to:			
Owners of the Company		(7,619,849)	(12,443,860)
Non-controlling interest		-	-
		(7,619,849)	**(12,443,860)**
Basic and diluted loss per share (cents per share)	23	(0.91)	(0.67)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	Dec 2016 USD	Dec 2015 USD
CURRENT ASSETS			
Cash and cash equivalents	5	42,609,786	3,058,606
Trade and other receivables	6	208,465	203,165
TOTAL CURRENT ASSETS		42,818,251	3,261,771
NON CURRENT ASSETS			
Trade and other receivables	6	86,889	-
Property, plant and equipment	8	374,316	399,152
Exploration and evaluation expenditure	9	95,798,269	93,068,160
TOTAL NON CURRENT ASSETS		96,259,474	93,467,312
TOTAL ASSETS		139,077,725	96,729,083
CURRENT LIABILITIES			
Trade and other payables	10	200,736	320,976
TOTAL CURRENT LIABILITIES		200,736	320,976
TOTAL LIABILITIES		200,736	320,976
NET ASSETS		**138,876,989**	**96,408,107**
EQUITY			
Contributed equity	11	200,572,926	154,657,058
Reserves	12	13,941,197	13,128,517
Accumulated losses		(75,637,134)	(71,377,468)
Equity attributable to owners of the Company		138,876,989	96,408,107
Non-controlling interests		-	-
TOTAL EQUITY		**138,876,989**	**96,408,107**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Contributed Equity USD	Accumulated Losses USD	Option Reserve USD	Foreign Currency Translation Reserve USD	Total Equity USD
Balance at 31 December 2014 (restated)	**150,933,803**	**(68,728,366)**	**31,186,476**	**(9,183,690)**	**104,208,223**
Loss for the period	-	(2,649,102)	-	-	(2,649,102)
Other comprehensive loss for the year	-	-	-	(9,794,758)	(9,794,758)
Total comprehensive loss for the year	-	(2,649,102)	-	(9,794,758)	(12,443,860)
Share issue (net of costs)	3,723,255	-	-	-	3,723,255
Share based payments	-	-	920,489	-	920,489
Balance at 31 December 2015	**154,657,058**	**(71,377,468)**	**32,106,965**	**(18,978,448)**	**96,408,107**
Loss for the period	-	(4,259,666)	-	-	(4,259,666)
Other comprehensive loss for the year	-	-	-	(3,360,183)	(3,360,183)
Total comprehensive loss for the year	-	(4,259,666)	-	(3,360,183)	(7,619,849)
Share issue (net of costs)	45,915,868	-	2,395,238	-	48,311,106
Share based payments	-	-	1,777,625	-	1,777,625
Balance at 31 December 2016	**200,572,926**	**(75,637,134)**	**36,279,828**	**(22,338,631)**	**138,876,989**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	31 Dec 2016 USD	31 Dec 2015 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(2,626,531)	(1,603,849)
Net cash used in operating activities	14	(2,626,531)	(1,603,849)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration activities		(6,301,673)	(4,535,937)
Interest received		20,949	18,339
Net cash used in investing activities		(6,280,724)	(4,517,598)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		48,311,106	3,723,255
Net cash provided by financing activities		48,311,106	3,723,255
Net increase/(decrease) in cash and cash equivalents held		**39,403,851**	**(2,398,192)**
Cash and cash equivalents at beginning of financial year		3,058,606	5,894,073
Foreign currency differences		147,329	(437,275)
Cash and cash equivalents at end of financial year	**5**	**42,609,786**	**3,058,606**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kore Potash Limited ("the Company") is a public company incorporated and domiciled in Australia and listed on the Australian Securities Exchange. The consolidated financial statements of the Company as at and for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is involved in mining and exploration activity in the Republic of Congo.

Basis of Preparation

(a) Statement of Compliance
These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on 31 March 2017.

(b) Going Concern
The consolidated entity incurred a loss of USD 4,259,666 (2015: USD 2,649,102) and experienced net cash outflows from operating and investing activities of USD 8,907,255 (2015: USD 6,121,447) for the year ended 31 December 2016. Cash and cash equivalents totaled USD 42,609,786 as at 31 December 2016.

The Directors have prepared a cash flow forecast for the period ending 31 March 2018, which indicates the Consolidated Entity will have sufficient cash flow to meet working capital requirements through to 31 March 2018 including corporate costs, exploration expenditure, and Definitive Feasibility Study ("DFS") costs related to the Kola Project, which has been based on the following assumptions:

(i) Completion of a capital raising initiative commencing in quarter four of the 2017 calendar year; and
(ii) Managing and deferring costs where applicable to coincide with the capital raising activity outlined above to ensure all obligations can be met

The Directors are pursuing a number of capital raising initiatives in order to have sufficient funds to allow for the completion of the DFS for Kola, and fund additional exploration and evaluation activities on the Dougou (inclusive of Dougou extension) project. The Directors are confident one of these capital raising initiatives will be successful and the financial report has therefore been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the discharge of liabilities in the ordinary course of business.

The Directors have reviewed the Consolidated Entity's overall position and outlook in respect of the matters identified above and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly the Consolidated Entity and company will be able to continue as going concerns and meet their obligations as and when they fall due.

Should the Directors not be successful in achieving the matters set out above, there is a material uncertainty whether the Consolidated Entity and Company will be able to continue as going concerns and therefore whether they will be able to realise their assets and extinguish their liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity and company not continue as going concerns.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(c) Basis of Measurement
The consolidated financial statements have been prepared on the basis of historical cost, except financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(d) Functional and Presentation Currency
The functional and presentation currency of the Company is US dollars.

Foreign Currency Transactions and Balances
Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All differences in the consolidated financial report are taken to the Statement of Profit or Loss and Other Comprehensive Income with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of a net investment, at which time they are recognised in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value was determined.

The functional currency of the overseas subsidiaries are:
Sintoukola Potash SA - CFA Franc BEAC (XAF)
Elemental Minerals South Africa (Pty) Ltd – South African RAND

As at the reporting date, the assets and liabilities of these overseas subsidiaries are translated into the reporting currency of the Company at the rate of exchange ruling at the reporting date and the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income are translated at the weighted average exchange rates for the period. The exchange differences on the retranslation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity is recognised in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income. The functional currency for Sintoukola is expected to change to US dollars upon the commencement of mining.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(e) Basis of Consolidation

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated Statement of Profit or Loss and Other Comprehensive Income and within equity in the consolidated Statement of Financial Position.

In the Company's financial statements, investments in subsidiaries are carried at cost. A list of controlled entities is contained in Note 7 to the financial statements.

(f) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that are recognised directly in equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(g) Property, Plant and Equipment

Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their estimated useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for the plant and equipment is in the range of 20% - 40%. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(h) Impairment of Assets

(i) Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised either in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income or revaluation reserves in the period in which the impairment arises.

(ii) Exploration and Evaluation Assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount at the reporting date. Refer to note (p) for further details.

(iii) Non-financial Assets Other Than Exploration and Evaluation Assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(i) Revenue
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

(j) Trade and Other Receivables
All trade receivables are recognised when invoiced as they are due for settlement within 30 days.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exist.

(k) Trade and Other Payables
These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Cash and Cash Equivalents
For purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which is readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(m) Financial Instruments
The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) *Financial Assets at Fair Value through Profit or Loss*
This category has two sub-categories; financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

(ii) Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Available-for-Sale Financial Assets
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(m) Financial Instruments (Continued)

(iii) Available-for-Sale Financial Assets (Continued)

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale investments revaluation reserve are recognised in equity in the "available for sale revaluation reserve". When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Statement of Profit or Loss and Other Comprehensive Income as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing methods refined to reflect the issuer's specific circumstances.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss, is removed from equity and recognised in the Statement of Profit or Loss and Other Comprehensive Income. Impairment losses recognised in the Statement of Profit or Loss and Other Comprehensive Income on equity instruments are not reversed through the Statement of Profit or Loss and Other Comprehensive Income.

(iv) Derivative Financial Instruments

Initial Recognition and Subsequent Measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income. The Group has nominated not to apply the hedge accounting principles.

(n) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(n) Fair Value Estimation (Continued)
The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

(o) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Capitalisation of Exploration and Evaluation Expenditure
Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:
- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:

    a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
    b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is assessed for impairment and the balance is classified as a development asset. The point at which an area of interest is considered developmental is based on finalisation of a definitive feasibility study, a bankable feasibility study and the finalisation of appropriate funding.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(p) Capitalisation of Exploration and Evaluation Expenditure (Continued)
Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining or petroleum permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(q) Acquisition of Assets
The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

(r) Share Based Payments
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

(s) Employee Benefits

(i) *Wages, salaries and annual leave*

Liabilities for wages, salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Superannuation*

Contributions are made by the Company to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

(iii) *Employee benefit on costs*

Employee benefit on costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(iv) *Options*

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date.

The fair value at grant rate is independently determined using the Binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Upon the exercise of options, the balance of the share based payments relating to those options is transferred to share capital.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(t) Earnings per Share

(i) *Basic earnings per share*

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(u) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(v) Critical Accounting Estimates and Judgements

(i) Significant accounting judgements include:

Exploration and evaluation costs

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active Group operations in, or relating to, the area of interest are continuing.

(ii) Significant accounting estimates and assumptions include:

Share based payment transactions

The Group measures the cost of equity-settled transactions with management personnel and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes and Monte Carlo Simulation option pricing model, with the assumptions detailed in note 22. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Impairment of exploration and evaluation assets

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

On a regular basis, management consider whether there are indicators as to whether the asset carrying values exceed their recoverable amounts. This consideration includes assessment of the following:

(a) expiration of the period for which the entity has the right to explore in the specific area of interest with no plans for renewal;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(v) Critical Accounting Estimates and Judgements (Continued)

(b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

(c) exploration for and evaluation activities have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;

(d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where an impairment indicator is identified, the determination of the recoverable amount requires the use of estimates and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimate include:
- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

The Kola Mining license was granted on 9 August 2013 for a 25 year period and remains valid. The Dougou Mining license was provisionally granted on 22 March 2017 for a 25 year period. The formal licence has not yet been received. The Sintoukola exploration license will expire upon the issuance of the Dougou Mining license. In October 2016 the Company lodged an application for a new Sintoukola exploration permit in accordance with the regulation of the Ministry of Mines. At the date of these financial statements, receipt of the formal Mining License for the Dougou deposit was still pending. Management have made significant judgement that the formal Dougou Mining Permit will be successfully issued. However, if the formal Mining permit is not successfully granted, the carrying amount of Exploration and Evaluation Asset related to the Dougou deposit may not be recoverable.

Income tax expenses
Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the Statement of Financial Position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.

Estimation of useful lives of assets
The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation policy is included in note 1(g).

(w) Segment Reporting
Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors, which is responsible for allocating resources and assessing performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(x) New and Revised Accounting Standards and Interpretations Adopted
The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current financial reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current financial reporting period that are relevant to the Group include:

- AASB 2015-1 'Amendments to Australian Accounting Standards- Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'.
- AASB 2015-2 'Amendments to Australian Accounting Standards- Disclosure Initiative: Amendments to AASB 101'.
- AASB 2015-5 'Amendments to Australian Accounting Standards -Investment Entities: Applying the Consolidation Exception'.

None of the above mentioned Standards and Interpretations had any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

(y) New and Revised Accounting Standards and Interpretations in issue but not yet Adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	31 December 2018
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15 and AASB 2016-3'	1 January 2018	31 December 2018
AASB 16 'Leases'	1 January 2019	31 December 2019
AASB 2014-3 'Amendments to Australian Accounting Standards- Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	31 December 2017
AASB 2014-4 'Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	31 December 2017
AASB 2014-9 'Amendments to Australian Accounting Standards- Equity Method in Separate Financial Statements'	1 January 2016	31 December 2017
AASB 2014-10 'Amendments to Australian Accounting Standards- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2018	31 December 2018
AASB 2016-1 'Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses'	1 January 2017	31 December 2017
AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107'	1 January 2017	31 December 2017

The impact of these recently issued or amended standards and interpretations have not been determined as yet by the Consolidated Entity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

	Dec 2016 USD	Dec 2015 USD
NOTE 2: OTHER INCOME		
Interest	20,949	18,339
Total Income	20,949	18,339
NOTE 3: LOSS FOR THE YEAR		
Expenses		
(a) Individually significant items included in loss		
- Equity based payments – directors, key management personnel and other employees	1,777,625	920,489
	1,777,625	920,489
(b) Salaries, employee benefits and consultancy expense		
Wages and salaries	250,501	263,293
Employee benefits	130,413	108,876
Consultants	862,451	76,641
	1,243,365	448,810
NOTE 4: INCOME TAX EXPENSE/BENEFIT		
The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
The prima facie income tax expense/(benefit) on pre-tax accounting profit/(loss) from operations reconciles to the income tax expense/(benefit) in the financial statements as follows:		
Prima facie income tax expense/(benefit) at 30% (2015: 30%)	(1,277,900)	(794,730)
Add:		
Tax effect of:		
Other non-allowable items	533,410	276,146
Deferred tax asset not recognised	744,490	518,584
	-	-
Income tax expense/(benefit)	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 4: INCOME TAX EXPENSE (CONT)

	Dec 2016 USD	Dec 2015 USD
The following deferred tax balances have not been recognised:		
Deferred Tax Assets at 30%:		
Carry forward revenue losses	3,480,390	2,813,451
Carry forward capital losses	108,319	108,319
Capital raising costs	57,842	86,762
Provision and accruals	4,491	17,100
	3,651,042	3,025,632

The tax benefits of the above Deferred Tax Assets will only be obtained if:

a) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised
b) The Company continues to comply with the conditions for deductibility imposed by law; and
c) No changes in income tax legislation adversely affect the Company in utilising the benefits.

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank	42,609,786	3,058,606
	42,609,786	3,058,606

NOTE 6: TRADE AND OTHER RECEIVABLES

Current

GST recoverable	40,087	60,143
Prepayments	84,975	143,022
Other receivables	83,403	-
	208,465	203,165

Trade and other receivables apart from prepayments are settled within 30 days.

Non-Current

Deposits	86,889	-
	86,889	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 7: CONTROLLED ENTITIES	Country of Incorporation	Percentage Owned	Investment	Percentage Owned	Investment
Controlled Entities Consolidated					
		31 Dec 2016	**31 Dec 2016**	**31 Dec 2015**	**31 Dec 2015**
		%	**USD**	**%**	**USD**
Subsidiaries					
Elemental Minerals South Africa (Pty) Ltd	South Africa	100	10	100	10
Sintoukola Potash S.A.	Republic of Congo	97	9,397,413	97	9,397,413

The principal activity of Sintoukola Potash S.A. during the financial year was exploration for potash minerals prospect. The principal activity of Elemental Minerals South Africa (Pty) Ltd during the financial year was for South African administrational and operational support for the exploration for potash minerals prospects.

	Dec 2016 USD	Dec 2015 USD
NOTE 8: PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment – at cost	1,635,906	1,563,726
Less accumulated depreciation	(1,261,590)	(1,164,574)
	374,316	**399,152**
Reconciliation:		
Opening balance	399,152	663,768
Additions	68,620	4,062
Depreciation capitalised under exploration and evaluation	(80,699)	(204,674)
Foreign exchange differences	(12,757)	(64,004)
Closing balance at period end	**374,316**	**399,152**

NOTE 9: EXPLORATION AND EVALUATION EXPENDITURE		
Opening balance	93,068,160	97,701,924
Exploration and evaluation expenditure capitalised during the year	5,968,759	4,932,911
Foreign exchange differences	(3,238,650)	(9,566,675)
Closing balance at period end	**95,798,269**	**93,068,160**

The Kola Mining license was granted on 9 August 2013 for a 25 year period and remains valid. The Dougou Mining license application was submitted on 17 May 2016 to the Ministry of Mines. The application was approved by both the Ministry of Mines and the Prime Minister's office and is proposed to be tabled at the next Cabinet meeting for final approval and then issuance through Decree. The Sintoukola exploration license will expire upon the issuance of the Dougou Mining license. A new mining exploration license application named Sintoukola 2 was submitted on 4 October 2016 and is currently under review by the Office of the Ministry of Mines and Geology.

The ultimate recoupment of costs carried forward for exploration expenditure phases is dependent on the successful development and commercial exploitation, or alternatively, the sale of the respective areas of interest.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

	Dec 2016 USD	Dec 2015 USD
NOTE 10: TRADE AND OTHER PAYABLES		
Trade and other creditors and accruals	200,736	320,976
	200,736	**320,976**

Trade and other creditors are non-interest bearing and are normally settled on 30 day terms.

NOTE 11: ISSUED CAPITAL		
728,944,470 Fully Paid Ordinary Shares (31 December 2015: 410,275,877)	200,572,926	154,657,058
Issued Capital	**200,572,926**	**154,657,058**

(a) Movements in fully paid ordinary shares

	Number	USD
On Issue at 31 December 2014	**381,850,877**	**150,933,803**
Share placement at AUD 0.20 each – issued on 13 July 2015	24,925,000	3,723,255
Conversion of performance rights on 16 November 2015	3,500,000	-
On Issue at 31 December 2015	**410,275,877**	**154,657,058**
Listed options exercised at AUD 0.25 each on 19 January 2016	4,843	834
Share placement at AUD 0.20 each – issued on 15 February 2016	8,300,000	1,170,840
Vesting of performance rights on 29 February 2016	250,000	-
Vesting of performance rights on 2 March 2016	531,250	-
Share placement at AUD 0.20 each – issued on 31 March 2016	14,000,000	2,142,900
Share placement at AUD 0.20 each – issued on 15 November 2016	295,582,500	44,996,532
Less cost of issuing free attaching options*	-	(2,395,238)
On Issue at 31 December 2016	**728,944,470**	**200,572,926**

*The cost relates to the value of the free attaching listed options provided to shareholders who participated in the Rights Issue completed on 15 November 2016. A total of 45,000,000 unlisted options exercisable at AUD 0.30 expiring 15 November 2019 were issued with a Black & Scholes valuation method of AUD 0.0704 per option.

(b) Movements in listed options

	2016 Number	2015 Number
On Issue at 1 January	78,915,929	78,915,929
Exercised at AUD 0.25 each on 19 January 2016	(4,843)	-
Lapsed on 19 January 2016	(78,911,086)	-
On Issue at 31 December	**-**	**78,915,929**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 11: ISSUED CAPITAL (CONT)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the process on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options
The option holders do not hold any voting rights or rights to participate in dividends unless the options were converted to fully paid ordinary shares.

Performance Rights
The performance rights holders do not hold any voting rights or rights to participate in dividends unless the rights have vested and were converted to fully paid ordinary shares.

(c) Movements in unlisted options

31 December 2016

Exercise Period	Exercise Price AUD	Balance 1 Jan 2016 *Number*	Options Issued *Number*	Options Exercised/ Lapsed *Number*	Balance 31 Dec 2016 *Number*
On or before 9 January 2016	$1.09	333,332	-	(333,332)	-
On or before 13 February 2016	$1.29	300,000	-	(300,000)	-
On or before 1 April 2016	$1.18	500,000	-	(500,000)	-
On or before 23 April 2016	$1.12	250,000	-	(250,000)	-
On or before 22 May 2017	$0.90	250,000	-	-	250,000
On or before 15 April 2018	$0.33	6,691,226	-	-	6,691,226
On or before 26 June 2018	$0.33	1,500,000	-	-	1,500,000
On or before 15 November 2019	$0.30	-	45,000,000	-	45,000,000
		9,824,558	45,000,000	1,383,332	53,441,226

31 December 2015

Exercise Period	Exercise Price AUD	Balance 1 Jan 2015 *Number*	Options Issued *Number*	Options Exercised/ Lapsed *Number*	Balance 31 Dec 2015 *Number*
On or before 15 April 2018	$0.33	6,691,226	-	-	6,691,226
On or before 26 June 2018	$0.33	1,500,000	-	-	1,500,000
On or before 19 February 2015	$1.07	4,500,000	-	(4,500,000)	-
On or before 19 May 2015	$1.07	4,450,000	-	(4,450,000)	-
On or before 9 January 2016	$1.09	333,332	-	-	333,332
On or before 13 February 2016	$1.29	300,000	-	-	300,000
On or before 23 April 2016	$1.12	250,000	-	-	250,000
On or before 1 April 2016	$1.18	500,000	-	-	500,000
On or before 22 May 2017	$0.90	250,000	-	-	250,000
		18,774,558	-	(8,950,000)	9,824,558

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 11: ISSUED CAPITAL (CONT)

(d) Movement in Performance Rights

31 December 2016

	Expiry Period	Balance 1 Jan 2016 *Number*	Rights Issued *Number*	Rights Converted/ Lapsed *Number*	Balance 31 Dec 2016 *Number*
Class A – Performance Rights (Emp)	16/09/2017	2,666,090	-	-	2,666,090
Class B – Performance Rights (Emp)	16/09/2018	2,666,090	-	-	2,666,090
Class C – Performance Rights (Emp)	16/09/2019	2,666,090	-	-	2,666,090
Project Director Performance Rights	06/12/2020	5,000,000	-	(250,000)	4,750,000
Chairman Performance Rights	01/03/2021	-	13,000,000	-	13,000,000
Managing Director Performance Rights	01/03/2021	-	8,500,000	(531,250)	7,968,750
Non-Executive Director Performance Rights	30/06/2021	-	3,000,000	-	3,000,000
		12,998,270	24,500,000	(781,250)	36,717,020

31 December 2015

	Expiry Period	Balance 1 Jan 2015 *Number*	Rights Issued *Number*	Rights Converted/ Lapsed *Number*	Balance 31 Dec 2015 *Number*
Class A – Performance Rights (Dir)	11/03/2017	-	3,500,000	(3,500,000)	-
Class B – Performance Rights (Dir)	11/03/2018	-	3,500,000	(3,500,000)	-
Class C – Performance Rights (Dir)	11/03/2019	-	3,500,000	(3,500,000)	-
Class A – Performance Rights (Emp)	16/09/2017	-	2,666,090	-	2,666,090
Class B – Performance Rights (Emp)	16/09/2018	-	2,666,090	-	2,666,090
Class C – Performance Rights (Emp)	16/09/2019	-	2,666,090	-	2,666,090
Project Director Performance Rights	06/12/2020	-	5,000,000	-	5,000,000
		-	23,498,270	(10,500,000)	12,998,270

(e) Capital Management

The Directors primary objective is to maintain a capital structure that ensures the lowest cost of capital to the Group. At reporting date the Group has no external borrowings. The Group is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

	Dec 2016 USD	Dec 2015 USD
NOTE 12: RESERVES		
a) Option Reserve		
Movements during the period		
Opening balance	32,106,965	31,186,476
Share based payment vesting expense (i)	1,777,625	920,489
Free attaching options issued (ii)	2,395,238	-
Closing balance	**36,279,828**	**32,106,965**

(i) For parameters used in the valuation of these options see Note 22.
(ii) For parameters used in the valuation of these options see Note 22 – Series D.

b) Foreign Currency Translation Reserve

	Dec 2016 USD	Dec 2015 USD
Movements during the period		
Opening balance	(18,978,448)	(9,183,690)
Currency translation differences arising during the year	(3,360,183)	(9,794,758)
Closing balance	**(22,338,631)**	**(18,978,448)**
Total reserves	**13,941,197**	**13,128,517**

Option premium reserve:
The option premium reserve is used to accumulate proceeds received from the issuing of options and accumulate the value of options issued in consideration for services rendered and to record the fair value of options issued but not exercised. The reserve is transferred to accumulated losses upon expiry or recognised as share capital if exercised.

Foreign currency translation reserve
The foreign currency translation reserve is used to record currency differences arising from the translation of the financial statements of the foreign subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 13: DIVIDENDS
No dividends have been proposed or paid during the year (2015: Nil).

NOTE 14: NOTES TO STATEMENT OF CASH FLOWS	**Dec 2016 USD**	**Dec 2015 USD**
Reconciliation of cash flows from operating activities:		
Loss for the year	(4,259,666)	(2,649,102)
Adjustments for:		
Equity compensation benefits	1,777,625	920,489
Net realised foreign exchange (gain)/losses	(213,582)	171,854
Interest received not classified as operating activities cash inflow	(20,949)	(18,339)
Operating loss before changes in working capital		
Decrease/(increase) in receivables	11,362	-
Increase/(decrease) in payables	78,679	(28,751)
Net cash used in operating activities	(2,626,531)	(1,603,849)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS
Overview
The Group has exposure to the following risks from their use of financial instruments:

- market risk,
- credit risk, and
- liquidity risks.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Group will use different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(a) Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and are exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cashflow forecasting.

KORE POTASH
FROM THE GROUND UP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

As a result of the operating activities in Congo and the ongoing funding of overseas operations from Australia, the Group's Statement of Financial Position can be affected by movements in the Congolese Franc (CFA) / US Dollar (USD) exchange rate, Australian Dollar (AUD) / US Dollar (USD) exchange rate and the Euro (EUR) / US Dollar (USD) exchange rate.

A substantial portion of the Group's transactions are denominated in USD, with historically, the majority of costs relating to drilling activities also denominated in the unit's functional currency.

The summary quantitative data about the Group's financial instruments' exposure to significant currency risk is as follows:

	31 December 2016			31 December 2015		
	EUR USD	AUD USD	ZAR USD	EUR USD	AUD USD	ZAR USD
FINANCIAL ASSETS						
Cash at bank	18,965,020	339,158	33,908	37,008	27,944	75
Receivables	-	40,087	-	-	60,143	-
FINANCIAL LIABILITIES						
Payables	-	(113,418)	-	-	(81,893)	-
Net exposure	18,965,020	265,827	33,908	37,008	6,194	75

Sensitivity analysis
A reasonably possible strengthening (weakening) of the EUR and AUD against USD at 31 December 2016 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes all other variables, in particular interest rates, remain constant. The impact of the possible strengthening (weakening) of the ZAR and any other currencies against USD is minimal and is not analysed.

	Equity		Profit or Loss	
	Strengthening USD	Weakening USD	Strengthening USD	Weakening USD
31 December 2016				
EUR (5% movement)	948,184	(948,184)	(948,184)	948,184
AUD (5% movement)	13,291	(13,291)	(13,291)	13,291

There was minimal currency risk at 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

(ii) Interest rate risk

The Group is exposed to movements in market interest rates on short term deposits.

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing	
	Dec 2016 %	Dec 2015 %	Dec 2016 USD	Dec 2015 USD	Dec 2016 USD	Dec 2015 USD
FINANCIAL ASSETS						
Cash at bank	0.21%	2.5	42,609,786	3,058,606	-	-
Receivables	-	-	-	-	295,354	203,165
Total financial assets			42,609,786	3,058,606	295,354	203,165
FINANCIAL LIABILITIES						
Non-derivative						
Payables			-	-	200,736	320,976
Total financial liabilities			-	-	200,736	320,976

Sensitivity analysis

A change of 100 basis point in interest rates at the reporting date would have increased (decreased) equity or profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed the same basis for the Consolidated Entity for 2015.

	Profit or Loss	
	100bp Increase USD	100bp Decrease USD
31 December 2016		
Variable rate instrument	426,098	(426,098)
31 December 2015		
Variable rate instrument	30,586	(30,586)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

Financial assets
Trade receivables from other entities are carried at cost less any allowance for doubtful debts. Other receivabl es are carried at cost. Interest is recorded as income using the effective interest rate method.

Financial liabilities
Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the group.

Net fair value of financial assets and liabilities
The carrying amount of financial assets and liabilities at 31 December 2016 and 31 December 2015 is equivalent to the fair value.

(b) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and investment deposits. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

(c) Liquidity and capital risk
The Group's total capital is defined as the shareholders' net equity plus any net debt. The objectives when managing the Group's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Group does not have a target debt / equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise. There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

The table below analyses the Group's financial liabilities into maturity groupings based on the remaining period from the balance date to the contractual maturity date.

31 Dec 2016	Within 1 Month USD	1-3 Months USD	3-12 Months USD
Non-derivatives			
Non-interest bearing			
Trade and other payables	200,736	-	-
Total Financial Liabilities	200,736	-	-

31 Dec 2015	Within 1 Month USD	1-3 Months USD	3-12 Months USD
Non-derivatives			
Non-interest bearing			
Trade and other payables	320,976	-	-
Total Financial Liabilities	320,976	-	-

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

If the Company anticipates a need to raise additional capital within 6 months to meet forecasted operational activities, then the decision on how the Company will raise future capital will depend on market conditions existing at that time.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

(d) Fair Value of Financial Instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

The Directors consider that carrying amounts at financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair value.

	Fair value hierarchy as at 31 December 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
Financial assets				
Loans and receivables:				
- Trade and other receivables	295,354	-	-	295,354
Total	**295,354**	**-**	**-**	**295,354**
Financial liabilities				
Financial liabilities held at amortised cost:				
- Trade and other payables	200,736	-	-	200,736
Total	**200,736**	**-**	**-**	**200,736**

	Fair value hierarchy as at 31 December 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
Financial assets				
Loans and receivables:				
- Trade and other receivables	203,165	-	-	203,165
Total	**203,165**	**-**	**-**	**203,165**
Financial liabilities				
Financial liabilities held at amortised cost:				
- Trade and other payables	320,976	-	-	320,976
Total	**320,976**	**-**	**-**	**320,976**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 16: SEGMENT INFORMATION

Management has determined that the Company has one reporting segment being mineral exploration in central Africa.

As the Company is focused on mineral exploration, management make resource allocation decisions by reviewing the working capital balance, comparing cash balances to committed exploration expenditure and reviewing the current results of exploration work performed. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date and capital available to the Company.

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

On 3 February 2017, the below Performance Rights were converted into 4,850,060 fully paid ordinary shares:

- Class A Performance Rights – 2,666,090
- Class B Performance Right – 402,720
- Performance Rights (Employee) – 250,000
- Performance Rights (Director) – 1,531,250

On 28 February 2017, the Company announced that it has signed a contract with TechnipFMC, VINCI Construction Grands Projets, Egis and Louis Dreyfus Armateurs (“French Consortium”), for the implementation of the Kola 2 Mtpa Definitive Feasibility Study (the “DFS”). The DFS contract is scheduled to be completed within 14 months including significant Front End Engineering Design (“FEED”) work. In addition, the DFS contract provides a commitment that the French Consortium will provide a Fixed Price Binding EPC proposal, for Kola, within three months of the completion of the DFS.

The signing of the DFS Contract is a key step in Kore’s development plans for the Kola Potash Project in the Republic of Congo (“ROC”) following the USD 45 million fund raise and the introduction of two new major investors, and future offtake partners, in NYSE global agricultural minerals group SQM and SGRF, a Sovereign Wealth Fund of Oman.

There are no other significant events that have occurred since the reporting date which require separate disclosure.

NOTE 18: COMMITMENTS FOR EXPENDITURE

In order to maintain current rights of tenure to exploration and mining licences, the Group is required to perform respective minimum exploration and development work to meet the minimum expenditure requirements.

The Group has satisfied the minimum exploration expenditure requirements to maintain its rights to tenure in relation to the Sintoukola exploration license relating to the Dougou/Yangala deposit located in the Dougou and Yanika areas. The Group has submitted the mining license application for the Dougou/Yangala deposit (Dougou Mining license) on 17 May 2016 and plans to develop the Kola Mining license and the Dougou Mining license (once received) as an aggregated area for the mining site development in accordance with the Mining Convention encompassing the two mining permits as confirmed by the national negotiation commission during Quarter 4, 2016.

If the Company decides to relinquish certain licences and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of the carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

	Dec 2016 USD	Dec 2015 USD
NOTE 19: AUDITORS' REMUNERATION		
Audit Services:		
Deloitte – Audit and half year review	87,000	87,000
Deloitte Congo – Audit and half year review	43,750	43,700
Non-Audit Services		
Deloitte – Tax, Research and Development consulting	58,303	15,449
	189,053	146,149

NOTE 20: RELATED PARTY TRANSACTIONS

Loans to key management personnel and their related parties

There were no loans outstanding at the reporting date to key management personnel and their related parties.

Other transactions with the Company

No director has entered into a material contract (apart from employment) with the Company since the incorporation of the Company and there were no material contracts involving directors' interests subsisting at year end.

Director and Key Management Personnel related entities

During the year, the Company paid USD 63,864 (31 December 2015: USD 45,342) to Sparkling Investments Pty Ltd for Mr Sam Middlemas' director's fees. Mr Sam Middlemas is a director of and has a beneficial interest in Sparkling Investments Pty Ltd.

Nexia Perth Pty Ltd has been engaged to provide directorship, accounting, administrative and company secretarial services on commercial terms. Mr Leonard Math was an employee with Nexia Perth during the year up until his resignation as company secretary on 16 November 2016. During the year, the total amounts paid to Nexia Perth for providing accounting, administration and company secretarial services were USD 68,826 (2015: USD 76,772). The total amount paid to Nexia Perth for Director's fees received on behalf of Mr Leonard Math during the year were USD 44,078 (2015: USD 45,795).

Mr Henko Vos was appointed as joint company secretary in Mr Math's place and is also currently an employee with Nexia Perth during the year. The total amounts paid to Nexia Perth for providing accounting, administration and company secretarial services since Mr Vos' appointment as joint company secretary were USD 6,106.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 21: KEY MANAGEMENT PERSONNEL DISCLOSURES

The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

David Hathorn	Non-Executive Chairman
Sean Bennett	Managing Director
Jonathan Trollip	Non-Executive Director (appointed 21 April 2016)
Leonard Math	Non-Executive Director and Joint Company Secretary (resigned as Joint Company Secretary on 16 November 2016)
Timothy Keating	Non-Executive Director (appointed 15 November 2016)
Pablo Altimiras	Non-Executive Director (appointed 15 November 2016)
Lawrence Davidson	Chief Financial Officer and Joint Company Secretary
Henko Vos	Joint Company Secretary (appointed 16 November 2016)
Werner Swanepoel	Project Director
Julien Babey	Country Manager
Robert Samuel Middlemas	Non-Executive Director (resigned 21 April 2016)

Key management personnel compensation

The key management personnel compensation included in “Directors Remuneration”, “Equity Compensation Benefits” “Employee and Consultant Expenses” and “Exploration Expenditure” is as follows:

	Dec 2016 USD	Dec 2015 USD
Short-term employee benefits	1,186,997	901,491
Post-employment benefits	3,376	-
Equity compensation benefits	1,477,510	733,949
	2,667,883	**1,635,440**

Individual directors and executives compensation disclosures

Information regarding individual directors and executives’ compensation and equity instruments disclosures is provided in the Remuneration Report section of the Directors’ Report. Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors’ interests existing at year-end.

KORE POTASH
FROM THE GROUND UP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 22: SHARE BASED PAYMENTS

Recognised share-based payment expense
The expense recognised for employee and consultant services during the year is shown in the table below:

	Dec 2016 USD	Dec 2015 USD
Expense arising from equity-settled share-based payment transactions	1,777,625	920,489

The Group granted shares rights and options to key management personnel and other employees as part of as an incentive for future services and as a reward for past services. The tables below show the vesting expense recognised during the year.

31 December 2016	**Share based payments - rights/options USD**	**Share based payments - shares USD**	**TOTAL USD**
Key management personnel			
David Hathorn	475,323	-	475,323
Sean Bennett	508,898	-	508,898
Jonathan Trollip (appointed 21 April 2016)	19,194	-	19,194
Leonard Math	10,531	-	10,531
Timothy Keating (appointed 15 November 2016)	-	-	-
Pablo Altimiras (appointed 15 November 2016)	-	-	-
Lawrence Davidson	63,307	-	63,307
Henko Vos (appointed 16 November 2016)	-	-	-
Werner Swanepoel	311,286	-	311,286
Julien Babey	87,057	-	87,057
Robert Samuel Middlemas (resigned 21 April 2016)	1,914	-	1,914
	1,477,510	-	**1,477,510**
Other employees	300,115	-	300,115
Total	**1,777,625**	**-**	**1,777,625**

31 December 2015	**Share based payments - rights/options USD**	**Share based payments - shares USD**	**TOTAL USD**
Key management personnel			
David Hathorn (appointed 20 November 2015)	57,147	-	57,147
Sean Bennett (appointed 20 November 2015)	139,981	-	139,981
Robert Samuel Middlemas	10,860	-	10,860
Leonard Math	5,307	-	5,307
Lawrence Davidson	33,865	-	33,865
Werner Swanepoel (appointed 7 December 2015)	77,934		77,934
Julien Babey	50,998	-	50,998
Thomas Borman (resigned 20 November 2015)	153,367	-	153,367
John Sanders (resigned 20 November 2015)	102,245	-	102,245
Michael Golding (resigned 20 November 2015)	102,245	-	102,245
	733,949	**-**	**733,949**
Other employees	186,540	-	186,540
Total	**920,489**	**-**	**920,489**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 22: SHARE BASED PAYMENTS (CONT)

Details of options and shares issued to the key management personnel

On 11 March 2015, shareholders approved the issue of the following 10,500,000 Performance Rights to the following previous directors under the Company's Performance Rights Plan:

Director	Series 1 - Class A	Series 2 - Class B	Series 3 - Class C
Thomas Borman (resigned 20 November 2015)	1,500,000	1,500,000	1,500,000
John Sanders (resigned 20 November 2015)	1,000,000	1,000,000	1,000,000
Michael Golding (resigned 20 November 2015)	1,000,000	1,000,000	1,000,000

Rights and each class' vesting conditions were as follows:-

Series 1 - Class A Performance Rights (Director)

Performance Rights to vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 24 months from the date of issue:-

- the Company's market capitalisation averaging over a period of 30 consecutive days of trading a daily average of not less than AUD 80 million; and
- completing 12 months of continuous service with the Company from date of appointment.

Series 2 - Class B Performance Rights (Director)

Performance Rights to vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 36 months from the date of issue:

- the Company's market capitalisation averaging over a period of 30 consecutive days of trading a daily average of not less than AUD 100 million; and
- completing 24 months of continuous service with the Company from date of appointment.

Series 3 - Class C Performance Rights (Director)

Performance Rights to vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 48 months from the date of issue:

- the Company's market capitalisation averaging over a period of 30 consecutive days of trading a daily average of not less than AUD 120 million; and
- completing 36 months of continuous service with the Company from date of appointment.

The fair value of the performance rights granted was estimated as at the grant date using the monte-carlo pricing model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	Series 1 – Class A	Series 2 – Class B	Series 3 – Class C
Grant Date Share Price	AUD 0.25	AUD 0.25	AUD 0.25
Expected Volatility	80%	80%	80%
Rights Life	2 years	3 years	4 years
Grant date fair value	AUD 0.136	AUD 0.137	AUD 0.139

During the previous year, Class A Performance Rights (3,500,000) vested and 3,500,000 shares were issued to the following previous directors:

Director	Shares
Thomas Borman (resigned 20 November 2015)	1,500,000
John Sanders (resigned 20 November 2015)	1,000,000
Michael Golding (resigned 20 November 2015)	1,000,000

Following the resignations of Messrs Borman, Sanders and Golding, Class B (3,500,000) and Class C (3,500,000) Performance Rights lapsed on 20 November 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 22: SHARE BASED PAYMENTS (CONT)

Details of options and shares issued to the key management personnel (Cont)

On 17 September 2015, the Company issued 7,998,270 Performance Rights to the following employees of the Company under the Company's Employee Performance Rights Plan.

Employee	Series 4 - Class A	Series 5 - Class B	Series 6 - Class C
Lawrence Davidson	376,374	376,374	376,374
Julien Babey	521,957	521,957	521,957
Other employees	1,767,759	1,767,759	1,767,759
Total	**2,666,090**	**2,666,090**	**2,666,090**

Rights and each class' vesting conditions is as follows:-

Series 4 - Class A Performance Rights (Employee)
Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 24 months from the date of issue:-

- the Company's market capitalisation averaging over a period of 60 consecutive days of trading a daily average of not less than AUD 85 million; and
- completing 12 months of continuous service with the Company.

Series 5 - Class B Performance Rights (Employee)
Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 36 months from the date of issue:

- the Company's market capitalisation averaging over a period of 60 consecutive days of trading a daily average of not less than AUD 100 million; and
- completing 24 months of continuous service with the Company.

Series 6 - Class C Performance Rights (Employee)
Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following performance criteria within 48 months from the date of issue:

- the Company's market capitalisation averaging over a period of 60 consecutive days of trading a daily average of not less than AUD 120 million; and
- completing 36 months of continuous service with the Company.

The fair value of the performance rights granted was estimated as at the grant date using the monte-carlo pricing model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	Series 4 – Class A	Series 5 – Class B	Series 6 – Class C
Grant date share price	AUD 0.185	AUD 0.185	AUD 0.185
Expected volatility	80%	80%	80%
Rights life	2 years	3 years	4 years
Grant date fair value	AUD 0.1451	AUD 0.1507	AUD 0.1510

During the year, Class A Performance Rights (2,666,090) vested. 2,666,090 shares were subsequently issued on 2 February 2017 to the following employees of the Company:

Employee	Shares
Lawrence Davidson	376,374
Julien Babey	521,957
Other employees	1,767,759
Total	**2,666,090**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 22: SHARE BASED PAYMENTS (CONT)

Details of options and shares issued to the key management personnel (Cont)

Series 7 - Performance Rights (Project Director)
On 29 February 2016, the Company granted 5,000,000 Performance Rights to Mr Werner Swanepoel, Project Director, under the Company's Employee Performance Rights Plan. The rights were contractually agreed to on 7 December 2015 pursuant to Mr Swanepoel's employment agreement. The Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Joining K2P	
(1) - sign on bonus	250,000
(1) - allocated after 1 year service	250,000
(1) - allocated after 2 years service	250,000
(1) - allocated after 3 years service	250,000
Kola Resource & Mine	
(2) - DFS Completion	1,000,000
(3) - Off-take secured to support debt finance for mine build	500,000
(4) - Complete finance package for mine build	500,000
Dougou Resource	
(5) - Development advanced to commencement of DFS	500,000
Yangala Resource	
(6) - Development advanced to completion of PFS	500,000
Share Price Allocation Matrix	1,000,000
25% initial tranche (Note 1(a))	*250,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))	
100%	*1,000,000*
TOTAL	**5,000,000**

<u>Note 1: Share Price Allocation Matrix</u>
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
 (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
 (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
 (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
 (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
 (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the operational performance rights granted (4,000,000) is calculated based on the share price at grant date. The fair value of these operational performance rights is AUD 0.19.

The fair value of the remaining performance rights granted with a share price threshold (1,000,000) is estimated as at the grant date using the monte-carlo pricing model taking into account the terms and conditions upon which the instruments were granted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 22: SHARE BASED PAYMENTS (CONT)

Details of options and shares issued to the key management personnel (Cont)

Series 7 - Performance Rights (Project Director) (Cont)

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	Series 7
Grant date share price	AUD 0.19
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1167

On 29 February 2016, 250,000 Fully Paid Ordinary Shares were issued following the vesting of the Performance Rights as a sign on bonus for the Project Director. In addition, subsequent to year end on 3 February 2017, 250,000 Fully Paid Ordinary Shares have been issued to the Project Director following the vesting of the Performance Rights due to one year of service being completed on 7 December 2016.

Series 8 - Performance Rights (Chairman)

On 2 March 2016, following shareholders' approval, the Company granted 13,000,000 Performance Rights to Mr David Hathorn under the Company's Employee Performance Rights Plan. Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Joining K2P	
(1) - allocated after 1 year service	1,000,000
(1) - allocated after 2 years service	1,000,000
(1) - allocated after 3 years service	1,000,000
Share Price Allocation Matrix	10,000,000
20%	*2,000,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))	
100%	*10,000,000*
TOTAL	**13,000,000**

Note 1: Share Price Allocation Matrix

Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
- (i) where the 30 day average daily VWAP is less than AUD 0.50, nil.
- (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 5,333 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
- (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 5,333 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
- (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any previous Vesting Period, nil.
- (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 5,333 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the operational performance rights granted (3,000,000) is calculated based on the share price at grant date. The fair value of these operational performance rights is AUD 0.20.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 22: SHARE BASED PAYMENTS (CONT)

Details of options and shares issued to the key management personnel (Cont)

The fair value of the remaining performance rights granted with a share price threshold (10,000,000) is estimated as at the grant date using the monte-carlo pricing model taking into account the terms and conditions upon which the instruments were granted.

Series 8 – Performance Rights (Chairman) (Cont)
The input used in the measurement of the fair value at grant date of these performance rights were as follows:

Input into the model	Series 8
Issue date share price	AUD 0.165
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1475

Subsequent to year end on 3 February 2017, 1,000,000 Fully Paid Ordinary Shares have been issued to the Chairman following the vesting of the Performance Rights due to his one year of service being completed on 20 November 2016.

Series 9 - Performance Rights (Managing Director)
On 2 March 2016, following shareholders' approval, the Company granted 8,500,000 Performance Rights to Mr Sean Bennett under the Company's Employee Performance Rights Plan. Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions		
Joining K2P		
(1) - sign on bonus		531,250
(1) - allocated after 1 year service		531,250
(1) - allocated after 2 years service		531,250
(1) - allocated after 3 years service		531,250
Kola Resource & Mine		
(2) - DFS Completion		850,000
(3) - Off-take secured to support debt finance for mine build		850,000
(4) - Complete finance package for mine build		850,000
Dougou Resource		
(5) - Development advanced to commencement of DFS		850,000
Yangala Resource		
(6) - Development advanced to completion of PFS		850,000
Share Price Allocation Matrix		2,125,000
25% initial tranche (Note 1(a))	*531,250*	
straight line between AUD 0.50 and AUD 2.00 (Note 1(b))		
100%	*2,125,000*	
TOTAL		**8,500,000**

<u>Note 1: Share Price Allocation Matrix</u>
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
   (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
   (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 22: SHARE BASED PAYMENTS (CONT)

Details of options and shares issued to the key management personnel (Cont)

***Series 9 - Performance Rights (Managing Director)* (Cont)**

Note 1: Share Price Allocation Matrix (Cont)

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
   (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
   (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
   (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 1,062 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the operational performance rights granted (6,375,000) is calculated based on the share price at grant date. The fair value of these operational performance rights is AUD 0.20.

The fair value of the remaining performance rights granted with a share price threshold (2,125,000) is estimated as at the grant date using the monte-carlo pricing model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	Series 9
Issue date share price	AUD 0.165
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1469

On 2 March 2016, 531,250 Fully Paid Ordinary Shares were issued following the vesting of the Performance Rights as a sign on bonus for the Managing Director. In addition, subsequent to year end on 3 February 2017, 531,250 Fully Paid Ordinary Shares have been issued to the Managing Director following the vesting of the Performance Rights due to one year of service being completed on 20 November 2016.

Series 10 - Performance Rights (Non-Executive Director - J Trollip)

On 6 July 2016, following shareholders' approval, the Company granted 2,000,000 Performance Rights to Mr Jonathan Trollip under the Company's Employee Performance Rights Plan. Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Share Price Allocation Matrix	2,000,000
25% initial tranche (Note 1(a))	*500,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b)) 100%	*1,500,000*
TOTAL	**2,000,000**

Note 1: Share Price Allocation Matrix

Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
   (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
   (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 1,000 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 22: SHARE BASED PAYMENTS (CONT)

Details of options and shares issued to the key management personnel (Cont)

Series 10 - Performance Rights (Non-Executive Director - J Trollip) (Cont)
Note 1: Share Price Allocation Matrix (Cont)

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
   (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting Period is AUD 0.50 or more, the Initial Tranche plus 1,000 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
   (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
   (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 1,000 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

The fair value of the performance rights granted with a share price threshold (2,000,000) is estimated as at the grant date using the monte-carlo pricing model taking into account the terms and conditions upon which the instruments were granted.

The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	Series 10
Issue date share price	AUD 0.190
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1258

Series 11 - Performance Rights (Non-Executive Director - L Math)
On 6 July 2016, following shareholders' approval, the Company granted 1,000,000 Performance Rights to Mr Leonard Math under the Company's Employee Performance Rights Plan. Performance Rights will vest as one Share for each Performance Right subject to the satisfaction of the following:

Vesting Conditions	
Share Price Allocation Matrix	1,000,000
25% initial tranche (Note 1(a))	*250,000*
straight line between AUD 0.50 and AUD 2.00 (Note 1(b)) 100%	*750,000*
TOTAL	**1,000,000**

Note 1: Share Price Allocation Matrix
Performance Rights vest on the basis of one Share for each Performance Right vesting, calculated as follows:

(a) For the first Vesting Period (6 months) following issue, the number of Shares to be issued is:
   (i) where the 30 day average daily VWAP is less than AUD 0.50, nil;
   (ii) where the 30 day average daily VWAP is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50.

(b) For the remainder of the Performance Rights Term (5 years), the number of Shares to be issued at the end of each Vesting Period (6 months) is:
   (i) where the Initial Tranche has not been issued and the 30 day average daily VWAP for the current Vesting period is AUD 0.50 or more, the Initial Tranche plus 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds AUD 0.50 on the basis of one Share for each Performance Right.
   (ii) where the 30 day average daily VWAP is less than the 30 day average daily VWAP for any pervious Vesting Period, nil.
   (iii) where the 30 day average daily VWAP is equal to or more than the highest previous 30 day average daily VWAP, 500 Shares for each one tenth of a cent that the 30 day average daily VWAP exceeds the highest previous 30 day average daily VWAP.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 22: SHARE BASED PAYMENTS (CONT)

Details of options and shares issued to the key management personnel (Cont)

The fair value of the performance rights granted with a share price threshold (1,000,000) is estimated as at the grant date using the monte-carlo pricing model taking into account the terms and conditions upon which the instruments were granted.

Series 11 - Performance Rights (Non-Executive Director - L Math) (Cont)
The input used in the measurement of the fair value at grant date of the performance rights were as follows:

Input into the model	Series 11
Issue date share price	AUD 0.190
Expected volatility	80%
Rights life	5 years
Grant date fair value	AUD 0.1258

Share based payment arrangements in existence
The following share based payment arrangements were in existence during the current and prior periods:

	Grant Date	Vesting Date	Number of Options	Expiry Date	Fair Value at Grant Date AUD	Exercise Price AUD
Option Series 1*	18/05/2011	16/02/2013	1,500,000	16/02/2015	$1.4925	$1.07
Option Series 2*	18/05/2011	16/02/2014	1,500,000	16/02/2015	$1.6481	$1.07
Option Series 3*	18/05/2011	16/02/2015	1,500,000	16/02/2015	$1.7321	$1.07
Option Series 4*	18/05/2011	19/05/2012	1,650,000	19/05/2015	$1.5472	$1.07
Option Series 5*	18/05/2011	19/05/2013	1,250,000	19/05/2015	$1.6811	$1.07
Option Series 6*	18/05/2011	19/05/2014	1,550,000	19/05/2015	$1.7566	$1.07
Option Series 7 **	31/05/2012	23/04/2013	83,333	23/04/2016	$0.3569	$1.12
Option Series 8 **	31/05/2012	23/04/2014	83,333	23/04/2016	$0.3897	$1.12
Option Series 9 **	31/05/2012	23/04/2015	83,334	23/04/2016	$0.4149	$1.12
Option Series 10 **	12/03/2012	09/01/2013	166,666	09/01/2016	$0.6948	$1.09
Option Series 11 **	12/03/2012	09/01/2014	166,666	09/01/2016	$0.7647	$1.09
Option Series 13 **	12/03/2012	09/01/2013	100,000	09/01/2016	$0.6748	$1.29
Option Series 14 **	12/03/2012	09/01/2014	100,000	09/01/2016	$0.7406	$1.29
Option Series 15 **	12/03/2012	09/01/2015	100,000	09/01/2016	$0.7847	$1.29
Option Series 16 **	30/03/2012	01/04/2013	166,666	01/04/2016	$0.8324	$1.18
Option Series 17 **	30/03/2012	01/04/2014	166,667	01/04/2016	$0.8324	$1.18
Option Series 18 **	30/03/2012	01/04/2015	166,667	01/04/2016	$0.8324	$1.18
Option Series 19	22/05/2013	22/05/2014	83,333	22/05/2017	$0.2181	$0.90
Option Series 20	22/05/2013	22/05/2015	83,333	22/05/2017	$0.2181	$0.90
Option Series 21	22/05/2013	22/05/2016	83,334	22/05/2017	$0.2181	$0.90
Option Series 22	9/04/2014	10/04/2014	2,169,671	15/04/2018	$0.1242	$0.33
Option Series 23	9/04/2014	10/04/2015	1,760,778	15/04/2018	$0.1391	$0.33
Option Series 24	9/04/2014	10/04/2016	1,760,777	15/04/2018	$0.1522	$0.33
Option Series 25	12/05/2014	10/04/2014	333,333	15/04/2018	$0.0948	$0.33
Option Series 26	12/05/2014	10/04/2015	333,333	15/04/2018	$0.1073	$0.33
Option Series 27	12/05/2014	10/04/2016	333,334	15/04/2018	$0.1194	$0.33
Option Series 28	30/05/2014	10/04/2014	500,000	26/06/2018	$0.1177	$0.33
Option Series 29	30/05/2014	10/04/2015	500,000	26/06/2018	$0.1303	$0.33
Option Series 30	30/05/2014	10/04/2016	500,000	26/06/2018	$0.1432	$0.33

** Option Series expired during the previous financial year.*
*** Option Series expired during the current financial year.*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 22: SHARE BASED PAYMENTS (CONT)

Share based payment arrangements in existence (Cont)

	Grant Date	Vesting Date	Number of Rights	Expiry Date	Fair Value at Grant Date AUD
Rights Series 1 (1)	11/03/2015	*Refer below*	3,500,000	11/03/2017	$0.1360
Rights Series 2 (2)	11/03/2015	*Refer below*	3,500,000	11/03/2018	$0.1370
Rights Series 3 (2)	11/03/2015	*Refer below*	3,500,000	11/03/2019	$0.1390
Rights Series 4 (3)	17/09/2015	1 Dec 2016	2,666,090	16/09/2017	$0.1451
Rights Series 5 (4)	17/09/2015	*Refer below*	2,666,090	16/09/2018	$0.1507
Rights Series 6	17/09/2015	*Refer below*	2,666,090	16/09/2019	$0.1510
Rights Series 7 (5)	07/12/2015	*Refer below*	5,000,000	06/12/2020	$0.1753
Rights Series 8 (6)	20/11/2015	*Refer below*	13,000,000	01/03/2021	$0.1596
Rights Series 9 (7)	20/11/2015	*Refer below*	8,500,000	01/03/2021	$0.1867
Rights Series 10	6/07/2016	*Refer below*	2,000,000	30/06/2021	$0.1258
Rights Series 11	6/07/2016	*Refer below*	1,000,000	30/06/2021	$0.1258

(1) Vested and converted to fully paid ordinary shares on 16 November 2015.
(2) Expired following previous directors' resignations on 20 November 2015.
(3) Vested on 1 December 2016 pursuant to the satisfaction of performance criteria. Performance Rights were converted to fully paid ordinary shares subsequent to year end on 3 February 2017.
(4) Subsequent to year end on 3 February 2017, 402,720 Performance Rights were converted into fully paid ordinary shares.
(5) 250,000 performance rights vested and converted to fully paid ordinary shares on 29 February 2016. In addition, subsequent to year end on 3 February 2017, 250,000 fully paid ordinary shares have been issued following vesting of one year service conditions on 7 December 2016.
(6) Subsequent to year end on 3 February 2017, 1,000,000 fully paid ordinary shares have been issued following vesting of one year service conditions on 20 November 2016.
(7) 531,250 performance rights vested and converted to fully paid ordinary shares on 2 March 2016. In addition, subsequent to year end on 3 February 2017, 531,250 fully paid ordinary shares have been issued following vesting of one year service conditions on 20 November 2016.

Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

31 December 2016 Exercise Period	Exercise Price *AUD*	Balance 1 Jan 2016 *Number*	Options Issued *Number*	Options Exercised/ Lapsed *Number*	Balance 31 Dec 2016 *Number*
On or before 9 January 2016	$1.09	333,332	-	(333,332)	-
On or before 15 January 2016	$0.25	78,915,929	-	(78,915,929)*	-
On or before 13 February 2016	$1.29	300,000	-	(300,000)	-
On or before 1 April 2016	$1.18	500,000	-	(500,000)	-
On or before 23 April 2016	$1.12	250,000	-	(250,000)	-
On or before 22 May 2017	$0.90	250,000	-	-	250,000
On or before 15 April 2018	$0.33	6,691,226	-	-	6,691,226
On or before 26 June 2018	$0.33	1,500,000	-	-	1,500,000
On or before 15 November 2019	$0.30	-	45,000,000	-	45,000,000
		88,740,487	**45,000,000**	**(80,299,261)**	**53,441,226**

** 4,843 of these listed options were exercised prior to expiry date.*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 22: SHARE BASED PAYMENTS (CONT)

Movement in share options during the year (Cont)

31 December 2015 Exercise Period	Exercise Price *AUD*	Balance 1 Jan 2015 *Number*	Options Issued *Number*	Options Exercised/ Lapsed *Number*	Balance 31 Dec 2015 *Number*
On or before 19 February 2015	$1.07	4,500,000	-	(4,500,000)	-
On or before 19 May 2015	$1.07	4,450,000	-	(4,450,000)	-
On or before 9 January 2016	$1.09	333,332	-	-	333,332
On or before 15 January 2016	$0.25	78,915,929	-	-	78,915,929
On or before 13 February 2016	$1.29	300,000	-	-	300,000
On or before 1 April 2016	$1.18	500,000	-	-	500,000
On or before 23 April 2016	$1.12	250,000	-	-	250,000
On or before 22 May 2017	$0.90	250,000	-	-	250,000
On or before 15 April 2018	$0.33	6,691,226	-	-	6,691,226
On or before 26 June 2018	$0.33	1,500,000	-	-	1,500,000
		97,690,487	**-**	**(8,950,000)**	**88,740,487**

Share options exercised during the year

Unless otherwise indicated above, no other share options were exercised during the current or previous years.

Share options outstanding at the end of the year

Exercise Period	Exercise Price *AUD*	Balance 31 Dec 2016 *Number*	Balance 31 Dec 2015 *Number*
On or before 9 January 2016	$1.09	-	333,332
On or before 15 January 2016	$0.25	-	78,915,929
On or before 13 February 2016	$1.29	-	300,000
On or before 1 April 2016	$1.18	-	500,000
On or before 23 April 2016	$1.12	-	250,000
On or before 22 May 2017	$0.90	250,000	250,000
On or before 15 April 2018	$0.33	6,691,226	6,691,226
On or before 26 June 2018	$0.33	1,500,000	1,500,000
On or before 15 November 2019	$0.30	45,000,000	-
		53,441,226	**88,740,487**

Movement in performance rights during the year

The following reconciles the performances rights outstanding at the beginning and end of the year:

31 December 2016 Exercise Period	Expiry Period	Balance 1 Jan 2016 *Number*	Rights Issued *Number*	Rights Converted/ Lapsed *Number*	Balance 31 Dec 2016 *Number*
Class A – Performance Rights (Emp)	16/09/2017	2,666,090	-	-	2,666,090
Class B – Performance Rights (Emp)	16/09/2018	2,666,090	-	-	2,666,090
Class C – Performance Rights (Emp)	16/09/2019	2,666,090	-	-	2,666,090
Project Director Performance Rights	06/12/2020	5,000,000	-	(250,000)	4,750,000
Chairman Performance Rights	1/03/2021	-	13,000,000	-	13,000,000
Managing Director Performance Rights	1/03/2021	-	8,500,000	(531,250)	7,968,750
Non-Executive Director Performance Rights	30/06/2021	-	3,000,000	-	3,000,000
		12,998,270	**24,500,000**	**(781,250)**	**36,717,020**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 22: SHARE BASED PAYMENTS (CONT)

Movement in performance rights during the year (Cont)

31 December 2015 Exercise Period	Expiry Period	Balance 1 Jan 2015 *Number*	Rights Issued *Number*	Rights Converted/ Lapsed *Number*	Balance 31 Dec 2015 *Number*
Class A – Performance Rights (Dir)	11/03/2017	-	3,500,000	(3,500,000)	-
Class B – Performance Rights (Dir)	11/03/2018	-	3,500,000	(3,500,000)	-
Class C – Performance Rights (Dir)	11/03/2019	-	3,500,000	(3,500,000)	-
Class A – Performance Rights (Emp)	16/09/2017	-	2,666,090	-	2,666,090
Class B – Performance Rights (Emp)	16/09/2018	-	2,666,090	-	2,666,090
Class C – Performance Rights (Emp)	16/09/2019	-	2,666,090	-	2,666,090
Project Director Performance Rights	06/12/2020	-	5,000,000	-	5,000,000
		-	**23,498,270**	**(10,500,000)**	**12,998,270**

Shares

During the year ended 31 December 2016, the following shares were issued to the key management personnel following the vesting of the performance rights:

Key Management Personnel	Number of Shares
W Swanepoel (Executive)	250,000
S Bennet (Director)	531,250

There were no other shares issued to other directors and employees during the year ended 31 December 2016.

During the year ended 31 December 2015, the following shares were issued to the directors following the vesting of the performance rights:

Director	Number of Shares
Thomas Borman*	1,500,000
John Sanders*	1,000,000
Michael Golding*	1,000,000
	3,500,000

*Resigned 20 November 2015

There were no other shares issued to other directors and employees during the year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 23: LOSS PER SHARE

Classification of securities as ordinary shares

The Company has only one category of ordinary shares included in basic earnings per share.

Classification of securities as potential ordinary shares – share options and rights outstanding

The Company has granted share options in respect of a total of 53,441,226 ordinary shares at 31 December 2016 (31 December 2015: 88,740,487) and 36,717,020 performance rights (31 December 2015: 44,998,270). Options and rights are considered to be potential ordinary shares. However, as the Company is in a loss position they are anti-dilutive in nature, as their exercise will not result in a diluted earnings per share that shows an inferior view of earnings performance of the Company than is shown by basic earnings per share. The rights and options have not been included in the determination of basic earnings per share.

	31 Dec 2016	31 Dec 2015
Earnings reconciliation	USD	USD
Loss attributable to ordinary shareholders	(4,259,666)	(2,649,102)
	Number	Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares at period end	466,008,687	393,959,576

NOTE 24: CONTINGENT LIABILITIES AND ASSETS

As at the date of this report, the Company's subsidisary, Sintoukola Potash S.A. ("Sintoukola Potash"), is in litigation before the Administrative Chamber of the Congolese Supreme Court challenging an abusive of power by the State regarding the Minister of Labour's decision cancelling the Dispute Commission's approval to retrench 32 Sintoukola Potash employees in late 2014. The Dispute Commission is the local regulator empowered to assess and authorise any retrenchment which is composed of employees and employers Unions headed by the Local Labour Authorities. Sintoukola Potash's financial exposure at 31 December 2016 equates to USD 491,000 should the 32 employees be reinstated on the Sintoukola Potash's payroll. Sintoukola Potash has disputed this claim and commenced the legal proceedings associated with the former employees.

NOTE 25: COMPANY DETAILS

The registered office and principal place of business of the Company is:

Level 3,
88 William Street,
Perth WA 6000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT)

NOTE 26: PARENT INFORMATION

	Dec 2016 USD	Dec 2015 USD
ASSETS		
Current assets	41,731,854	2,513,148
Non-current assets	97,316,816	118,560,965
TOTAL ASSETS	139,048,670	121,074,113
LIABILITIES		
Current liabilities	171,681	93,002
TOTAL LIABILITIES	171,681	93,002
NET ASSETS	138,876,989	120,981,111
EQUITY		
Contributed equity	200,572,926	154,657,058
Reserves	37,628,960	33,456,097
Retained earnings	(99,324,897)	(67,132,044)
	138,876,989	120,981,111
FINANCIAL PERFORMANCE		
Loss for the year	(32,192,853)	2,313,144
Other comprehensive income	-	-
Total comprehensive income	(32,192,852)	2,313,144

Contractual Commitments
There are no significant contractual commitments.

Guarantees and Contingent Liabilities
There are no guarantees or contingent liabilities.

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2
Brookfield Place
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

Independent Auditor's Report to the members of Kore Potash Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kore Potash Limited (the "Entity") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the declaration by the directors' as set out on pages 37 to 82.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Entity, would be in the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial statements, which indicates that the Group incurred a loss of US$4,259,666 (2015: US$2,649,102) and experienced net cash outflows from operating and investing activities of US$8,551,342 (2015: US$6,121,447) for the year ended 31 December 2016. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Entity's and Group's ability to continue as going concerns. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Carrying value of Exploration and Evaluation Assets	
As at December 2016 the Entity has $95,798,269 [2015: $93,068,160] of capitalised exploration and evaluation expenditure as disclosed in note 9. Significant judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources*. In particular: ➢ whether the conditions for capitalisation are satisfied; ➢ which elements of exploration and evaluation expenditures qualify for recognition; and ➢ whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Entity and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Holding discussions with management as to the status of ongoing exploration programmes in the respective areas of interest; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Testing on a sample basis, evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; and • Assessing whether any facts or circumstances existed to suggest impairment testing was required. We also assessed the appropriateness of the related disclosures in Note 9 to the Financial Statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2016, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report of Kore Potash Limited included in pages 21 to 35 of the Director's report for the year ended 31 December 2016.

In our opinion, the Remuneration Report of the Entity, for the year ended 31 December 2016, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Entity are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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DELOITTE TOUCHE TOHMATSU

John Sibenaler
Partner
Chartered Accountants
Perth, 31 March 2017