



KORE POTASH LIMITED

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ISSUED CAPITAL

(As at – 5 October 2017)
765.5m Ordinary Shares
ASX Code: K2P

KOLA DEFINITIVE FEASIBILITY STUDY UPDATE

Highlights:

- Kola DFS remains on budget and on schedule for completion in the June quarter 2018
- Further opportunities identified to optimize earthworks, buildings, marine facilities, brine outflow and mine development
- Fieldwork campaigns contributing to the DFS nearing completion
- Company is progressing well with its Scheme of Arrangement for its redomicile to the UK and proposed additional listing in London. The Scheme Meeting for the redomicile is scheduled for 27 October 2017.

Perth, Australia, 6 October 2017

Kore Potash Limited (ASX: K2P) (“**Kore**” or the “**Company**”), the potash exploration and development company whose flagship asset is the Kola Project (“**Kola**” or the “**Project**”), located in the Company’s 97%-owned Sintoukola Potash Project (SP), in the Republic of Congo (“**RoC**”), is pleased to provide an update on the progress of its Definitive Feasibility Study (“**DFS**”) having reached the midway mark of the planned 14 month study (“the **Period**”).

Sean Bennett, CEO of Kore, commented:

“I am delighted with the progress made in the first half of Kola’s DFS. Pleasingly, at this stage, the DFS remains on budget and on track for completion in the June quarter 2018. Both the Kore team and the engineering and construction teams continue to work well together to identify areas for further capital and operational improvements. Obviously, there continues to be significant challenges ahead, as one would expect with a project of this scale, and many areas that need further optimisation and design work but overall this has been an excellent start. I look forward to providing further updates as the DFS progresses in the coming months.”



Definitive Feasibility Study Update

The DFS is being conducted by a consortium of world class engineering and construction companies consisting of Technip FMC, Vinci Construction Grands Projects, Egis International and Louis Dreyfus Armateurs (the “**French Consortium**”). The Definitive Feasibility Study (“DFS”) contract was signed on 28 February 2017 and the study is scheduled to be completed in Q2 2018. The inclusion of a significant amount of Front End Engineering Design (“**FEED**”) work within the DFS scope aims to provide an estimate cost accuracy of +/-10%. The consortium will provide Kore with a fixed price and binding Engineering Procurement and Construction (“**EPC**”) contract for Kola within three months of the completion of the DFS, estimated to be received in Q3 2018.

In addition, the French Consortium is contracted to assist Kore with sourcing of financing, including strategic procurement of equipment, in order to maximise the potential amount of Export Credit Agency (“**ECA**”) financing that is available. Kore expects this to be a material part of the overall debt financing package for Kola.

Project management

The consortium has now mobilized a team of more than 130 people who are working on the Project on a full-time basis. The work is supervised and guided by Kore’s project team consisting of project director, project managers, lead engineers, estimating lead, an environmental consultant and a procurement specialist. In addition, Kore has the support from senior engineers at SQM as well as independent specialist reviewers to assist in the process. As at the end of September 2017, the DFS was 43 % complete compared to a targeted 45%. The December 2017 quarter is a critical period for the Company in terms of engineering deliverables, procurement activities and estimate development. The DFS remains on schedule to be completed in the June quarter 2018.

Process test work

The DFS test work program was completed at the Saskatchewan Research Council laboratory in Canada and results are being incorporated into the process modelling and updated process flow diagrams. Based on the test results, various optimisation opportunities have been identified and the test work has been undertaken to investigate these results. The initial test results indicated the potential to simplify the Pre-Feasibility Study (“**PFS**”) flowsheet and final confirmation test work has been initiated which is expected to be completed in early October.

Engineering development

The first round of Heat and Material Balance, (“**HMB**”), Process Flow Diagrams (“**PFD**”) and Piping and Instrumentation Diagrams (“**P&ID**”) were developed and reviewed during the September quarter, allowing the procurement process to start. The procurement process is currently underway and will provide vendor information to support the technology selection and development of the estimate. In parallel, plot plans are being finalised and 3D models are being developed for the process plant, marine facilities, above ground and underground areas. Refer to **Figure 1** showing the process plant area model.



Figure 1: Process plant area model

Mine development

The shaft design was further developed during the June quarter, resulting in the following configuration: two vertical shafts, each 7 metres in diameter; one equipped as a workers and material intake shaft and the other as an ore hoisting exhaust shaft. The exhaust shaft will be up to 265 metres deep and will be equipped with two vertical pocket belt conveyors, each with sufficient capacity to hoist the full mine production. In the intake shaft, which will be 260 metres deep, a cage will hoist workers and materials (6 metres x 3.5 metres) and will be conveyed by a ground mounted single drum winder. Refer to **Figure 2** showing the above ground mine area model.

Vinci has engaged Deilmann-Haniel, a subsidiary of the shaft sinking company Redpath, to assist with the shaft design process. The first shaft constructability review is planned for October.

A cost and operational assessment of the material handling configuration resulted in the elimination of the covered surface storage at the mine site, which is expected to result in capital cost savings.

Geotechnical test work was completed and modelling is ongoing to inform the mine design criteria. This information is used in the optimisation of panel layouts to improve mining recovery and equipment cycle times and productivity. Current indications are that there will be a reduction in the number of production sections which is expected to result in an operating cost improvement when compared to the PFS.

The procurement process for mine underground equipment and for a mining contractor was launched in the Period.

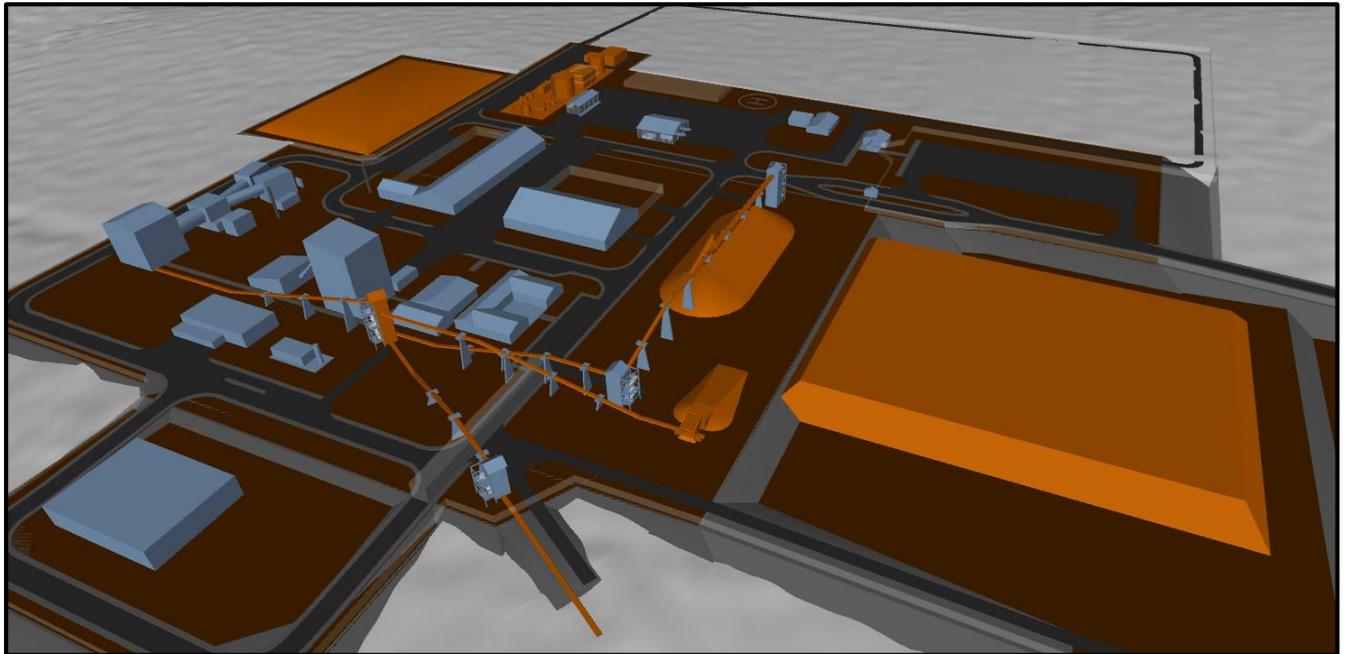


Figure 2: Above ground mine area model

Marine Development

Based on the outcome of the trade-off studies, the development of the marine infrastructure has progressed well. The jetty length and breakwater lengths were reduced based on detailed modelling and the selection of the self-propelled barges. An assessment of the constructability confirmed that from a cost benefit perspective, the jetty will be equipped with an access road and the breakwater will be constructed from onshore. Transshipment will be achieved using a floating crane in a transshipment zone that has been approved by the Congolese Authorities.

Brine outflow optimisation

In addition to confirming that a higher brine concentration could be discharged, a detailed assessment of the brine outflow solution concluded that it is possible to discharge the insoluble material to the ocean with the sodium chloride. This opportunity will eliminate the need for onshore residue storage facilities. Detailed modelling of brine discharge, dilution and dispersion of suspended solids is underway to confirm the feasibility of this opportunity.

Earthworks and Civil design development.

The trade-off study concluded that soil improvement and shallow foundations would be suitable for the large structures, negating the need for steel piling, which is expected to lead to cost savings. This approach was incorporated and a significant reduction in aggregate use was achieved through the introduction of cement stabilisation and drainage design on the roads and process plant platforms. It is expected that these initiatives will contribute to capital cost savings.

In addition, a concerted effort to optimise the plant footprint resulted in reducing the process plant platform by half, which is expected to further contribute to capital cost savings.

Accommodation Camps

A strategy that takes benefit from the re-use of various site facilities, including construction and accommodation camps, water supply, fencing, power generation, has been developed for the construction and operation phases of the Project. This approach is made possible due to the early contractor involvement and the procurement process for the camps and services are currently underway.

Road Infrastructure

The road development strategy has been revised due to the transition from road transport to an overland conveyor for the run of mine. The use of an overland conveyor requires additional service and access roads which increases the overall capex estimate. The team is actively pursuing opportunities to reduce this cost, including assessment of road design specification and functionality.

Field Work Campaigns

The following field and test work campaigns have been initiated and are either completed or nearing completion as reported below:

- Shaft geotechnical and hydrogeological campaign to produce design parameters for the vertical shaft design – expected to be completed in October 2017;
- Surface geotechnical and hydrogeological campaign to produce design parameters for the process plant, buildings, roads and infrastructure design – completed;
- A geotechnical laboratory test program to verify geotechnical characteristics for the mine design and to optimise the extraction ratio and, - completed; and
- A hydrological survey to provide input into ground water modelling, used to confirm fresh water abstraction and support the Environmental Social Impact Assessment (“ESIA”) amendment programme – to be completed in October 2017.

Constructability Review

The first constructability review was completed in September 2017 following a detailed in country assessment of all supply and service capabilities. This process allows the project team to consider all construction aspects such as import logistics and transport routing, aggregate supply, fabrication, erection strategy, staffing and accommodation. This early review allows the team to influence design which is expected ultimately to contribute to lower construction costs. The synergies between construction and operational facilities are also incorporated and have identified various capex reduction opportunities.

Environmental and Social Impact Assessment

The terms of reference for the Kola ESIA were submitted to the ROC regulator and baseline studies are ongoing. The program is on schedule to submit the ESIA amendment to the regulators by Q1 2018.



Work streams initiated with RoC authorities

The Company has received preliminary authorisation for the use of the revised proposed transshipment zone. The Company has commenced the Resettlement Action Plan (“RAP”) in support of the Declaration d’Utilité (“DUP”) process on both project land take areas. Memoranda of understanding are being finalised with utility providers of power and gas with a view to reach supply agreements by the end of 2017.

- ENDS -

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About VINCI GROUP - www.vinci-construction.com/en/group

A French concessions and construction company founded in 1899 as Société Générale d’Enterprises. It employs over 185,000 people and is the largest construction company in the world by revenue. Vinci is listed at Euronext's Paris stock exchange and is a member of the CAC 40 index. Its head office is in Paris. They have an extensive track-record in terms of all types of construction covering all aspects of the mine life cycle, including areas such as, mine access, water management, pipelines, energy, pits, tunnels, galleries and underground works, civil works, roadways and railway infrastructure, earthworks, jetties, quays and exploration to name a few.

Sogea Satom (www.sogea-satom.com) a wholly owned subsidiary of Vinci Group has been active in Africa for more than 90 years, operates in over 20 African countries employing in excess of 15,000 people, making it the foremost construction company in Africa with a definitive understanding of political climate and cultural nuances associated with working on the continent. Sogea Satom has operated in the Republic of Congo since 1963.

Total annual revenues for Vinci Group stand at more than €38.7 billion annually.



About TECHNIPFMC – www.TechnipFMC.com

TechnipFMC is a global leader in subsea, onshore/offshore, and surface projects. With their proprietary technologies and production systems, integrated expertise, and comprehensive solutions, they are transforming their clients' project economics. They are uniquely positioned to deliver greater efficiency across project lifecycles from concept to project delivery and beyond. Through innovative technologies and improved efficiencies, their offering unlocks new possibilities for their clients in developing their resources. Each of their 44,000 employees is driven by a steady commitment to clients and a culture of purposeful innovation, challenging industry conventions, and rethinking how the best results are achieved.

About EGIS GROUP - www.egis-group.com

Egis, a subsidiary of the French "Caisse des Dépôts" and "Iosis Partenaires" (shareholding by executive partners and employees) on a 75%-25% basis, is a consulting and engineering group working in the fields of construction for transport, urban development, buildings, industry, water, the environment and energy. The group is also involved in project financing, tolling, road and airport operations. The new group results from the merger, on 1 January 2011, of Egis, a leader in infrastructure engineering and Iosis, a French leader in construction and civil nuclear engineering. Egis provides engineering services in the field of urban development, from buildings to transport infrastructure: hospitals, tertiary buildings, stadiums, museums, stations, airports, tramways; and major transport and civil engineering projects: high-speed railway lines, motorways, port terminals, civil nuclear engineering, etc.; as well as sectors such as water, the environment and landscaping. Egis has been present in the Republic of Congo since 2009.

Total annual revenues stand at more than €1 billion per year.

About LOUIS DREYFUS ARMATEURS - www.lda.fr/home-139

Louis Dreyfus Armateurs Group a family owned business founded in 1851 is a French company involved in maritime transportation and services offering a worldwide presence with around 1,600 seagoing and office-based personnel. Able to offer its dry bulk chain customers a full range of services, LDA is a leading global player in transport and logistics. As an inventive port operator, LDA Group is a valued partner for logistics innovation worldwide. Thanks to strategic diversification conducted since the late 1990s into high added value maritime activities, LDA now also offers its clients tailor-made industrial maritime solutions. LDA is a fully integrated ship-owner, offering all the services from ship design to the maritime operations by its own crewmembers.



About KORE POTASH

Kore Potash (ASX: K2P) is an advanced stage mineral exploration and development company whose primary asset is 97%-owned Sintoukola Potash SA (SP) in the RoC. SP has 100% ownership of the Kola Mining Lease within which the Company's lead project, the Kola Sylvinitic deposit is located. SP also has 100% ownership of the Dougou Mining Lease within which the Dougou Carnallitic Deposit and the Dougou Extension Prospect are situated.

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

The Kola Deposit has a Measured and Indicated Sylvinitic Mineral Resource of 508 Mt grading 35.4 % KCl¹. A Definitive Feasibility Study (DFS) which is underway, being conducted by a consortium of world class engineering and construction companies consisting of Technip FMC, Vinci Construction Grands Projets, Egis International and Louis Dreyfus Armateurs (the "French Consortium"). The DFS contract was signed on 28 February 2017 and the study is scheduled to be completed in Q2 2018.

The Dougou Deposit is 15 km southwest of Kola and is a very large Carnallitic deposit with a Measured and Indicated Potash Mineral Resource of 1.1 billion tonnes grading 20.6% KCl (at a depth of between 400 and 600 metres) hosted by 35-40 metres of Carnallitic within 4 flat-lying seams². A Scoping Study was completed by ERCOSPLAN of Germany in February 2015³. This Study indicated that a low capital cost, low operating cost (Life of Mine operating cost of US\$68 per tonne MoP), and quick to production carnallitic solution mine could be established at Dougou, taking advantage of the deposit quality and availability of low cost energy in the RoC.

The Dougou Extension Prospect (previously referred to as Yangala) lies immediately west of the Dougou Deposit. Exploration drilling has identified an extensive area with Sylvinitic mineralisation⁴.

¹ Announcement dated 6 July 2017: Updated Mineral Resource for the High-Grade Kola Deposit

² Announcement dated 9 February 2015: Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit.

³ Announcement dated 17 February 2015: Results for the Dougou Potash Project Scoping Study

⁴ Announcement dated 11 September 2017: Dougou Extension Prospect Sylvinitic intersections up to 8.8 m thick within a zone of 8 by 5 km, open laterally

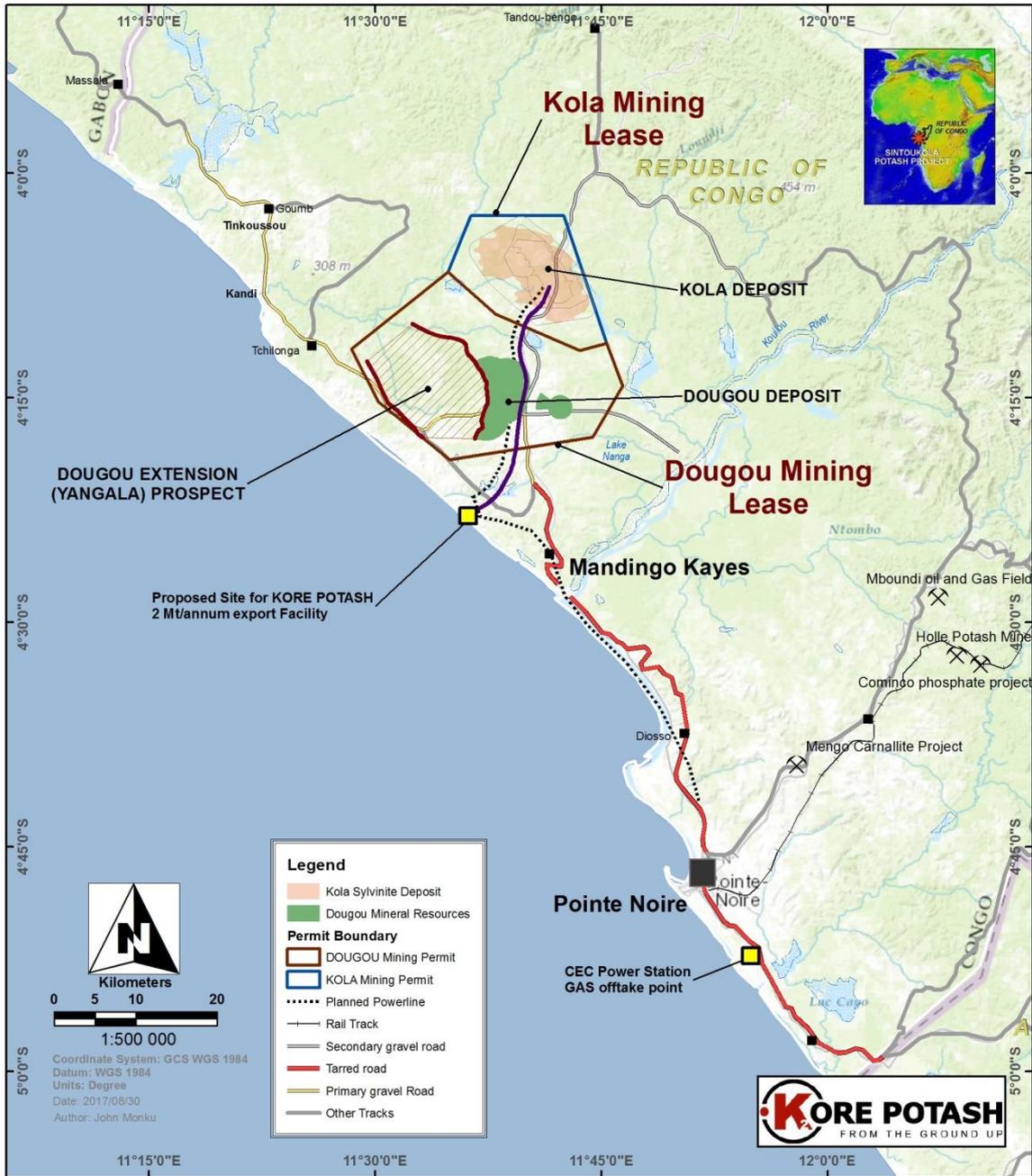


Figure 3. Map showing the location of the Company's projects within the Republic of Congo



Kore Potash's Mineral Resources

| Potash Deposit | Category | Potash Mineral Resources | |
|-------------------------------------|-----------|--------------------------|-------------|
| | | Million Tonnes | Grade KCl % |
| Kola Sylvinite (July 2017) | Measured | 216 | 34.9 |
| | Indicated | 292 | 35.7 |
| | Inferred | 340 | 34.0 |
| Kola Carnallitite (July 2017) | Measured | 341 | 17.4 |
| | Indicated | 441 | 18.7 |
| | Inferred | 1,266 | 18.7 |
| Dougou Carnallitite (February 2015) | Measured | 148 | 20.1 |
| | Indicated | 920 | 20.7 |
| | Inferred | 1,988 | 20.8 |

Notes: The Mineral Resource estimates are reported in accordance with the JORC code 2012 edition. The Kola Mineral Resources were reported on the 6 July 2017, and was prepared by Met-Chem division of DRA Americas Inc., a subsidiary of the DRA Group. Resources are reported at a cut-off grade of 10% KCl. The Dougou Mineral Resource was prepared by ERCOSPLAN Ingenieuresellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN") and reported in the ASX announcement dated 9 February 2015. The form and context of the Competent Person's findings as presented in this document have not materially changed since the resource was first reported. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The Mineral resources are considered to have reasonable expectation for eventual economic extraction using underground mining methods.

Forward-Looking Statements

This announcement 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 announcement regarding the Company's business or proposed business, which are not historical facts, are "forward looking" statements that involve risks and uncertainties, such as resource estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

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



Competent Person Statement

The information relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, and the results of economic studies for the Kola and Dougou Deposits, 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.