



Kore Potash plc
25 Moorgate, London EC2R 6AY
United Kingdom

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE UK VERSION OF THE MARKET ABUSE REGULATION (EU NO. 596/2014) AS IT FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("UK MAR") AND THE SOUTH AFRICAN FINANCIAL MARKETS ACT 19 2012.

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For immediate release

9 April 2020

Kore Potash Plc
("Kore Potash" or the "Company")
Results of Proposed Fundraise

Kore Potash plc, the potash exploration and development company whose flagship asset is the 97%-owned Sintoukola Potash Project ("**Kola**" or the "**Kola Project**"), located within the Republic of Congo ("**RoC**"), is pleased to announce the successful completion of the oversubscribed Proposed Fundraise. A total of 823,475,618¹ New Ordinary Shares will be issued at the Placing Price of 1.1 pence (2.0 Australian cents) for a total value of approximately US\$12.50 million¹.

Shore Capital Stockbrokers ("**Shore Capital**") acted as Sole Bookrunner in the Proposed Fundraise. 180 Markets Pty Ltd coordinated the Australian element of the Proposed Fundraise.

Highlights

- The Company has conditionally raised, in aggregate, approximately US\$12.5 million¹ at a price of 1.1 pence (2.0 Australian cents) per new Ordinary Share (the "**Placing Price**").
- 363,165,226 new Ordinary Shares have been placed with new and existing institutional investors at the Placing Price (the "**Unconditional Placing**"). The New Ordinary Shares proposed to be issued pursuant to the Unconditional Placing will be issued within the Company's existing ASX Listing Rule 7.1 capacity.



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- 195,037,668¹ new Ordinary Shares have been conditionally placed with new and existing institutional investors at the Placing Price (the “**Conditional Placing**”).
- In addition, certain new and existing shareholders have subscribed directly with the Company for a total of 265,272,724¹ new Ordinary Shares at the Placing Price (the “**Subscription Shares**”).
- Harlequin Investments Ltd (a Substantial Shareholder as defined under the AIM Rules, and a Company in which David Stevens is an associate) is participating in the Proposed Fundraise for a total of 65,876,152¹ New Ordinary Shares with a total value of approximately US\$1.0 million.
- David Hathorn, Chairman of Kore, has indicated he is participating in the Proposed Fundraise for a total of 23,056,653 New Ordinary Shares for a total value of approximately \$350,000, his participation in the Subscriptions is to be confirmed once the Company has released its quarterly results for the period ended 31 March 2021.
- Conditionally, in aggregate, a total of 823,475,618¹ New Ordinary Shares will therefore be issued pursuant to the Proposed Fundraise, representing approximately 25.1% per cent of the Enlarged Share Capital.

¹Assumes the completion of the subscription by certain South African investors and the passing of the necessary resolutions to authorise the issue of new Ordinary Shares which will be sought at a general meeting of the Company

Completion of the Conditional Placing and the Subscription are subject to Shareholder approval of certain resolutions (including for the purposes of ASX Listing Rule 7.1 and ASX Listing Rule 10.11) to authorise the issue of new Ordinary Shares, which will be sought at a general meeting of the Company, details of which will be made available in due course. In addition, certain South African investors who fall within the exemptions set out in section 96(1)(a) and/or (b) of the South African Companies Act 71 of 2008 have subscribed for a total of 146,339,919 New Ordinary Shares in the Subscriptions, and this is conditional on South African Reserve Bank approval being in place. Completion of the Proposed Fundraise shall not be subject to SARB Approval which may or may not take place after completion of the Proposed Fundraise. Should SARB approval not be forthcoming then the Company will not be able to accept the funds from South African investors and the gross proceeds of the Proposed Fundraise will be lowered accordingly.

The Placing is not conditional on either receiving SARB approval or the Subscriptions completing. Should SARB approval not be forthcoming and/or the Subscriptions otherwise not complete, the gross proceeds of the Proposed Fundraise will be lowered accordingly.

The Company's two largest shareholders, the Oman Investment Authority ("OIA") and Sociedad Quimica y Minera ("SQM") will be offered the opportunity to subscribe for New Ordinary Shares at the Placing Price, in order to preserve their respective shareholdings in the Company. OIA and SQM have up to 20 business days to inform the Company if they intend to subscribe and such participation would be a related party transaction for the purposes of AIM Rule 13. Any participation by OIA and SQM would be in addition to funds raised via the Proposed Fundraising.

Capitalised terms used in this announcement have the meanings given to them in the announcement made earlier today regarding the Fundraising (the "Fundraising Announcement"), unless the context provides otherwise.



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For the purposes of the Proposed Fundraise, the following exchange rates have been used:

1 GBP = US\$1.38

1 GBP = AUS\$1.82

Circular and notice of general meeting

A circular containing further details of the Proposed Fundraise and notice of a general meeting of the Company to, inter alia, pass the resolutions required to enable the Company to implement the Conditional Placing and the Subscription, is expected to be published and despatched to Shareholders as soon as reasonably practicable. Following its publication, the circular will be available on the Company's website at www.korepotash.com.

Normal trading in the Company's securities on the ASX is expected to resume following the release of this announcement to ASX.

Directors and related parties' participation

Subject to the passing of the Shareholder resolutions and on completion of the Conditional Placing and the Subscription, the following are expected to be the shareholdings of existing significant shareholders who have participated in the Proposed Fundraise:

Shareholder	Number of existing Ordinary Shares	Number of New Ordinary Shares Intended to be Subscribed for in the Proposed Fundraise	Total Number of Ordinary Shares upon completion of the Proposed Fundraise	Percentage of issued share capital as enlarged by the Proposed Fundraise
David Stevens	109,100,000	-	109,100,000	3.33%
Harlequin Investments Ltd	302,575,161	65,876,152	368,451,313	11.25%
David Hathorn	117,372,390	23,056,653	140,430,043	3.33%

As a significant shareholder, Harlequin Investments Ltd's intended participation in the Proposed Fundraise is deemed to be a related party transaction for the purposes of AIM Rule 13. The directors of the Company, having consulted with the Company's nominated adviser, Canaccord Genuity, consider that the terms of Harlequin's participation in the Proposed Fundraise are fair and reasonable insofar as Shareholders are concerned.

As a director, David Hathorn's intended participation in the Proposed Fundraise is deemed to be a related party transaction for the purposes of AIM Rule 13. The directors of the Company, other than David Hathorn, having consulted with the Company's nominated adviser, Canaccord Genuity, consider that the terms of his participation in the Proposed Fundraise are fair and reasonable insofar as Shareholders are concerned.



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Admission and Total Voting Rights

Application will be made to the London Stock Exchange for the 363,165,226 New Ordinary Shares which are being issued pursuant to the Unconditional Placing to be admitted to trading on AIM, the ASX and JSE ("**First Admission**"). It is expected that First Admission will take place at 8.00 a.m. on 14 April 2020.

Following First Admission and the issue of the 363,165,226 New Ordinary Shares, the Company's issued share capital will consist of 2,814,933,399 ordinary shares of US\$0.001. Accordingly, following First Admission the total number of voting rights in the Company will be 2,814,933,399. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

180 Markets Pty Ltd are to be issued 2,000,000 new Ordinary Shares in the Company as part of their fee ("Fee Shares"). Application will also be made to the London Stock Exchange for the 462,310,392 New Ordinary Shares which are being issued pursuant to the Conditional Placing, Subscriptions and issue of the Fee Shares to be admitted to trading on AIM, the ASX and JSE ("**Second Admission**"). It is expected that Second Admission will take place at 8.00 a.m. on 6 May 2020.

Brad Sampson, CEO of Kore Potash, commented:

"This fundraise will allow the Company to deliver our element of the optimisation study to reduce Kola's capital cost following the signing of the non-binding MoU with the Summit Consortium which outlines a roadmap to optimise, fully finance and construct Kola via a mix of debt and royalty financing.

"We are pleased that the financing for Kola is moving forward at a time when we see increasing potash prices and demand for potash remains strong despite challenging times in the global economy, underpinning our belief in continued potash demand growth"

"We are committed to delivering the best possible results for our shareholders, local communities, and all of our stakeholders."

This announcement has been approved by the Board of Kore Potash plc.

End

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Market Abuse Regulation

This announcement is released by Kore Potash plc and contains inside information for the purposes of the UK version of the EU Market Abuse Regulation (EU 596/2014) ("**UK MAR**") and is disclosed in accordance with the Company's obligations under MAR. The person who arranged for the release of this announcement on behalf of Kore Potash plc was Brad Sampson, Chief Executive Officer.

Important Notices

This announcement is for information purposes only and shall not constitute an offer to buy, sell, issue, or subscribe for, or the solicitation of an offer to buy, sell, issue, or subscribe for any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

The distribution of this announcement and the offering of the new Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or Shore Capital that would permit an offering of such shares or possession or distribution of this announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company and Shore Capital to inform themselves about, and to observe such restrictions.

This announcement does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an



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offer to subscribe for or buy any Ordinary Shares or other securities of the Company to any person in Australia. This announcement is not, and does not purport to be, a document containing disclosures to investors for the purposes of Part 6D.2 of the Australian Corporations Act 2001 (Cth) and will not be filed with and has not been reviewed or approved by the Australian Securities and Investments Commission.

This announcement contains no "offer to the public" and does not constitute a "registered prospectus" as such expressions are defined in Chapter 4 of the South African Companies Act. This announcement does not constitute a pre-listing statement prepared in accordance with the Johannesburg Stock Exchange Listings Requirements.

This announcement is being issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Canaccord Genuity, Shore Capital, nor any of their affiliates or agents (or any of their respective directors, officers, employees or advisers) for the contents of this announcement, or any other written or oral information made available to or publicly available to any interested party or its advisers, or any other statement made or purported to be made by or on behalf of Canaccord Genuity, Shore Capital or any of their affiliates in connection with the Company or the Proposed Fundraise and any responsibility therefor is expressly disclaimed. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Canaccord Genuity, Shore Capital, or any of their affiliates, agents, directors, officers or employees as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

Forward-looking statements

Certain statements, beliefs and opinions in this announcement are forward-looking, which reflect the Company's or, as appropriate, the Company's directors' current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Except as required by applicable law or regulation, the Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this document.

Target Market Assessment

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"), including its enactment under UK domestic law by virtue of the EUWA ("**UK MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive



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(EU) 2017/593 supplementing MiFID II and UK MiFID II; and (c) local implementing measures (together, the **"MiFID II Product Governance Requirements"**), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process by Shore Capital, which has determined that the Placing Shares are: (i) compatible with an end target market of: (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties (each as defined in MiFID II); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the **"Target Market Assessment"**). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

Further notices

Canaccord Genuity is regulated by the Financial Conduct Authority ("**FCA**"), is acting exclusively for the Company as its nominated adviser for the purpose of the AIM Rules and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of Canaccord Genuity or for providing advice in relation to the matters described in this announcement.

Shore Capital is regulated by the FCA, is acting exclusively for the Company and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of Shore Capital or for providing advice in relation to the matters described in this announcement.

No statement in this announcement is intended to be a profit forecast or estimate, and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.



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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new Ordinary Shares. Any investment decision to buy new Ordinary Shares in the Placing must be made on the basis of the terms and conditions set out in the Appendix to this announcement. The price of Ordinary Shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.