



KORE POTASH – REVIEW OF OPERATIONS

FOR THE QUARTER ENDED 31 MARCH 2017

Perth, Australia – 28 April 2017 – Kore Potash Ltd. (ASX: K2P). ("**Kore Potash**" or "**the Company**") is pleased to provide the following quarterly update on its corporate activities and activities at its Sintoukola Potash Project located in the Republic of Congo ("**RoC**").

HIGHLIGHTS

- The drilling programme at Kola was successful; holes intersected the targeted sylvinite seams of mineable width. EK_49 and EK_51 were exceptional, the former intersecting Hangingwall Seam of 4.06 m thickness grading 58.9% KCl¹, and the latter intersected Upper seam of 4.72 m thickness grading 36.84% KCl and a Lower Seam 5.34 m grading 28.23% KCl². EK_49 supports an area of high grade (55-60% KCl) Hangingwall Seam sylvinite. EK_50 and EK_51 were drilled into areas that did not have Upper or Lower sylvinite modelled previously and so will lead to an increase in the sylvinite resource in those areas.
- The Kola DFS, with a world class consortium of French engineering and construction companies commenced on the 22 February 2017.
- Negotiation of the Mining Convention is now finalized and we understand the draft has been accepted by the Ministry of Mines and Geology. It will be submitted to the Ministry of Finance for formal approval before the draft is then submitted to the Government for approval and signature via Parliamentary approval through a Ratification Law.
- Kore has been verbally informed that the Dougou Mining License application covering the Dougou deposit and the Dougou Extension prospect (previously Yangala) has received Government approval and is awaiting presidential signature. The Dougou Mining License Decree is expected to be signed and gazetted shortly.
- Drilling of hole DX_01 at the Dougou Extension Prospect (previously named Yangala) commenced during March 2017, the first hole of several planned to follow up on some of the best intersections reported globally in potash exploration.

¹ Announcement dated 23 January 2017

² Announcement dated 7 March 2017

CORPORATE ACTIVITIES

Kore negotiated \$5m investment at significant premium AU\$0.25

Kore has closed a \$5m raising at AU\$0.25 from Summit at a significant premium to that initially envisaged as part of the November 2016 strategic investment (A\$0.25 compared to A\$0.20). This reflects the progress the Company has made since the original transaction was concluded on 16 November 2016. These revised terms reflect:

- The financial strength of the Company following the raising of the US\$45m strategic investment in November 2016
- The conclusion of the Kola DFS negotiations with the French Consortium
- The commencement of the Kola DFS
- The successful completion of the drilling at Kola

The Summit revised terms are as follows:

- An equity investment of US\$5m at a share price of A\$0.25
- Summit will receive 5m options at A\$0.30, as per the original transaction

DFS Contract

The contract for delivery of the DFS was signed on the 28 February 2017 between K2P and the French Consortium. The Consortium will deliver the DFS report within 14 months, followed by, no more than 3 months later, a fixed price binding EPC proposal.

Office Location

The Company has now moved its Johannesburg office to the following address:

Ground Floor
Cedarwood House
Ballywood Office Park
33 Ballyclare Drive
Bryanston

Visit to SQM operations

The Board was hosted by SQM at their operations in Salar de Atacama, Chile in order for the Board to fully understand SQM's highly successful potash processes, discuss further areas of co-operation and generally build on an already strong relationship. In addition, SQM have agreed to host the French Consortium later in the year to discuss their experiences in potash production as well as their views on potential areas for project optimisation.

OPERATIONAL ACTIVITIES

Technical Studies

- The Dougou ESIA report, which was submitted in August 2016, has been approved and the related Certificate of Compliance is expected to be issued and signed by the Ministry of Environment shortly.
- The Company completed the appointment of all lead engineers to the Company's project team and mobilized the team to Technip FMC offices in Paris for the "Kick off" meeting on the 22 February. The project kick off was followed by three weeks of intensive alignment meetings to ensure that the project objectives and basis of design are fully incorporated in the DFS.
- The FC team is currently completing project management and engineering procedures for approval by the Company.
- Various trade off studies are being conducted to complete the project definition. These studies are expected to be completed before the end of June 2017.
- Confirmatory metallurgical process test work is underway at SRC in Saskatchewan and is expected to be completed in three months.
- Mobilization of field teams have started to complete geotechnical and hydrogeological field work to support the project development and shaft sinking design.
- RSK has been appointed to undertake the IFC-compliant Resettlement Action Plan (RAP) for the Kola project area and infrastructure footprint. This work stream will be initiated as soon as the project definition has been completed and will follow the DFS and ESIA processes.

ROC Regulatory Requirements

- The Company submitted the Mining Permit application for the Dougou area to the Ministry of Mines on 17 May 2016. The Company has been verbally informed that the application was recently approved by the Government and the formal signature and issuance of the related Decree is expected shortly.
- The Company submitted its draft mining convention on 4 October 2016, which governs both the Kola and the future Dougou mining licenses. The inter-ministerial committee in charge of the negotiation of the Mining Convention met with the Company and its advisors from 29 November to 1 December 2016 and the outcome was that the committee has favourably accepted the main terms and conditions of the Mining Convention as submitted by the Company. The Company was requested to provide further details regarding the economic model to the Ministry of Finance. The Company has now got final confirmation from the Ministry of Mines and Geology on the finalized terms and conditions of the Mining Convention as negotiated and final confirmation from the Ministry of Finance is expected shortly. The Mining Convention as approved by the Ministry of Mines and Geology and once approved by the Ministry of Finance, will then be submitted for the Government's approval. Upon Government approval, the Mining Convention will be submitted to the Parliament for ratification into law.

- A new land Commission, composed of RoC and Company Representatives, has been set up by the Ministry of Land Affairs in order to finalize the Company's exclusive use of the Project areas and service corridor land take. Upon completion of the project definition by the FC in June 2017, the Company will further advise the Ministry of Land Affairs of (i) the final Project surface areas, as already secured by Ministerial Decision n°125 of Public Interest dated 4 February 2013, for which the validity has been extended to August 2018 and (ii) the service corridor location to be secured through a new Ministerial Decision of Public Interest. RSK representatives will attend the land Commission operations, as witness, ensuring a fully IFC compliant resettlement action plan.
- The Company submitted a new exploration license application on 4 October 2016, named Sintoukola 2 (see Figure 1). This claim covers a surface area of 293.27 km² adjacent to the North-West border of the Dougou Mining License area. The Company has got verbal confirmation that the application has been approved by the Ministry of Mines and Geology and is being submitted to the Prime Minister office and Government for final approval. Through this application, the Company anticipated the expiry of the initial Sintoukola Exploration License which will take place upon the Gazette of the Dougou Mining License Decree.



Figure 1. Map showing the location of the new Sintoukola 2 Exploration License application

Field Work and Exploration Activity

KOLA SYLVINITE PROJECT

- On 7 March 2017, the Company announced the successful completion of the three planned drill holes at its Kola potash project that were aimed at expanding and adding confidence to the Kola resource for the DFS.
 - EK_49, the first additional hole at Kola, intersected 4.04 metres of sylvinite grading 58.9% KCl, hosted by the Hangingwall sylvinite Seam, from a depth of 255.85m. This intersection is 830m southwest of hole EK_13, drilled in 2010, which also intersected sylvinite Hangingwall Seam (3.73m grading 54.41% KCl from a depth of 258.74m) and supports the continuity of the seam in this area.
 - EK_50 and EK_51 both intersected sylvinite. The latter was particularly successful as it intersected sylvinite of both Upper and Lower Seam (Table 1). A fourth 'extra' hole (EK_52) was drilled to test a peripheral area for sylvinite in the Hangingwall Seam. The hole intersected the seam but it is of carnallite rather than sylvinite. Consideration is being given to completing additional seismic surveys of the area as a precursor to follow-up drilling.

Table 1. Intersections in all recent Kola drill-holes, all previously reported.

Drillhole	Depth from m	Depth to m	true thickness m	Seam	grade K ₂ O%	grade KCl%
EK_49 ¹	255.85	259.91	4.06	HWS	37.19	58.90
EK_50	252.57	254.43	1.86	US	17.01	26.94
EK_51	267.45	272.35	4.72	US	23.26	36.84
EK_51	276.1	281.63	5.34	LS	17.83	28.23
EK_52	no sylvinite					

- EK_50 and EK_51 were drilled in areas of resource where currently no sylvinite is interpreted in the 2012 resource model and so the results have the potential to positively impact on the Kola Resource which is currently being updated and expected to be complete during Q2 2017.

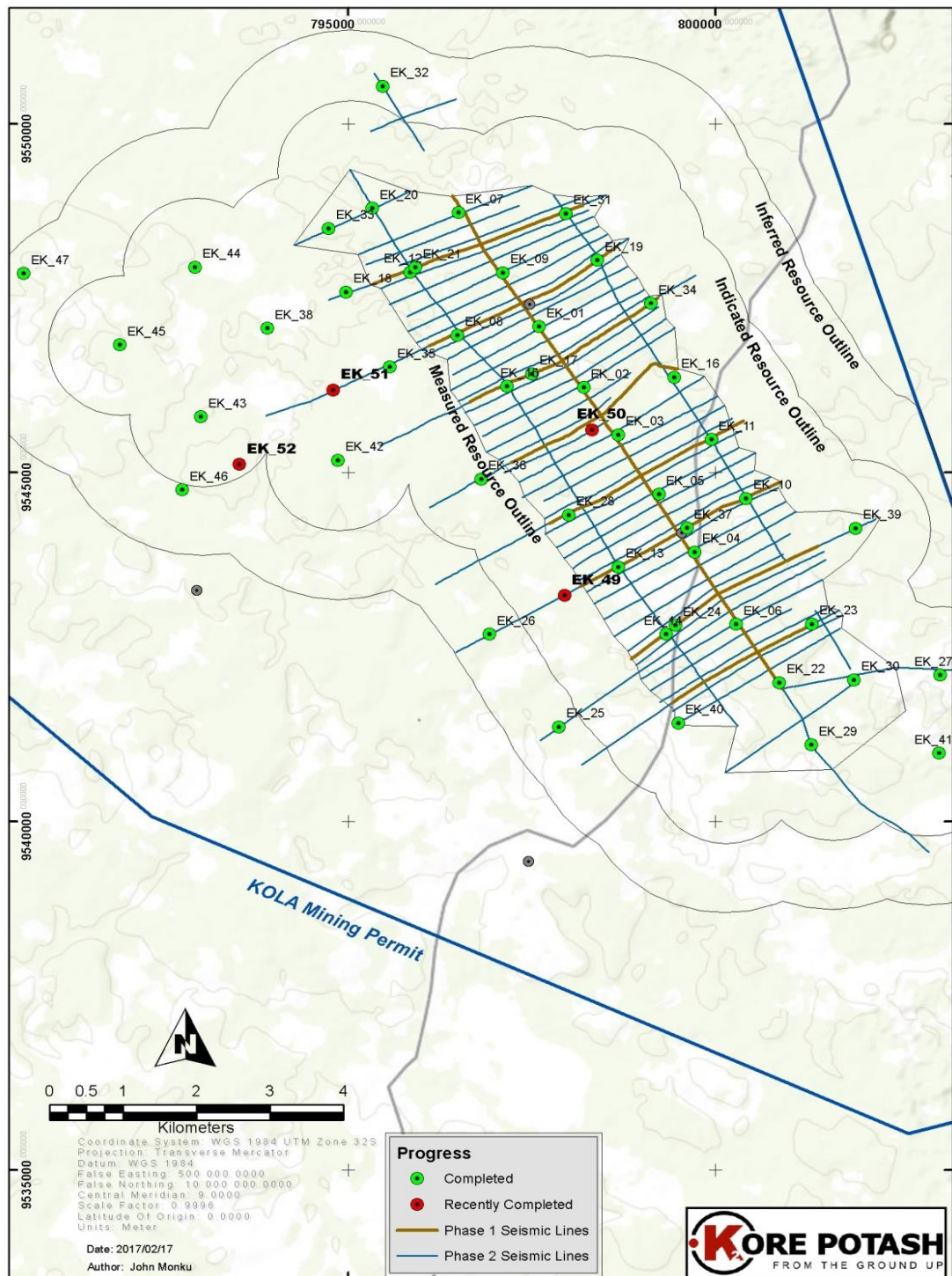


Figure 2. Map showing the position of all Kola holes highlighting those drilled recently

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

- Drilling of DX_01 commenced during March 2017 and is in progress. This is the first of several holes to follow up on two holes the Company drilled previously; ED_01 drilled in 2012 contained 4.47 meters grading 57.66% KCl from a depth of 421.93. ED_03 drilled in 2014, returned 59.48% KCl over a thickness of 4.21 meters, from a depth of 398.95 meters. In both the potash seam is close to horizontal and is comprised entirely of sylvinite.
- Sites for drillholes DX_02 and DX_03 are ready (Fig. 3). Holes are widely spaced to test a significant strike length of the Prospect and are positioned on historic (oil industry) seismic lines that have been interpreted by the Company. The modelled depth to the HWS is between 400 and 500 meters.

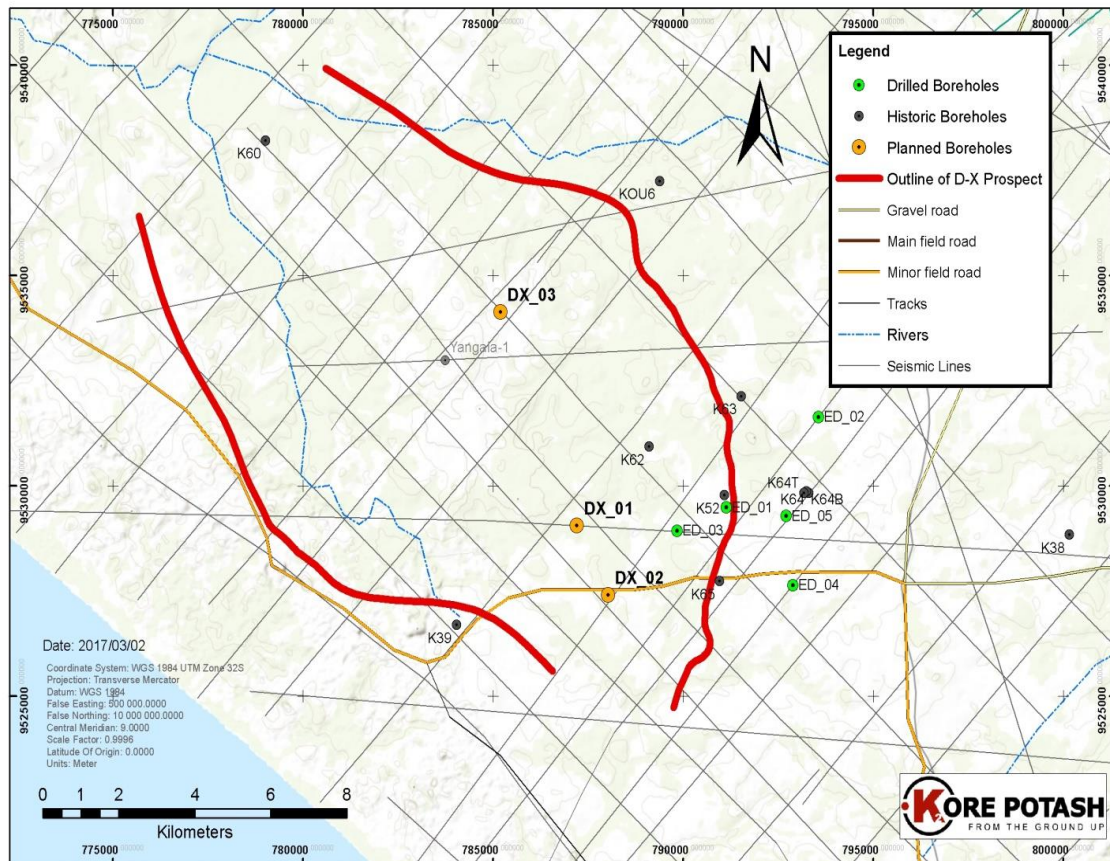


Figure 3. Map showing the position of planned holes DX01 to DX_03 at the Dougou Extension Prospect

About Kore Potash's Projects

Kore Potash (ASX: K2P) is an advanced stage mineral exploration and development company whose primary asset is 97%-owned Sintoukola Potash SARL (SP) in the RoC. The Company has three projects at varying development stages: SP has 100% ownership of the Kola Mining Lease within which the Company's lead project, the Kola deposit is located. SP also has 100% ownership of the 1067 km² Sintoukola Exploration Permit which contains the Dougou deposit and Dougou Extension Prospect (previously referred to as Yangala).

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

Kola is a large sylvinitic deposit, for which a Pre-Feasibility Study (PFS) defined Proven and Probable Reserves of 152 Mt of sylvinitic ore³ with an average grade of 31.7% KCl to be mined by conventional underground methods (at a depth of between 200 and 300 m), for a full-scale production of 2 Mtpa Muriate of Potash (MoP) by 2022. A Mining License and ESIA approval for Kola were granted in August 2013⁴.

The Dougou Deposit is 15 km southwest of Kola and is a very large carnallite 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 carnallite within 4 flat-lying seams⁵. A Scoping Study was completed by ERCOSPLAN of Germany in February 2015⁶. This Study indicates that a low capital cost, low operating cost (Life of Mine operating cost of US\$68 per tonne MOP), quick to production carnallite⁷ solution mine can be established at Dougou, taking advantage of the deposit quality and availability of cheap energy in the RoC.

The Dougou Extension Prospect (previously referred to as Yangala) lies immediately west of Dougou. Here the Company has drilled two holes, both intersecting a flat-lying layer of thickness 4 to 4.5 metres with a grade of between 57 and 60% KCl. In January 2015, the Company announced an Exploration Target for this prospect of 235 to 470 million tonnes grading between 55 and 60 % KCl.⁸ *(The reader is cautioned that an Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. There is no guarantee that further exploration will lead to the delineation of a Mineral Resource)*

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

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

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

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

⁷ Carnallite: a rock comprising of the potash mineral carnallite (KMgCl₃·6H₂O) and other minerals such as halite (NaCl).

⁸ Announcement dated 27 January 2015: Elemental Minerals Announces an Exploration Target for the High Grade Sylvinitic Hangingwall Seam at the Yangala Prospect

Kore Potash's Mineral Resources and Reserves

Table 1. Kore Potash's Potash Mineral Resources and Reserves. Note Mineral Reserves are not in addition to resources; they are defined from mineral resources by the application of modifying factors.

		Potash Mineral Resources	
Potash Deposit	Category	Million Tonnes	Grade KCl %
Kola Sylvinitite	Measured	264	33.7
	Indicated	309	32.6
	Inferred	475	32.5
	TOTAL	1,048	32.8
Kola Carnallitite	Measured	295	17.8
	Indicated	449	18.7
	Inferred	473	18.8
	TOTAL	1,217	18.5
Dougou Carnallitite	Measured	148	20.1
	Indicated	920	20.7
	Inferred	1,988	20.8
	TOTAL	3,056	20.7
TOTAL MINERAL RESOURCES	Measured	707	24.2
	Indicated	1,678	22.3
	Inferred	2,936	22.3
	TOTAL	5,321	22.6

		Potash Mineral Reserves	
Potash Deposit	Category	Million Tonnes	Grade KCl %
MINERAL RESERVES - KOLA SYLVINITE ONLY	Proven	88	31.7
	Probable	64	31.7
	TOTAL	152	31.7

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 21st 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. The Kola Sylvinitite Mineral Reserves were determined by SRK Consulting and described in detail in the report titled 'NI 43-101 Technical Report for the Sintoukola Potash Project, Republic of Congo' dated 17 September 2012. Mineral Reserves have not changed since that date. Mineral Reserves are not in addition to Mineral Resources but are determined from Mineral Resources by the application of modifying factors.

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

Contacts:

Sean Bennett	Michael Vaughan
Managing Director	Fivemark Partners (Media enquiries)
Tel: +27 11 469 9140	Tel: +61 422 602 720
sbennett@korepotash.com	michael.vaughan@fivemark.com.au

Johannesburg Office: +27 11 469 9140

www.korepotash.com

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Forward-Looking Statements

This news release contains statements that are "forward-looking". Generally, the words "expect," "potential", "intend," "estimate," "will" and similar expressions identify forward-looking statements. By their very nature and whilst there is a reasonable basis for making such statements regarding the proposed placement described herein; forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, to differ materially from those expressed or implied in any of our forward-looking statements, which are not guarantees of future performance. Statements in this news release regarding the Company's business or proposed business, which are not historical facts, are "forward looking" statements that involve risks and uncertainties, such as resource estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

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

Competent Person Statement

The information relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, and the results of economic studies, is extracted from previous reports, as referred to in footnotes herein, and available to view on the Company's website. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

KORE POTASH LIMITED

ABN

31 108 066 422

Quarter ended ("current quarter")

31 MARCH 2017

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(6,610)	(6,610)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,033)	(1,033)
(e) administration and corporate costs	(801)	(801)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	20	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(8,424)	(8,424)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(4)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(4)	(4)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	42,610	42,610
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(8,424)	(8,424)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	381	381
4.6	Cash and cash equivalents at end of period	34,563	34,563

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1 Bank balances	34,563	42,610
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	34,563	42,610

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$US'000
86
-

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

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$US'000
-
-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$US'000
9.1 Exploration and evaluation	6,065
9.2 Development	-
9.3 Production	-
9.4 Staff costs	953
9.5 Administration and corporate costs	601
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	7,619

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

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Joint Company Secretary

Date: 28 April 2017

Print name: Henko Vos.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.