

**KORE POTASH LIMITED**

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DIRECTORS

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CEO: Sean Bennett
Non-exec Director: Jonathan Trollip
Non-exec Director: Leonard Math
Non-exec Director: Timothy Keating
Non-exec Director: Pablo Altamiras

ISSUED CAPITAL

(As at – 15 June 2017)
765.5m Ordinary Shares
ASX Code: K2P

SIGNING OF MINING CONVENTION ENCOMPASSING KOLA, DOUGOU & DOUGOU EXTENSION

Highlights:

- Mining Convention for Kola, Dougou (including Dougou Extension) signed by the Government of the Republic of Congo and Kore;
- Convention sets out terms and conditions applying to the projects' operations, in particular government undertakings, tax and customs duty exemption and stability;
- Incorporation of specific rights to facilitate project financing;
- Convention applies until the expiry of the mining permits as extended or renewed (25 years +); and,
- Includes settlement of dispute resolution through international arbitration (ICSID or ICC Rules of arbitration).

Perth, Australia 16 June 2017 – Kore Potash Limited (ASX K2P) ('Kore' or the 'Company') is pleased to announce that the Government of the Republic of Congo ("ROC") has approved and signed the mining convention governing the conditions of construction, operation and mine closure of the Kola and Dougou (including Dougou Extension) mining projects.

The terms and conditions of the mining convention include key investment promotion provisions including:

- Initial 10 years corporate tax concession applicable for each mining permit as production capacity is extended (five years zero corporation tax from commercial operations date, another five years at 7.5%);
- On-going corporation tax rate of 15% for the rest of the life of mine;
- Exemption from withholding taxes including interest, dividends and capital gains during the term of the mining convention;
- VAT and import duty exemption (including all subcontractors) during construction;
- The ROC Government will receive a 3% royalty, based on an equivalent to EBITDA.
- The mining convention guarantees that the government will facilitate and support implementation of the project, as defined in the convention, for example in granting the necessary consents to permit export of the final product through the use of a dedicated jetty; and
- The ROC Government will be granted a 10% carried equity interest in the project company.

The mining convention has a term which covers the life of the mining permits including any extension.



The Government of the Republic of Congo has also undertaken to adopt the mining convention as a special law through legislative ratification. This will give Kore stakeholders additional protection for the settlement of dispute resolution through international arbitration.

A copy of the convention is available on Kore's website: www.korepotash.com

Sean Bennett, CEO of Kore, commented:

"We are honoured to have agreed the mining convention with the Government of the Republic of Congo. The agreement is well-balanced and benefits both the Republic of Congo, the Kouilou District and Kore Potash. This is a major achievement for the Company and we would like to thank the Government of the Republic of Congo for its constructive and commercial approach to these discussions."

- ENDS -

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About KORE POTASH

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 456 km² Dougou Mining Lease which contains the Dougou deposit and Dougou Extension Prospect (previously referred to as Yangala).

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 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 ore¹ 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 2013².

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 seams³. A Scoping Study was completed by ERCOSPLAN of Germany in February 2015⁴. 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 carnallite⁵ 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.⁶ *(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)*

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.

¹ NI 43-101 Technical Report. PFS for the Kola Deposit, 17 September 2012 (SRK Consulting)

² Announcement dated 15 August 2013: Elemental Minerals Announces Award of Mining License for the Kola Potash Project.

³ Announcement dated 9 February 2015: Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit.

⁴ Announcement dated 17 February 2015: Results for the Dougou Potash Project Scoping Study

⁵ Carnallite: a rock comprising of the potash mineral carnallite (KMgCl₃·6H₂O) and other minerals such as halite (NaCl).

⁶ Announcement dated 27 January 2015: Elemental Minerals Announces an Exploration Target for the High Grade Sylvinitic Hangingwall Seam at the Yangala Prospect

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



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.