



KORE POTASH LIMITED

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DIRECTORS

Chairman: David Hathorn
CEO: Sean Bennett
Non-Exec Director: Jonathan Trollip
Non-Exec Director: Leonard Math
Non-Exec Director: Timothy Keating
Non-Exec Director: Pablo Altimiras

ISSUED CAPITAL

(As at – 31 Aug 2017)
768.2 m Ordinary Shares
ASX Code: K2P

Kore Potash to redomicile to the United Kingdom

Highlights

- Intention to seek to redomicile the Kore Group in the United Kingdom
- Change to be implemented through a conditional Scheme of Arrangement
- A new UK holding company will be listed on the ASX and intends to seek to list on London's AIM
- Redomiciling has several advantages including the potential for greater fundraising ability and the potential for increased legal protection for the flagship Kola Potash Project

Perth, Australia, 31 August 2017 – Kore Potash Limited (ASX: K2P) ('Kore Ltd' or the 'Company') and together with its subsidiaries, the "**Kore Group**", is pleased to advise that it proposes to redomicile in the United Kingdom in Q4 2017, subject to certain conditions including the receipt of shareholder and regulatory approvals.

The redomiciling of the Company will be undertaken by an Australian Scheme of Arrangement (**Scheme**). Pursuant to the Scheme, the Company's shareholders will exchange existing shares in the Company for shares (held in the form of CHESS Depositary Interests (**CDIs**) in Kore Potash plc (**Kore UK**), a newly incorporated special purpose public limited company established in accordance with the laws of England and Wales for the purpose of the transaction. Kore UK will become the new parent company of the Kore Group and will be listed on the ASX with a future intention to list on London's AIM (see ASX announcement 10 July 2017). The redomicile will not result in any material changes to the Company's assets, management, operations or strategy.

Reasons for the redomicile

Given the Kore Group's current operations and plans to develop its flagship potash development asset, Kola, located in the Republic of Congo, the Kore Board of Directors (**Board**) believes that the redomicile to the United Kingdom will better position the Kore Group to realise its strategic goals and provide several important benefits including:

- Potential for greater access to capital markets and debt providers where there is a strong understanding of large scale projects and, specifically, large scale African resources projects;
- Potential to improve the Kore Group's capital raising ability with an additional public market listing of securities to attract a broader investor base (assuming the AIM listing proceeds);

- Potential for the Kore Group's investments in the Republic of Congo to have the benefit of strengthened legal protection offered by the bilateral investment treaty between the United Kingdom and the Republic of Congo; and
- Better reflects the location of Kore Group's assets and the growing international focus of its shareholder base.

Key features of the redomicile

The redomicile of the Kore Group to the United Kingdom will be undertaken by way of an Australian Scheme of Arrangement between the Company and its shareholders, involving Kore UK as the proposed acquirer and new parent company of the Kore Group. Upon the Scheme becoming effective:

- Each shareholder of the Company will receive one Kore UK CDI for every one share held in the Company and shareholders of the Company will own approximately 100% of the Kore UK CDIs in the same percentage as their existing holdings;
- Kore UK will become the holder of all the issued shares in the Company;
- The Company will be delisted from the ASX and will become a wholly-owned subsidiary of Kore Potash UK; and
- In connection with the Scheme, Kore UK will list on the ASX and Kore UK CDI holders will be able to trade their CDIs on the ASX.
- As stated above, the redomicile will not result in any material changes to the Company's assets, management, operations or strategy.

The Scheme is conditional upon, amongst other conditions, the approval of Kore shareholders and the Federal Court of Australia.

The Board has engaged an independent expert to assess if the Scheme is in the best interest of shareholders. The Independent Expert Report and notices for the Scheme meetings will form part of the Scheme Booklet. Detailed information regarding the Scheme will also be included and shareholders are encouraged to read the Scheme Booklet carefully.

Indicative timetable

It is expected that the Scheme Booklet will be lodged with the Australian Securities and Investments Commission in the coming days and sent to shareholders in September 2017 with the shareholder meeting to approve the Scheme to be held in late October 2017. Assuming approval of the Scheme, the Kore Group will redomicile to the United Kingdom by the end of 2017. The Scheme Booklet will outline the full details of the proposed transaction and the Scheme process, as well as the independent expert's conclusions. It should be noted the dates set out in this announcement are indicative dates and are subject to change.

Sean Bennett CEO commented: "This is the first step in preparing Kore for its large construction fund raise to support the development of the Kola Potash Project. Redomiciling the Company and dual listing on the ASX and as previously announced, potentially AIM is expected to increase liquidity and better position the Company to access a larger pool of capital."

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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 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 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 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 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).*

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

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 Deposit	Category	Potash Mineral Resources	
		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 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 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.



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, 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.