



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

10 November 2021

Kore Potash Plc
("Kore Potash" or the "Company")

Kola Optimisation Study Interim Report

Kore Potash, the potash development company with 97%-ownership of the Kola and DX Potash Projects in the Sintoukola Basin, located within the Republic of Congo ("RoC"), is pleased to report the receipt of the Interim Report ("**Interim Report**") for the Optimisation Study ("**Study**") on the Kola Potash Project ("**Kola**") from the Summit Consortium ("**Consortium**").

Highlights:

- Kola Optimisation Study on track for successful completion in Q1 2022.
- 53 capital cost reduction opportunities considered to date.
- Further capital reduction opportunities will be reviewed prior to completion of the Study.
- The Consortium has reconfirmed it remains on track to present a financing proposal for the full Kola construction costs in the first half of 2022.

Brad Sampson, Chief Executive Officer of Kore Potash, commented:

"We are pleased at the quantum of potential capital cost saving initiatives being identified in the Interim Report, and that the process to finance Kola remains on track. We will review the interim information and proposed changes to the Kola design while the Consortium continue the Study. There are additional capital cost reduction opportunities for the Consortium to consider over the next few months, and we look forward to delivery of the full Study report in early 2022."

Optimisation Study

On 6th of April 2021, Kore Potash announced the signing of a Memorandum of Understanding ("**MoU**") with the Consortium for the full financing of the construction of Kola. The agreed process included the Consortium completing an Optimisation Study on Kola, and on completion of a successful Study, providing an Engineering, Procurement and Construction ("**EPC**") contract proposal along with a potential royalty and debt financing proposal for the full construction costs of Kola.

The Study is being undertaken by the key engineering and construction partner of the Consortium, SEPCO Electric Power Construction Corporation ("**SEPCO**") and has key goals to add value to Kola through reducing the capital cost of Kola with a target of less than US\$1.65 billion and shortening the construction schedule with a target of 40 months.

The Consortium has reported that the Study is on track for completion and presentation to the Company in Q1 2022.



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Interim Report for the Optimisation Study on the Kola Potash Project

The Consortium has presented a set of documents that collectively form the Interim Report on the Study to the Company.

The Interim Report has been provided following their review of the Definitive Feasibility Study (DFS) of the Kola Potash project as released in our announcement dated 29 January 2019 entitled “Kola Definitive Feasibility Study”. The Interim Report details the identified optimisation opportunities and confirms the progress they have made to date towards reducing the capital cost of Kola.

The Interim Report details optimisation opportunities that should substantially reduce the capital cost of Kola compared to the DFS capital cost once implemented. The potential capital cost reduction opportunities cover mining, mineral processing, infrastructure, utilities, and indirect cost areas of Kola.

To this point in the study, 53 capital cost reduction initiatives have been identified of which 45 have been incorporated into the optimisation of Kola. The remaining initiatives will be further considered over the next few months leading to completion of the Study.

The 53 capital reduction initiatives identified to date are focused on the following areas:

- Potential relocation of the processing plant site closer to the Mine site.
- Mining: 2 initiatives related to alternate sourcing of major equipment and construction materials.
- Processing: 8 initiatives related to the optimisation of processing layouts, major equipment selection and sourcing.
- Processing wet area: 21 initiatives related to the process design and major equipment selection.
- Processing dry areas: 12 initiatives related to the muriate of potash product produced, processing reagent management and MoP product storage.
- Infrastructure: 3 initiatives related to road design and construction and run of mine overland conveyor belt and product conveyor belt optimisations.
- Utilities: 6 initiatives related to electrical transmission, instrumentation designs and laboratory area cost reductions.

The potential for cost reductions in the marine area has not yet been assessed and there will be focus on this area during the next few months.

In the period leading up to the completion of the Study the remaining optimisation ideas will be assessed along with opportunities to shorten the construction schedule.

On completion of a successful Study the Consortium have agreed to provide the Company with an EPC contract proposal with capital cost that reflects the capital cost achieved in the completed Study.

There is a large amount of information that collectively constitutes the Interim Report, and the Company is undertaking a detailed review of all the information and proposed design changes presented to it by the Consortium. The Company’s review of this Interim Report is expected to take some weeks to complete and will not impact the timing of completion of the Study in 2022.



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Financing Process

The MoU provides for the Consortium to present a royalty and debt financing proposal for the full construction cost of Kola, and an EPC contract proposal to the Company following completion of the Study.

In conjunction with the Interim Report, the Consortium has advised the Company that it is pleased with the progress to date on the Study, and that it remains on track to provide the EPC proposal and the full financing proposal to the Company in the first half of 2022 following completion of a successful Study.

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

ENDS

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Forward-Looking Statements

This release contains certain statements that are "forward-looking" with respect to the financial condition, results of operations, projects and business of the Company and certain plans and objectives of the management of the Company. Forward-looking statements include those containing words such as: "anticipate", "believe", "expect," "forecast", "potential", "intends," "estimate," "will", "plan", "could", "may", "project", "target", "likely" and similar expressions identify forward-looking statements. By their very nature forward-looking statements are subject to known and unknown risks and uncertainties and other factors which are subject to change without notice and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct, which may cause the Company's 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. Neither the Company, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur. Except as required by law, and only to the extent so required, none of the Company, its subsidiaries or its or their directors, officers, employees, advisors or agents or any other person shall in any way be liable to any person or body for any loss, claim, demand, damages, costs or expenses of whatever nature arising in any way out of, or in connection with, the information contained in this document.