



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

22 April 2022

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

Review of Operations for the Quarter ended 31 March 2022

Kore Potash (AIM: KP2, ASX: KP2, JSE:KP2), the potash development company with 97%-ownership of the Kola and DX Potash Projects in the Sintoukola Basin, located in the Republic of Congo ("**RoC**"), provides the following quarterly update for the period ended 31 March 2022 (the "**Quarter**").

Quarterly Highlights:

Kola Potash Project

- The process to potentially finance the construction of the Kola Potash Project ("**Kola**" or the "**Kola Project**") progressed in line with the Memorandum of Understanding ("**MoU**") signed with the Summit Consortium ("**Consortium**") in April 2021.
- Receipt of the Optimisation Study ("**Study**") on the Kola Project was announced to shareholders on 1 April 2022; this completes the Consortium's work on the Study.
- The Company has commenced its detailed review of the Study and intends to provide a further update as soon as the review is completed, and the results are in an acceptable format for public disclosure.
- The Consortium has advised that it expects to submit an Engineering, Procurement and Construction contract ("**EPC**") proposal for the construction of Kola based on the outcomes of the Study within the next two months.
- The Consortium has advised that it expected to provide the financing proposal for the construction of Kola following Kore Potash's receipt of the EPC proposal and agreement on EPC terms.

Corporate Highlights

- On 1 January 2022, SP Angel Corporate Finance LLP was appointed the Company's Nominated Adviser and Joint Broker.
- On 31 March 2022, the Company released its Financial Results and Annual Report for the Year Ended 31 December 2021.
- As of 31 March 2022, the Company held US\$ 9.4 million in cash.

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

"Recent global events have heightened concerns for food security and continuity of supply of fertiliser to feed the world's growing population. The dramatic increase in the potash price reinforces the need for the development of new low cost potash production from high quality potash deposits, located close to customers such as our projects in the Sintoukola basin. The progress towards financing our Kola Project is exciting and we look forward to receiving the financing proposal later this year."

Operational activities

Kola Potash Project

The financing process for the construction of the Kola Project progressed in line with the MoU signed with the Consortium in April 2021.

Optimisation Study (“Study”)

The Consortium’s first key milestone in the MoU was to complete the Study on the Kola Project to improve the Kola Project value, reduce the capital cost and shorten the construction schedule. The Study, which represented the first part of the financing process, was undertaken by SEPCO Electric Power Construction Corporation (“**SEPCO**”), the engineering and construction partner of the Consortium.

The Study was provided following the Consortium’s review of the Definitive Feasibility Study (“**DFS**”) of the Kola Project as released in our announcement dated 29 January 2019 entitled “Kola Definitive Feasibility Study” and their investigation of a number of improvement opportunities.

There is a large amount of information that collectively constitutes the Study. The Company has commenced a detailed review of the Study and the proposed Kola design changes presented by the Consortium. This review is expected to take some weeks and is not expected to impact the timing of the EPC and financing proposals being prepared for presentation to the Company.

As soon as the Company has completed its review and has the results available for public disclosure in a format acceptable to its market regulators, it will announce the results of the review to the market.

With the delivery of the Study, the Consortium’s work on the optimisation of Kola has now concluded, and its attention is focused on finalisation of the EPC proposal.

Kola EPC

To facilitate the earliest possible receipt of a construction proposal from the Consortium, the Company has engaged with the Consortium to agree to EPC contract terms consistent with the 2017 2nd edition Fédération Internationale des Ingénieurs-Conseils Silver book and appropriate for the construction of Kola during the Quarter.

The Consortium has also advised that it remains on track to present an EPC proposal for the construction of Kola to the Company within two months of the receipt of the Study.

Kola Financing

The Study and the EPC proposal are two key milestones committed to in the MoU the Company signed with the Consortium in April 2021. The Study confirms the total capital required to construct Kola and the construction timeframe. This is important information the Consortium required to present the financing proposal to the Company.

The Consortium has agreed to present the financing proposal for the full construction costs of the Kola Project to the Company following Kore Potash’s receipt of the EPC proposal and agreement on EPC terms.

Kore Potash’s management has continued twice-weekly meetings with the Consortium to remain briefed on the Consortium’s progress towards forming its debt and royalty financing proposal. The



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Consortium has also continued to keep the Company informed on its level of Muriate of Potash product offtake interest.

Other Kola matters

Separate from the Consortium's activity, Kore Potash's management team also continued discussions with potential offtake partners with the capability to procure all the Kola production and who have expressed interest in partnering with the Company.

DX Potash Project

Following the completion of the drilling at the DX Potash Project ("**DX Project**") by the Company earlier in 2021, the Company's geological consultants developed an updated geological model for the DX deposit.

This new model, completed in 2021, incorporated all information from the latest drilling programme. It improves confidence in the geological modelling of the DX deposit and improves the Company's understanding of the Sylvinitic / Carnallite boundaries in the Top Seams and Hanging wall seams.

There has been no update of the DX Mineral Resources or Ore Reserves.

The Company's focus during the Quarter has been on the Kola Project. The Company is still assessing the most appropriate next steps for developing the DX deposit and associated pricing and intends to update shareholders further once these steps have been confirmed.

Corporate

On 31 December 2021, the Company announced it had appointed SP Angel Corporate Finance LLP as the Company's Nominated Adviser and Joint Broker effective from 1 January 2022. Shore Capital continues to work with the Company as Joint Broker.

On 31 March 2022, the Company released its Financial Results and Annual Report for the Year Ended 31 December 2021 to the market.

As at 31 March 2022, the Company held US\$ 9.4 million in cash.

There were no mining production or construction activities during the Quarter.

Quarterly cashflow report

In accordance with the ASX Listing Rules, the Company will also lodge its cashflow report for the Quarter today. Included in those cashflows are non-executive directors' fees and the CEO's salary of US\$ 198,000 settled in cash.

The Company invested US\$ 1,245,000 in exploration in the Quarter, which comprised US\$ 1,208,000 related to the Kola Study and US\$ 37,000 for the DX DFS Study. The Company ended the Quarter with US\$ 9.4 million in cash.

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

Market Abuse Regulation

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

ENDS

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Tenement Details and Ownership

The Company is incorporated and registered in England and Wales and wholly owns Kore Potash Limited of Australia. Kore Potash Limited has a 97% shareholding in Sintoukola Potash SA (“**SPSA**”) in the RoC. SPSA has 100% ownership of Kola Potash Mining SA (“**KPM**”). KPM has 100% ownership of the Kola Mining Lease on which the Kola Deposit is situated. The Kola Deposit is located within the Kola Mining Lease. SPSA is also the 100% owner of the Dougou Mining Lease. The Dougou Mining lease hosts the Dougou Deposit and the Dougou Extension (“**DX**”) Deposit.

Under the existing Mining Convention, the Government of the Congo is entitled to 10% ownership in the Kola and Dougou projects. The transfer of this 10% awaits instructions from the Government and the Mineral Resources and Ore Reserves are shown below in gross and 90% attributable bases

Table 1: Schedule of mining tenements (Republic of Congo)

Project & Type	Tenement Issued	Company Interest	Title Registered to
Kola Mining	Decree 2013-412 of 9 August 2013	100% potassium rights only	Kola Potash Mining S.A.
Dougou Mining	Decree 2017-139 of 9 May 2017 Revised Decree No 2021-389 of 2 August 2021	100% potassium rights only	Sintoukola Potash S.A.

Kore Potash Mineral Resources and Ore Reserves - Gross and according to future 90% interest (10% by the RoC government)

KOLA SYLVINITE DEPOSIT						
	Gross			Net Attributable (90% interest)		
Mineral Resource Category	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes
Measured	216	34.9	75.4	194	34.9	67.8
Indicated	292	35.7	104.3	263	35.7	93.9
Sub-Total Measured + Indicated	508	35.4	179.7	457	35.4	161.7
Inferred	340	34.0	115.7	306	34.0	104.1
TOTAL	848	34.8	295.4	763	34.8	265.8

	Gross			Net Attributable (90% interest)		
Ore Reserve Category	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes
Proved	62	32.1	19.8	56	32.1	17.9
Probable	91	32.8	29.7	82	32.8	26.7
TOTAL	152	32.5	49.5	137	32.5	44.6

Ore Reserves are not in addition to Mineral Resources but are derived from them by the application of modifying factors

DOUGOU EXTENSION SYLVINITE DEPOSIT (HWSS and TSS)						
	Gross			Net Attributable (90% interest)		
Mineral Resource Category	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes
Measured	-	-	-	-	-	-
Indicated	79	39.1	30.8	71	39.1	27.7
Sub-Total Measured + Indicated	79	39.1	30.8	71	39.1	27.7
Inferred	66	40.4	26.7	59	40.4	24.0
TOTAL	145	39.7	57.5	130	39.7	51.8



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Ore Reserve Category	Gross			Net Attributable (90% interest)		
	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes	Sylvinite Million Tonnes	Average Grade KCl %	Contained KCl million tonnes
Proved	-	-	-	-	-	-
Probable	17.7	41.7	7.4	16	41.7	6.6
TOTAL	17.7	41.7	7.4	16	41.7	6.6

Ore Reserves are not in addition to Mineral Resources but are derived from them by the application of modifying factors

DOUGOU CARNALLITE DEPOSIT						
Mineral Resource Category	Gross			Net Attributable (90% interest)		
	Million Tonnes carnallite	Average Grade KCl %	Contained KCl million tonnes	Million Tonnes carnallite	Average Grade KCl %	Contained KCl million tonnes
Measured	148	20.1	29.7	133	20.1	26.8
Indicated	920	20.7	190.4	828	20.7	171.4
Sub-Total Measured + Indicated	1,068	20.6	220.2	961	20.6	198.2
Inferred	1,988	20.8	413.5	1789	20.8	372.2
TOTAL	3,056	20.7	633.7	2750	20.7	570.3

KOLA CARNALLITE DEPOSIT						
Mineral Resource Category	Gross			Net Attributable (90% interest)		
	Million Tonnes carnallite	Average Grade KCl %	Contained KCl million tonnes	Million Tonnes carnallite	Average Grade KCl %	Contained KCl million tonnes
Measured	341	17.4	59.4	307	17.4	53.5
Indicated	441	18.7	82.6	397	18.7	74.4
Sub-Total Measured + Indicated	783	18.1	142.0	705	18.1	127.8
Inferred	1,266	18.7	236.4	1140	18.7	212.8
TOTAL	2,049	18.5	378.5	1844	18.5	340.6

Competent Persons Statements

All Mineral Resource and Ore Reserves are reported in accordance with the JORC Code (2012 edition). Numbers are rounded to the appropriate decimal place. Rounding 'errors' may be reflected in the "totals".

The Kola Mineral Resource Estimate was reported 6 July 2017 in an announcement titled 'Updated Mineral Resource for the High -Grade Kola Deposit'. It was prepared by Competent Person Mr. Garth Kirkham, P.Geo., of Met-Chem division of DRA Americas Inc., a subsidiary of the DRA Group, and a member of the Association of Professional Engineers and Geoscientists of British Columbia. The Ore Reserve Estimate for sylvinites at Kola was first reported 29 January 2019 in an announcement titled "Kola Definitive Feasibility Study" and was prepared by Met-Chem; the Competent Person for the estimate was Mr Mo Molavi, member of good standing of Engineers and Geoscientists of British Columbia.

The Dougou carnallite Mineral Resource estimate was reported on 9 February 2015 in an announcement titled 'Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit'. It was prepared by Competent Persons Dr. Sebastiaan van der Klauw and Ms. Jana Neubert, senior geologists and employees of ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH and members of good standing of the European Federation of Geologists.

The Dougou Extension ("DX") sylvinites Mineral Resource Estimate and Ore Reserve Estimate were reported in an announcement titled "Dougou Extension (DX) Project Pre-Feasibility Study" on 13 May 2020. Ms. Vanessa Santos, P.Geo. of Agapito Associates Inc. was the Competent Person, for the Exploration Results and Mineral Resources. Ms. Santos is a licensed professional geologist in South Carolina (Member 2403) and Georgia (Member 1664), USA, and is a registered member (RM) of the Society of Mining, Metallurgy and Exploration, Inc. (SME, Member 04058318). Dr. Michael Hardy was the Competent Person for the Ore Reserves and he is a registered member in good standing (Member #01328850) of Society for Mining, Metallurgy and Exploration (SME) which is an RPO included in a list that is posted on the ASX website from time to time

The Company confirms that, other than the activity currently underway to develop an improved geological model for the DX deposit which may in the future necessitate a change in the DX Mineral Resources, 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 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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Kore Potash Plc

ABN

621 843 614

Quarter ended ("current quarter")

31 March 2022

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 (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(143)	(143)
	(e) administration and corporate costs	(180)	(180)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Intercompany payments	-	-
1.9	Net cash from / (used in) operating activities	(321)	(321)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(1,245)	(1,245)
	(e) investments	-	-
	(f) 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) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	(1,245)	(1,245)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	11,093	11,093
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(321)	(321)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,245)	(1,245)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	(99)	(99)
4.6	Cash and cash equivalents at end of period	9,428	9,428

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	9,428	11,093
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)	9,428	11,093

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$USD'000**

129

69

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end	-	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities		\$US'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(321)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,245)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,566)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	9,428
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	9,428
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	6.02
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	

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.

Date: 22 April 2022

Authorised by: By the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.