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ISSUED CAPITAL

(As at – 19 June 2017)
765.5m Ordinary Shares
ASX Code: K2P

QUARTERLY UPDATE ON THE KOLA DEFINITIVE FEASIBILITY STUDY

Trade Off Study phase identifies significant capital cost savings

Highlights:

- DFS study successfully launched and project teams fully mobilized;
- First three months on schedule and on budget;
- Trade off studies completed, resulting in additional project definition and already identifying optimisation opportunities to save in the order of US\$100 million; and,
- Fieldwork campaigns underway.

Perth, Australia 20 June 2017 – Kore Potash Limited (ASX: K2P) ('Kore' or the 'Company'), the mineral exploration and development company whose flagship asset is the Kola deposit ("Kola" or the "Project"), located in the Company's 97%-owned Sintoukola Potash Project (SP), in the Republic of Congo ("RoC"), is pleased to report on the progress of its Definitive Feasibility Study ("DFS").

The DFS is being conducted by a consortium of world class engineering and construction companies consisting of Technip FMC, Vinci Construction Grands Projets, Egis International and Louis Dreyfus Armateurs (the "French Consortium"). The DFS contract was signed on 28 February 2017 and the study is scheduled to be completed in Q2 2018. The inclusion of a significant amount of Front End Engineering Design ("FEED") work within the DFS scope aims to provide an estimate cost accuracy of +/-10%. The consortium will provide Kore with a Fixed Price and binding Engineering Procurement and Construction ("EPC") proposal for Kola within three months of the completion of the DFS, estimated to be within Q3 2018.

In addition, the French Consortium is contracted to assist Kore with its sourcing of financing, including strategic procurement of equipment, in order to maximise the potential amount of export credit agency opportunities that are available. Kore expects this to be a material part of the overall debt financing package for Kola.

Trade off studies

The first phase of the study, which was conducted in parallel to the Project's set-up, field campaigns and early engineering work, was conducted to analyse trade off studies to explore possible optimisation opportunities and to establish the Project's definition. These studies have been completed and have already identified opportunities resulting in a potential capital expenditure reduction of approximately

US\$100 million. While still too early in the process to be able to have clarity on the ultimate outcome, Management expects to realise further savings, compared to the PFS, in the design process which is now underway given the project is only 7.1% complete (in line with baseline). The study remains on schedule to be completed in Q2 2018.

The outcomes are summarised below:

– Mine access

The study confirmed that a vertical shaft is more cost effective and has a shorter construction time than a decline. This method of access will be further developed within the DFS.

– Overland ore transport

The study confirmed that the installation of an overland conveyor belt would be the lowest risk and a more cost effective solution than a slurry pipeline pumping ore over a distance of 36 kilometres. The conveyor option will be further developed within the DFS.

– Construction approach

This study confirmed that the construction environment does not pose any constraints that would justify large scale off-shore modularisation. It is recommended that a “stick built” approach is implemented, but that smaller modular packages will be incorporated in the design process.

– Transshipment and handling equipment selection

The study, conducted by Louis Dreyfus Armateurs, confirmed the feasibility of transshipment of the Muriate of Potash (“**MoP**”) product, making use of self-propelled barges and a floating crane. This configuration resulted in a reduced jetty length by more than 100m and is well suited for the metocean conditions and will be further developed within the DFS.

– Breakwater design

The study confirmed the need for a breakwater to protect barge loading activities. The breakwater will be constructed using a rubble mound method, which is superior to the caisson structures in terms of capital optimization and construction schedule.

– Brine outfall solution optimisation

The study has successfully optimised the brine outfall solution, allowing for a higher brine concentration to be discharged, leading to significant capital cost savings.

– Electrical and gas supply strategy

The study considered gas and power supply strategies and concluded that the supply of liquefied petroleum gas (“**LPG**”) by trucks provides a feasible start up solution that will reduce initial capital outlay. It was further confirmed that power supply from

the national grid is the preferred option for the Project's long term power requirements compared to self-generation, although other alternatives are still being considered. This configuration will be further developed within the DFS.

– Construction and accommodation camp strategy

The accommodation strategy will consist of two construction camps, one at the Kola mine site and one at the process plant site. The study focussed on the reuse of facilities and confirmed that the main construction camp at the process plant facility will be converted to the permanent accommodation camp delivering significant capital savings.

– Concrete foundations and soil preparation

Various soil improvement technologies were assessed and compared against the Pre-Feasibility Study (“PFS”) approach of using steel piling. The study concluded that soil improvement and shallow foundations would be suitable for the large structures, negating the need for steel piling, which will lead to significant cost savings. This approach will be further developed within the DFS.

Field work campaigns

The following field and test work campaigns have been initiated and are ongoing which will provide input data for the DFS study.

- Shaft geotechnical and hydrogeological campaign to produce design parameters for the vertical shaft design;
- Surface geotechnical and hydrogeological campaign to produce design parameters for the process plant, buildings, roads and infrastructure design;
- Metallurgical test program, conducted by the Saskatchewan Research Council (“SRC”) in Canada, to confirm PFS results and provide design parameters for further process optimisation;
- A geotechnical laboratory test program to verify geotechnical characteristics for the mine design and to optimise the extraction ratio and,
- A hydrological survey to provide input into ground water modelling, used to confirm fresh water abstraction and support the Environmental Social Impact Assessment (“ESIA”) amendment programme.

Decisions made

The study has confirmed the use of conventional shaft sinking method using ground freezing to control water inflows. The locations of the production and ventilation shafts have been confirmed and the run-of-mine (“ROM”) ore hoisting system from the underground mine has been confirmed as a pocket belt vertical conveying system.

At the process plant site, the product storage size and reclamation method have also been confirmed.



Work streams initiated with RoC authorities

The Company has initiated various work streams dedicated at securing the necessary utilities and authorisations based on the final project definition. These works streams focus on securing supply and price agreements for power and gas as well as final authorisation for the finalised transshipment activities.

Project management

The consortium have now mobilized a team of more than 100 people, which are working on the Project on a fulltime basis. The work is supervised and guided by Kore's project team consisting of project managers, lead engineers, estimating lead, environmental consultant and a procurement specialist. In addition, Kore has the support from senior engineers at SQM as well independent specialist reviewers to assist in the process.

Sean Bennett, CEO of Kore, commented:

"I am delighted to report that Kore has achieved a very promising start to the DFS for its lead project, Kola, located in the Republic of Congo. Whilst it is still early in the process, we are pleased that the trade-off studies have already produced significant potential capital expenditure savings. I would like to sincerely thank the French Consortium and all the members of Kore's team and our contractors, who continue to work effectively together. All parties are completely aligned on the requirements to achieve a successful project outcome and I look forward to reporting on our future progress."

- ENDS -

Contacts:

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About VINCI GROUP - www.vinci-construction.com/en/group

A French concessions and construction company founded in 1899 as Société Générale d'Enterprises. It employs over 185,000 people and is the largest construction company in the world by revenue. Vinci is listed at Euronext's Paris stock exchange and is a member of the CAC 40 index. Its head office is in Paris. They have an extensive track-record in terms of all types of construction covering all aspects of the mine life cycle, including areas such as, mine access, water management, pipelines, energy, pits, tunnels, galleries and underground works, civil works, roadways and railway infrastructure, earthworks, jetties, quays and exploration to name a few.



Sogea Satom (www.sogea-satom.com) a wholly owned subsidiary of Vinci Group has been active in Africa for more than 90 years, operates in over 20 African countries employing in excess of 15,000 people, making it the foremost construction company in Africa with a definitive understanding of political climate and cultural nuances associated with working on the continent. Sogea Satom has operated in the Republic of Congo since 1963.

Total annual revenues for Vinci Group stand at more than €38.7 billion.

About TECHNIPFMC - www.technipfmc.com

TechnipFMC is a global leader in subsea, onshore/offshore, and surface projects. With their proprietary technologies and production systems, integrated expertise, and comprehensive solutions, they are transforming their clients' project economics. They are uniquely positioned to deliver greater efficiency across project lifecycles from concept to project delivery and beyond. Through innovative technologies and improved efficiencies, their offering unlocks new possibilities for their clients in developing their resources. Each of their 44,000 employees is driven by a steady commitment to clients and a culture of purposeful innovation, challenging industry conventions, and rethinking how the best results are achieved.

About EGIS GROUP - www.egis-group.com

Egis, a subsidiary of the French "Caisse des Dépôts" and "Iosis Partenaires" (shareholding by executive partners and employees) on a 75%-25% basis, is a consulting and engineering group working in the fields of construction for transport, urban development, buildings, industry, water, the environment and energy. The group is also involved in project financing, tolling, road and airport operations. The new group results from the merger, on 1 January 2011, of Egis, a leader in infrastructure engineering and Iosis, a French leader in construction and civil nuclear engineering. Egis provides engineering services in the field of urban development, from buildings to transport infrastructure: hospitals, tertiary buildings, stadiums, museums, stations, airports, tramways; and major transport and civil engineering projects: high-speed railway lines, motorways, port terminals, civil nuclear engineering, etc.; as well as sectors such as water, the environment and landscaping. Egis has been present in the Republic of Congo since 2009.

Total annual revenues stand at more than €800 million.

About LOUIS DREYFUS ARMATEURS - www.lda.fr/home-139

Louis Dreyfus Armateurs Group a family owned business founded in 1851 is a French company involved in maritime transportation and services offering a worldwide presence with around 1,600 seagoing and office-based personnel. Although being clearly separate entities the LDA Group has shareholders in common with Louis Dreyfus Commodities, a global conglomerate company that is involved in agriculture, oil, energy and commodities (global processing, trading and merchandising). Able to offer its dry bulk chain customers a full range of services, LDA is a leading global player in transport and logistics. As an inventive port operator, LDA Group is a valued partner for logistics innovation worldwide. Thanks to strategic diversification conducted since the late 1990s into high added value maritime activities, LDA now also offers its clients tailor-made industrial maritime solutions. LDA is a fully integrated ship-owner, offering all the services from ship design to the maritime operations by its own crewmembers. Louis Dreyfus Armateurs is a non-listed company.



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 carnallitic 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 carnallitic⁵ 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 Carnallitic: 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 Mineral Resources	
Potash Deposit	Category	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 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 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.

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.