

Kola capex optimisation update

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ISSUED CAPITAL

(As at – 28 July 2019)
1,509,653,943 Ordinary Shares
AIM Code: KP2
ASX Code: KP2
JSE Code: KP2

London, England – 29 July 2019 – Kore Potash plc (ASX, AIM, JSE: KP2) ("Kore Potash" "Kore" or "the Company"), is pleased to provide an update on both the Kola sylvinite Deposit ("Kola") and the Dougou Extension ("DX") sylvinite Deposit.

Kola Project

- Kore has received a new proposal from the French consortium of engineering companies ("FC") that identifies opportunities to reduce the capital cost of the Kola Project by US\$415 million.
- The Company expects to continue discussions with the FC to fully understand their proposal for capital savings and to further explore additional options to reduce the capital cost and to shorten the construction schedule for Kola ahead of commencing the financing phase.
- In addition to the ongoing discussions with the FC, seven international engineering and construction groups have accepted invitations to provide comparative pricing against the Kola bill of quantities. The Company expects to receive this new pricing information in Q4 2019 and to incorporate this information into the Kola optimisation programme.

DX Project

- Innovare Technologies Ltd ("Innovare"), an internationally recognised specialist solution mining consulting firm, who worked with the Company on the DX scoping study has been appointed as part of Kore's owner's team for the DX Project Pre-feasibility study ("PFS").
- Agapito Associates, Inc ("Agapito") has been appointed the JORC Competent Persons for the Mineral Resources and Ore Reserves for the DX Project and as general technical support consultants. The Company believes that Agapito's international reputation as a leader in potash and solution mining projects will add value to the DX Project.
- The Company is currently reviewing proposals from a number of international consulting companies to select the engineering partner for the PFS.
- In line with the planned work programme the Company is currently mobilising drill rigs to DX to prepare for the planned drilling programme and to be ready to start drilling once the initial seismic results are available to ensure the position of infill drill holes are optimally sited.
- Line clearing for the 2D seismic program is progressing in line with the plan and the seismic survey programme will commence on arrival of seismic survey equipment. This equipment is currently being shipped from Antwerp to Pointe Noire and expected to arrive in the first half of August.
- Samples of the DX drill cores have been prepared and shipped to the Agapito Laboratory in Grand Junction, USA, where dissolution tests are underway.

As previously communicated, following the publication of the Definitive Feasibility Study on Kola on 29 January 2019, the Company identified opportunities to further improve and optimise the project, particularly with regards to the capital costs provided by the FC. The Company has continued discussions with the FC and is pleased to announce it has received a new proposal which identifies opportunities to reduce the capital cost of the Kola Project by US\$415 million. Kore is evaluating the findings of this proposal and in tandem is conducting its own analysis to optimise the project. In this regard, seven international engineering and construction groups have accepted invitations to provide comparative pricing against the Kola bill of quantities. The Company expects to receive this new pricing information in the coming quarter and to then include this information in the Kola optimisation programme.

On 14 June 2019, the Company announced the successful fundraising of US\$13.1 million to complete a pre-feasibility study on the DX Project and to progress the first phase of capital optimisation of the Kola Project. Immediately following completion of the fund raising, the Company's consultants commenced the first phase of work on the DX PFS and Seismic survey equipment and drill rigs are currently being mobilised to undertake the planned 2D seismic survey and 4-hole diamond drilling programme.

Brad Sampson, CEO of Kore, commented,

"Kore now has two world class potash projects in Kola and DX – their close proximity to target markets creates permanent competitive advantage, especially compared to Northern Hemisphere assets.

The process to optimise the Kola capital cost has commenced and we are pleased to receive a further \$415m capex reduction from the FC. We are also underway with our own exercise with highly regarded international engineering groups to obtain comparative pricing against the Kola bill of quantities. In addition, to the progress at Kola, the work programme for the DX PFS is now underway, creating additional exciting optionality for Kore shareholders."

ENDS

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