KORE POTASH PLC

ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017

CONTENTS

CORPORATE DIRECTORY

COMPANY REGISTRATION NUMBER
United Kingdom 10933682

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David Hathorn

MANAGING DIRECTOR AND CEO
Sean Bennett

JOINT COMPANY SECRETARY
Henko Vos
Francesca Wilson

NON-EXECUTIVE DIRECTORS
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Leonard Math
Timothy Keating
Pablo Altimiras
David Netherway

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Australian Securities Exchange (ASX)
Code: KP2

Johannesburg Stock Exchange (JSE)
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REVIEW OF OPERATIONS AND STRATEGIC REPORT FOR KORE POTASH PLC ("KORE POTASH"OR "THE COMPANY") AND ITS CONTROLLED ENTITIES

SUMMARY OF KEY DEVELOPMENTS

- The Kola Definitive Feasibility Study ("DFS") commenced on 22 February 2017 with a world class consortium of French engineering and construction companies and is due to be completed at the end of Q2 2018 or early Q3 2018.

- On 27 April 2017 the Company's Australian subsidiary Kore Potash Limited ("Kore") closed a $5m raising at AU$0.25 from Summit Investments PCC ("Summit") and its Nominees at a significant premium to the November 2016 strategic investment (AU$0.25 compared to AU$0.20) and a 56% premium to the then share price. Summit also received 5m options at AU$0.30.

- An updated Mineral Resource Estimate was completed for the Kola Deposit[1], including a combined Measured and Indicated sylvinite Mineral Resource of 508 Mt grading 35.4% KCl, making Kola one of the highest grading potash deposits globally.

- The Company's 97% owned RoC subsidiary Sintoukola Potash SA ("SPSA") was awarded a Mining Licence for Dougou covering Dougou and the Dougou Extension Prospect.

- A Mining Convention was signed on 8 June 2017 by the Government covering Kola, Dougou and Dougou Extension.

- Exploration drilling at Kola and Dougou Extension during 2017 was highly successful. 10 exploration drillholes were completed totalling 4000.5 metres. The highest grading intersections to date at Kola (63% KCl) were made, including sylvinite several km south of the current resource extent. At Dougou Extension, multiple sylvinite intersections were made in wide-spaced holes supporting Company's view that there is potential to define a 2nd sylvinite deposit.

- On 22 May 2017, Kore Potash announced that it had appointed Rothschild & Co (London) as its adviser on the project debt finance facility to build and commission the plant and associated infrastructure at Sintoukola.

- The Scheme of Arrangement between Kore and its shareholders, in relation to the re-domicile from Australia to the UK, was approved by shareholders on 27 October 2017, the Federal Court of Australia on 6 November 2017, and was implemented on 20 November 2017. As a result Kore Potash plc is the new parent and Kore Potash Limited is the wholly-owned subsidiary of Kore Potash plc. Kore Potash plc was listed on the ASX on 7 November 2017 with Kore Potash Limited being removed from the official list of ASX Limited on 1 December 2017.

- Kore appointed a new Chief Operating Officer, Gavin Chamberlain on 1 October 2017, and a new Chief Financial Officer, John Crews on 22 May 2017.

- David Netherway was appointed as an independent Non-Executive Director on 12 December 2017.

- Kore received a Letter of Support from BPIFrance Assurance Export ("BPIFrance") for French export credit insurance for the French component of the procurement for the Kola project construction which is estimated to be in the region of US$500-700m.

- On 20 February 2018 the Company announced SPSA had been awarded the 'Sintoukola 2' Exploration Permit by the government of the RoC.

- On 29 March 2018 Kore was listed on the AIM market of the London Stock Exchange as well as the Johannesburg Stock Exchange having appointed Canaccord Genuity Limited as its adviser in the UK and Rencap Securities (Pty) Limited in South Africa.

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[1] Announcement dated 6 July 2017: Updated Mineral Resource for the High Grade Kola Deposit

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

CORPORATE ACTIVITIES

- In May 2017, Kore appointed John Crews as its Chief Financial Officer. John was previously Chief Financial Officer and Chief Operating Officer at UBS South Africa. In addition, he was also responsible for the finance function across MENA, Israel, Turkey and Nigeria and also served on a number of boards within the region. John graduated from the University of Orange Free State and qualified as a Chartered Accountant with KPMG in 1997.

- Gavin Chamberlain joined Kore as Chief Operating Officer in October 2017. Gavin was Director of Operations at Amec Foster Wheeler Africa. He has over 30 years' experience in the delivery of large mining projects across Africa. He also has specific experience as Project Director in executing a US$2.2bn uranium project in Africa. His other roles include time spent in civil construction, project management and as managing director of an EPC construction company focussed on mining. Gavin qualified with a BSc (Eng) Civil Engineering degree and is a registered Professional Engineer with the Engineering Council of South Africa. He is also a registered Professional Project Manager with PMI and is registered as a Construction Project Management Professional with the SACPCMP.

- Mr David Netherway was appointed as an independent Non-Executive Director of the Company in December 2017. Mr Netherway is a mining engineer with over 40 years of experience in the mining industry. He was involved in the construction and development of the New Liberty, Iduapriem, Siguiri, Kiniero, Samira Hill & Bonikro gold mines in West Africa and has extensive international mining experience including in Australia, Canada, China, Kazakhstan, Brazil, India, Nepal, Oman and Malaysia. Mr Netherway served as the CEO of Shield Mining until its takeover by Gryphon Minerals. Prior to that, he was the CEO of Toronto listed Afcan Mining Corporation, a China focused gold mining company that was sold to Eldorado Gold in 2005. He was also the Chairman of Afferro Mining which was acquired by IMIC in 2013. He has held senior management positions in a number of mining companies, including Golden Shamrock Mines, Ashanti Goldfields Ltd and Semafo Inc. Mr Netherway is currently the Chairman of Altus Strategies plc. (AIM: ALS), Canyon Resources Ltd (ASX: CAY) and Kilo Goldmines Ltd (TSX-V: KGL) and a Non-Executive Director of Avesoro Resources Inc. (TSX & AIM: ASO).

- BPIFrance, the French government export credit agency, has issued a Letter of Support ("LoS") confirming in principle support under the export credit insurance guarantee scheme of the French State ("ECA cover") for the construction of the Kore Group's flagship potash development asset, Kola. The LoS is based on the construction of Kola through an Engineering, Procurement and Construction ("EPC") contract with the existing consortium of French engineering and construction companies, and the EPC having substantial French content. The LoS is subject to further in-depth due diligence and is not legally binding. Kore Potash and the French Consortium ("FC") estimate that the French element of procurement for the construction, which will be eligible for ECA financing, will be in the region US$500-700m. The Company is also in discussions with other ECAs in relation to the provision of additional ECA financing.

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY

Kola Sylvinite Project

DFS Scope and Update

The Definite Feasibility Study is scheduled for completion late Q2 early Q3 2018. This study addresses the bulk infrastructure, mining, ore transport, processing plant and marine export of product. The bulk infrastructure is looking at power supply from an existing power station via a new overhead power line, the installation of a gas pipeline from an existing gas facility at M'boundi, the construction of new and upgrade of some exiting roads to facilitate both the construction of the project and serve the longer-term requirements of operations.

The mining is a conventional underground potash mine accessed through 2 vertical shafts. The one shaft for intake air and men and material access. The other shaft is for exhaust air and two high lift conveyors to get the ore out of the mine. The mine will have underground workshop facilities so once the equipment goes underground it will remain there for its life. The production schedule is based on 5 working faces at steady state production. The ore transport from the mine to the process plant is via a 35km overland conveyor. This conveyor has been designed with the requirements of the ESIA for animal movement and community access to land in mind.

The processing plant will be capable of producing 2mtpa of an 80/20 split between granular and standard MOP. The lower impurities found in this orebody in relation to other potash ore bodies has required some additional test work to be completed to validate the float portion of the plant. The marine facilities have been designed to allow transhipment of product via a dedicated jetty with barge loading facility, protected by its own breakwater. The barges then take the product to a transhipment zone where it is transferred to ships for export.

Exploration

During 2017, six drillholes were completed at the Kola Deposit, totalling 2061.7 metres. The program was highly successful; all except one contained high grade sylvinite and results included the highest grading intersections to date for the project.

EK_49 to EK_51 were drilled to provide additional data to support the update to the Kola Mineral Resource Estimate. The results of these holes were reported on the 23rd of January[2] and 7th March 2017[3]. All contained Sylvinite of mineable thickness, including and intersection of Hangingwall Seam (HWS) of 4.05 m grading 63.0% KCl (initially reported as being 58.9% KCl based on gamma data).

EK_52 to EK_54 were drilled to test for extensions and new areas of sylvinite HWS at Kola. EK_52 was unsuccessful intersecting carnallitite only. EK_53 and EK_54 were very successful, both intersecting very high grade sylvinite[4] (Table 1). These two holes were located 1.5 and 7.0 km southeast 'on strike' from the current Measured and Indicated Resource, thereby demonstrating the potential opportunity for significant expansion of the Kola deposit and the presence of areas of exceptional grade. They highlight the possible future upside to the project economics if further exploration is carried out and is successful.

[2] Announcement dated 23 January 2017: Drilling at Kola intersects very high-grade sylvinite of 58.9% KCl

[3] Announcement dated 7 March 2017: Further Excellent Sylvinite Intersections in drill-holes at Kola; Drilling about to commence at the very High Grade Dougou Extension Prospect

[4] Announcement dated 7 December 2017: High grade assay results returned for Kola

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY (CONT)

Table 1. Sylvinite intersections in all holes drilled at Kola during 2017

Drillhole	Depth from (m)	Depth to (m)	true thickness (m)	Seam	grade (KCl%)
EK_49	255.9	259.9	4.1	HWS	63.0
EK_50	252.6	254.4	1.9	US	26.9
EK_51	267.5	272.4	4.7	US	36.8
EK_51	276.1	281.6	5.3	LS	28.2
EK_52	no sylvinite				
EK_53	350.6	353.0	2.2	HWS	61.9
EK_54	297.2	300.5	3.3	HWS	60.0

<u>Kola Mineral Resource Estimate (MRE)</u>
On 6 July 2017 an updated MRE was announced for the Kola Deposit[5], including a combined Measured and Indicated Sylvinite Mineral Resource of 508 Mt grading 35.4% KCl (Table 2). This estimate provides the basis for the ongoing Kola DFS. The MRE was completed by Met-Chem division of DRA Americas Inc., a subsidiary of the DRA Group. An MRE for carnallitite was also made (Table 3) though is not part of the current mine plan.

The lower tonnage compared with the 2012 Measured and Indicated resource (Table 3) reflects an adjustment to the extent of the Indicated Resource category, and the use of true thickness for dipping intersections. This is largely offset by the 7% higher grade which, at over 35% KCl is on par with the world's highest grading operating potash mines. The Indicated resource includes 29.6 Mt of Sylvinite HWS with an average grade of 58.5% KCl. The deposit remains open in most directions, as demonstrated by the results of the exploration drill-holes EK_53 and EK_54 described above.

[5] Announcement dated 6 July 2017: Updated Mineral Resource for the High Grade Kola Deposit

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY (CONT)

Table 2. July 2017 MRE for Kola sylvnite by seam

July 2017 - Kola Deposit Potash Mineral Resources - SYLVINITE					
		Million Tonnes	KCl	Mg	Insolubles
			%	%	%
Hangingwall Seam	Measured	–	–	–	–
	Indicated	29.6	58.5	0.05	0.16
	Meas. + Ind.	**29.6**	**58.5**	**0.05**	**0.16**
	Inferred	18.2	55.1	0.05	0.16
Upper Seam	Measured	153.7	36.7	0.04	0.14
	Indicated	169.9	34.6	0.04	0.14
	Meas. + Ind.	**323.6**	**35.6**	**0.04**	**0.14**
	Inferred	220.7	34.3	0.04	0.15
Lower Seam	Measured	62.0	30.7	0.19	0.12
	Indicated	92.5	30.5	0.13	0.13
	Meas. + Ind.	**154.5**	**30.6**	**0.15**	**0.13**
	Inferred	59.9	30.5	0.08	0.11
Footwall Seam	Measured	–	–	–	–
	Indicated	–	–	–	–
	Meas. + Ind.	**–**	**–**	**–**	**–**
	Inferred	41.2	28.5	0.33	1.03
Total Measured + Indicated sylvinite		**507.7**	**35.4**	**0.07**	**0.14**
Total Inferred sylvinite		**340.0**	**34.0**	**0.08**	**0.25**

Tonnes are rounded to the nearest hundred thousand. The average density of the sylvinite is 2.10. Structural anomaly zones have been excluded. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues.

Changes to Potash Mineral Resources and Reserves

Table 3 provides a comparison of the Company's Mineral Resources and Mineral Reserves, year-on-year between 2016 and 2017, as per ASX Listing rule 5.21.4. The Kola MRE has changed following the update in July 2017. The Dougou MRE remains unchanged since 2015. The following are noted:

- The Company's total potash Mineral Resources have increased from 5.32 Bt to 5.95 Bt reflecting an increase in the Inferred resource of carnallitite at Kola.
- The combined Measured and Indicated resources for sylvinite and carnallitite have decreased slightly from 2.39 Bt to 2.36 Bt.
- The Measured and Indicated resource for Sylvinite only has reduced from 573 Mt to 508 Mt but at a 7% higher grade.
- The updated mineral reserves will be announced after completion of the ongoing Kola DFS, by early Q3 2018. The 2012 PFS defined proven and probable reserves of 152 Mt grading 31.7% KCl. As a formality, the latter are no longer reported as reserves, being considered an 'historical estimate'.

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY (CONT)

Table 3. Comparison of Potash Mineral Resources and Potash Mineral Reserves year-on-year between 2016 and 2017

POTASH MINERAL RESOURCES END 2016					END 2017		
	Category	Million Tonnes	Grade (KCl %)	Contained KCl (million tonnes)	Million Tonnes	Grade KCl %	Contained KCl (million tonnes)
Kola Sylvinite Deposit	Measured	264	33.7	89	216	34.9	75
	Indicated	309	32.6	101	292	35.7	104
	Measured + Indicated	573	33.1	190	508	35.4	180
	Inferred	475	32.5	154	340	34.0	116
	TOTAL	**1,048**	**32.8**	**344**	**848**	**34.8**	**295**
Kola Carnallitite Deposit	Measured	295	17.8	53	341	17.4	59
	Indicated	449	18.7	84	441	18.7	83
	Measured + Indicated	744	18.3	137	783	18.1	142
	Inferred	473	18.8	89	1,266	18.7	236
	TOTAL	**1,217**	**18.5**	**226**	**2,049**	**18.5**	**378**
Dougou Carnallitite Deposit	Measured	148	20.1	30	148	20.1	30
	Indicated	920	20.7	190	920	20.7	190
	Measured + Indicated	1,068	20.6	220	1,068	20.6	220
	Inferred	1,988	20.8	414	1,988	20.8	414
	TOTAL	**3,056**	**20.7**	**634**	**3,056**	**20.7**	**634**
TOTAL MINERAL RESOURCES	Measured	707	24.2	171	705	23.3	165
	Indicated	1,678	22.3	375	1,653	22.8	377
	Measured + Indicated	2,385	22.9	546	2,358	23.0	542
	Inferred	2,936	22.3	656	3,594	21.3	766
	TOTAL	**5,321**	**22.6**	**1,202**	**5,953**	**22.0**	**1,307**

POTASH MINERAL RESERVES END 2016					END 2017		
	Category	Million Tonnes	Grade (KCl %)	Contained KCl (million tonnes)	Million Tonnes	Grade (KCl %)	Contained KCl (million tonnes)
Kola Sylvinite Deposit	Proven	88	31.7	27.8	-	-	-
	Probable	64	31.7	20.2	-	-	-
	TOTAL	**152**	**31.7**	**48.1**	**-**	**-**	**-**

Notes: *The Mineral Resource estimates are reported in accordance with the JORC code 2012 edition. The Kola Mineral Resource was reported on the 6 July 2017, and was prepared by Met-Chem division of DRA Americas Inc., a subsidiary of the DRA Group. Resources are reported at a cut-off grade of 10% KCl. The Dougou Mineral Resource was prepared by ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN") and reported in the ASX announcement dated 9 February 2015. The form and context of the Competent Person's findings as presented in this document have not materially changed since the resource was first reported. Mineral Resources which are not Mineral Reserves 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 Mineral resources are considered to have reasonable expectation for eventual economic extraction using underground mining methods. The Kola Mineral Reserve, now considered a historical estimate, was first reported on the 19 September 2012 as defined by a Pre-Feasibility Study completed by SRK Consulting*[6]

[6] NI 43-101 Technical Report. PFS for the Kola Deposit, 17 September 2012 (SRK Consulting)

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY (CONT)

Dougou Extension Prospect

Strong results from exploration at Dougou Extension Prospect
In March 2017 the Company commenced drilling to follow up on two previous drill-holes ED_01 and ED_03 (drilled in 2012 and 2014) both of which contained intersections of sylvinite hosted by the HWS of 57.7% and 59.5% KCl over thickness of 4.5 and 4.2 m respectively[7].

Between March and September 2017, the Company completed an additional 4 widely-spaced (2 to >4 km) holes (DX_01 to DX_04) totalling 1938.8 metres. As reported on September 11 2017, three of these holes intersected layers of flat-lying sylvinite[8]. DX_01 returned 8.75m grading 27.2% KCl hosted by the Top Seam, a layer found 12-15 m above the HWS. DX_03 (5km away from DX_01) intersected the same seam giving 4.87m grading 29.9% KCl. Drillhole DX_02 contained HWS grading 61.6% KCl but of a thickness of 0.93m.

The results of the 2017 drilling confirmed the widespread presence of sylvinite but that it is largely hosted by the Top Seam *in addition* to the HWS. The area delineated by all six of the Company's holes to date at the Prospect, is approximately 8km by 5km and open laterally.

Based on the exploration to date, the Company is of the view that Dougou Extension has the potential to host a second high-grade sylvinite deposit which would add to the Company's flagship Kola Potash Deposit. For the potential delineation of mineral resources further exploration is required; none is planned at present as the Company is focussed on the completion of the Kola DFS.

Dougou Mining Licence awarded
The Company's 97% owned RoC subsidiary Sintoukola Potash SA (SPSA) was awarded a Mining Licence for Dougou[9], which includes the Dougou Carnallitite Deposit and the Dougou Extension Prospect (Figure 1). The Licence was issued on 9 May 2017 under decree 2017-139 issued for a period of 25 years from the Gazette date of 18 May 2017. The licence covers 456 km^2. A Scoping Study completed for the Dougou Deposit in 2015 indicated favourable economics based on solution mining of the carnallitite[10].

New Exploration Permit
SPSA was awarded a new Exploration Licence, Sintoukola 2, by Presidential Decree 2018-34 dated 9 February 2018 granting exploration rights for 3 years which can be renewed twice for periods of 2 years each, covering an area of 294.4km2 adjoining the Dougou Mining Lease, covering prospective ground for sylvinite to the northwest of the latter. Having now received the adjoining Sintoukola 2 Exploration Permit which adjoins the Dougou Extension Prospect the Company plans to update the Exploration Target first reported in 2012[11], using all available drillhole and seismic data.

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[7] Announcement dated 20 October 2014: Elemeantal Minerals Announces Exceptional Results from Dougou Yangala Drilling
[8] Announcement dated 11 September 2017: Dougou Extension Prospect Sylvinite intersections up to 8.8 m thick within a zone of 8 by 5 km, open laterally
[9] Announcement dated 18 May 2017: Dougou Mining Lease granted
[10] Announcement dated 17 February 2015: Results for the Dougou Potash Project Scoping Study

[11] Announcement dated 27 January 2015: Elemental Minerals Announces an Exploration Target for the High Grade Sylvinite Hangingwall Seam at the Yangala Prospect

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY (CONT)

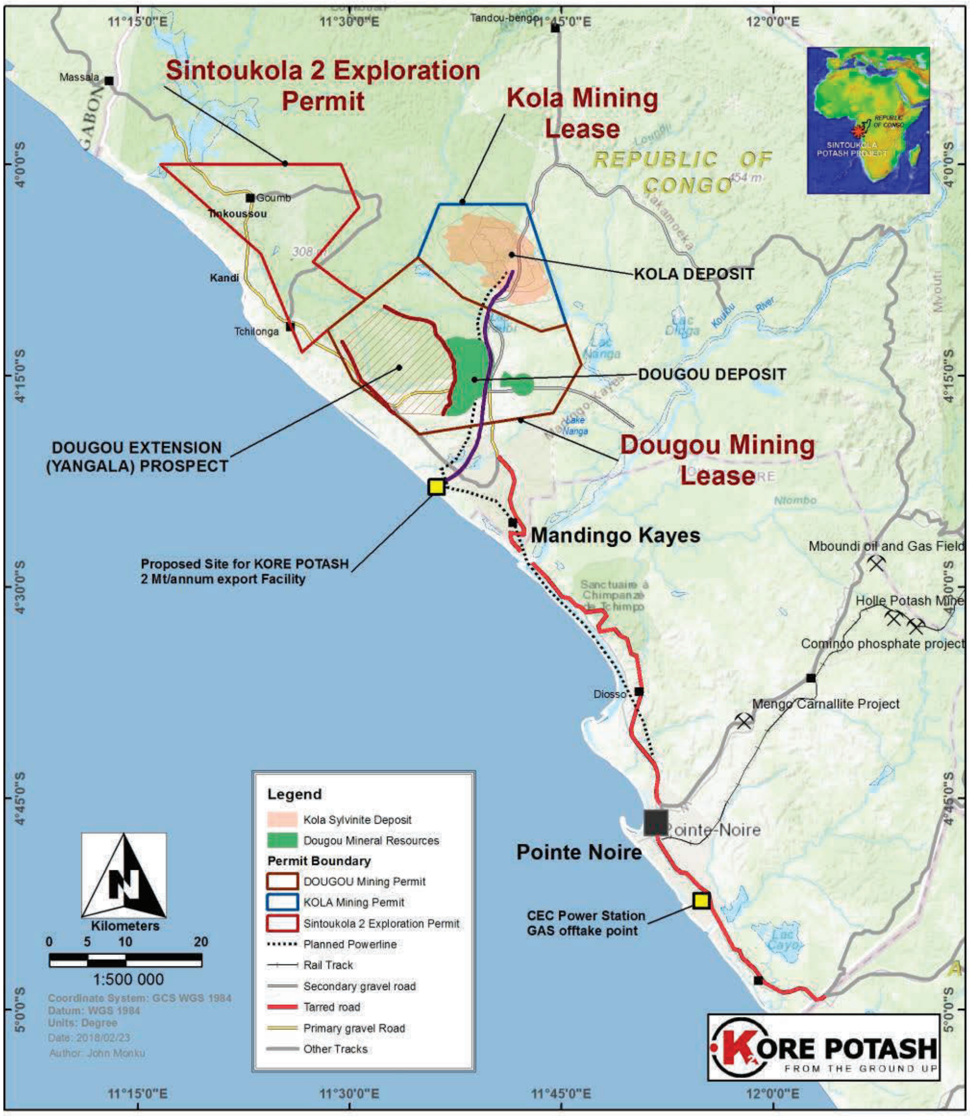


Figure1. Location of the Sintoukola Project showing the Kola Project, Dougou Project, the Dougou Extension Prospect and also the recently acquired Sintoukola 2 permit.

REVIEW OF OPERATIONS AND STRATEGIC REPORT (CONT)

OPERATIONAL AND EXPLORATION ACTIVITY (CONT)

COMPETENT PERSON STATEMENT

The information relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves in this report was compiled by Mr. Andrew Pedley the Company's Chief Geologist, a registered scientist (Pr. Sci. Nat) with the South African Council for Natural Scientific Professions and member of the Geological Society of South Africa. The information is based on, or extracted from previous reports, as referred to in footnotes herein, and available to view on the Company's website. The Mineral Resource Estimate for the Kola Deposit was prepared by Competent Person Mr. Garth Kirkham, P.Geo., a Member of the Association of Professional Engineers and Geoscientists of British Columbia. The Mineral Resource Estimate for the Dougou Deposit 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. Results relating to Exploration results for drilling at Kola in 2017 and all exploration at the Dougou Extension Prospect were first prepared by Mr. Andrew Pedley. 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.

FORWARD-LOOKING STATEMENTS

This report 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 report 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.

DIRECTORS' REPORT

Your Directors present their annual report on Kore Potash plc ("Kore Potash" or the "Company") and its controlled entities ("Group" or "Consolidated Entity") for the financial year ended 31 December 2017.

Directors
The names of directors of the Group in office at any time during or since the end of the year are:

David Hathorn	Non-Executive Chairman
Sean Bennett	Managing Director and CEO
Jonathan Trollip	Non-Executive Director
Leonard Math	Non-Executive Director
Timothy Keating	Non-Executive Director
Pablo Altimiras	Non-Executive Director
David Netherway	Non-Executive Director (appointed on 12 December 2017)

Directors have been in office of the Group since the start of the financial year to the date of this report unless otherwise stated. In accordance with the Scheme of Arrangement between Kore Potash Limited and its shareholders implemented on 20 November 2017, all of the current directors of Kore Potash Limited have been appointed to the Board of Kore Potash plc. The Board of the Company and the Group now consists of David Hathorn, Sean Bennett, Jonathan Trollip, Leonard Math, Timothy Keating, Pablo Altimiras and David Netherway who was appointed on 12 December 2017. David Hathorn and Sean Bennett were appointed as the directors of Kore Potash plc on the date of incorporation of the Company on 25 August 2017.

Joint Company Secretary
Mrs Francesca Wilson (appointed on 29 November 2017)
Mr Henko Vos
Mr Lawrence Davidson (resigned on 25 January 2018)

Principal Activities and Significant Changes in Nature of Activities
The principal activity of the Group during the financial year was exploration for potash minerals prospects and project development at the Company's Sintoukola Potash Permit in the Republic of Congo (RoC).

Operating Results
The net loss of the Group for the year ended 31 December 2017 after providing for income tax amounted to USD 4,344,322 (31 December 2016: USD 4,259,666).

Dividends Paid or Recommended
In respect of the year ended 31 December 2017, no dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

Review of Operations and Strategic Report
Please refer to pages 4 to 12 of the Financial Report.

Significant Changes in State of Affairs
On 31 August 2017, Kore Potash Limited announced that it proposed to re-domicile in the United Kingdom by way of a scheme of arrangement (Scheme) between Kore Potash Limited and its shareholders. The Scheme was approved by the shareholders on 27 October 2017 and the Federal Court of Australia on 6 November 2017. On 20 November 2017, the Scheme was implemented and as a result Kore Potash plc, which was incorporated on 25 August 2017, is the new parent and Kore Potash Limited is the wholly-owned subsidiary of Kore Potash plc. Kore Potash plc was listed on the ASX on 7 November 2017 with Kore Potash Limited being removed from the official list of ASX Limited on 1 December 2017.

In accordance with the Scheme, Kore Potash plc issued 768,158,142 ordinary shares (initially to be held in the form of CHESS Depository Interests) (CDIs) as consideration for the transfer of Kore Potash Limited shares to Kore Potash plc under the Scheme on 21 November 2017. Kore Potash plc also completed the issue of 58,191,226 Unlisted Options and 48,077,728 Performance Rights/Shares to the previous holders of options and performance rights/shares in Kore Potash Limited in consideration for the cancellation of those Kore Potash Limited Unlisted Options and Performance Rights/Shares.

DIRECTORS' REPORT (CONT)

Principal Risks
The Company's business strategy for the financial year ahead and, in the foreseeable future, is to continue exploration activities on the Company's existing potash mineral projects in the Republic of Congo. The Company's business strategy is subject to numerous risks, some outside the Board's and management's control. These risks can be specific to the Company, generic to the mining industry and generic to the stock market as a whole. The key risks, expressed in summary form, affecting the Group and its future performance include but are not limited to:

- country risk in Republic of Congo
- geological and technical risk posed to exploration and commercial exploitation success;
- change in potash commodity prices and market conditions;
- environmental and occupational health and safety risks;
- government policy changes;
- retention of key staff; and
- capital requirement and lack of future funding.

This is not an exhaustive list of risks faced by the Company or an investment in it. There are other risks generic to the stock market and the world economy as whole and other risks generic to the mining industry, all of which can impact on the Company. The management of risks is integrated into the development of the Company's strategic and business plans and is reviewed and monitored constantly by the Board.

Significant Events Subsequent to Reporting Date
On 20 February 2018, Kore Potash plc has been informed that it was awarded the Sintoukola 2 Exploration Permit, dated 9 February 2018, by the government of the RoC. The Exploration Permit is held wholly by the Company's 97% subsidiary Sintoukola Potash S.A. This Permit is valid for three years, following which it may be renewed twice, each time for a further period of two years.

On 20 March 2018, the Company held a General Meeting to approve a capital raising of up to US$20 million in order to satisfy the working capital requirements in connection with the AIM listing. On 26 March 2018, a total of US$12,894,659 was raised from existing and new investors through the placing and direct subscription of 83,523,344 ordinary shares in the Company at a placing price of AU$0.20 per new ordinary share. In addition, the Company raised US$250,000 from the Chairman, David Hathorn, through a convertible loan note that will convert into ordinary shares upon shareholder approval at the next general meeting of the Company. Placees with Placing Shares on AIM were granted 8,250,000 equity warrants and Placees with Placing Shares on JSE will be granted 4,644,659 equity warrants pending SARB approval if such approval is required, on the basis of one equity warrant for every US$1.00 invested in the Placing exercisable at AUS$0.30 for one ordinary share with a 3 year subscription period.

The Company was listed on the AIM market and JSE on 29 March 2018.

There are no other significant events that have occurred since reporting date requiring separate disclosure.

Political Contributions and Charitable Donations
During the year the Group did not make any political contributions and charitable donations.

Annual General Meeting ("AGM")
This report and financial statements will be presented to shareholders for their approval at the AGM. The Notice of the AGM will be distributed to shareholders together with the Annual Report.

Auditors
A resolution to reappoint Deloitte LLP, and authorise the Directors to agree their remuneration, will be proposed at the next Annual General Meeting.

DIRECTORS' REPORT (CONT)

The Use of Financial Instruments by the Group

The Group has exposure to the following risks from their use of financial instruments:

- market risk,
- credit risk, and
- liquidity risks.

For more details of the financial risk management objectives and policies of the Group, please refer to Note 15 to the financial statements.

Key Performance Indicators

Given the nature of the business and that the Group is on an exploration and development phase of operations, the Directors are of the opinion that analysis using KPIs is not appropriate for an understanding of the development, performance or position of our businesses at this time. The primary KPI is cash and capital management.

Corporate Governance

The Board is committed to maintaining high standards of corporate governance. The Board has given consideration to the code provisions set out in the UK Corporate Governance Code (the "UK Code") issued by the Financial Conduct Authority and in accordance with the AIM Rules for Companies (the "AIM Rules"). Whilst the Company is not required to comply with the UK Code, the Company's corporate governance procedures take due regard of the principles of Good Governance set out in the UK Code in relation to the size and the stage of development of the Company. The Board has also given consideration to the ASX Corporate Governance Principles and Recommendations (ASX Corporate Governance Council, 3rd Edition).

The Board has a Nomination and Remuneration Committee which comprises of three members, all of whom are Independent Directors including the Chairman. The Nomination & Remuneration Committee undertakes a rigorous and transparent selection process as per the recruitment and diversity policy to appoint or re-appoint a Director to the Board. Included in this process are appropriate reference checks which include but not limited to character reference, police clearance certificate and bankruptcy to ensure that the Board remains appropriate for that of an AIM and ASX quoted company.

In carrying out its role, the Committee needs to take cognisance of regulations regarding Directors and Executives appointments, particularly the relevant provisions of Australian, UK and South African and Republic of Congo employment law as well as the Corporations Act (Australia), the UK Companies Act and the Companies Act 71 of 2008 (South Africa).

The Committee undertakes procedures to ensure a transparent process for setting remuneration for Directors and Senior staff, that is appropriate in the context of the current size and nature of the Company's operations. The broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide Executive Directors and Executives with a remuneration package that reflects the person's responsibilities, duties and personal performance.

The Board has established a separate Audit & Risk Committee. All the members are Non-Executive and Independent Directors including the Chairman. The Board considers that the Audit & Risk Committee members collectively bring the range of skills, knowledge and experience necessary to direct the Committee. The Committee undertakes procedures to verify and safeguard the integrity of the Company's corporate reporting, that are appropriate in the context of the current size and nature of the Company's operations. The Board is also responsible for approving, reviewing and monitoring the Company's risk management policy. The principal areas of risk for the Company are in:

- Occupational health and safety and work related safety risks; and
- Financial risk in the areas of maintaining sufficient funding for the continuation of operations.

Further information on the Company's corporate governance policies is available on the Company's website www.korepotash.com.

Employment Policies

The Group will be committed to promoting policies which ensure that high calibre employees are attracted, retained and motivated, to ensure the ongoing success for the business. Employees and those who seek to work within the Group are treated equally regardless of gender, age, marital status, creed, colour, race or ethnic origin.

DIRECTORS' REPORT (CONT)

Health and Safety
The Group's aim is to achieve and maintain a high standard of workplace safety. In order to achieve this objective, there is a Health, Safety and Environmental Committee to review the health and safety policy and risks of the Group and make recommendations to the Board. The Group provides training and support to employees and set demanding standards for workplace safety.

Payment to Suppliers
The Group's policy is to agree terms and conditions with suppliers in advance; payment is then made in accordance with the agreement provided the supplier has met the terms and conditions. Under normal operating conditions, suppliers are paid within 60 days of receipt of invoice.

Future Developments
The Group will continue its mineral exploration activities with the objective of finding mineralised resources, particularly potash and the development of the Kola deposit. The Company will also consider the acquisition of further prospective exploration interests.

Environmental Issues
The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of shareholders, employees and suppliers. In respect of the current year under review, the Directors are not aware of any particular or significant environmental issues which have been raised in relation to the Group's operations. The Group holds exploration tenements in the Republic of Congo. The Group's operations are subject to environmental legislation in this jurisdiction in relation to its exploration activities.

Unissued shares under Options
Share options outstanding at the date of this report:

Exercise Period	Exercise Price AUD	Number of Options
On or before 15 April 2018	0.33	6,691,226
On or before 26 June 2018	0.33	1,500,000
On or before 15 November 2019	0.30	50,000,000
		58,191,226

The holders of these options do not have the right, by the virtue of the option, to participate in any share issue or interest issue of the Company.There were no exercise of unlisted options during the year. Please refer to Note 12(a) for options issued during the year and the issue price of these options.

Performance Rights
Performance rights outstanding at the date of this report:

Class	Expiry	Number of Rights
Class C (Emp)	16/09/2019	1,886,996
Former Project Director Performance Rights	06/12/2020	2,255,000
Chairman Performance Rights	01/03/2021	11,000,000
Managing Director Performance Rights	01/03/2021	6,906,250
Non-Executive Director Performance Rights	30/06/2021	3,000,000
2016 Award Performance Shares	31/05/2019	1,405,000
Employee Performance Shares (Short Term)	31/05/2019	3,747,005
Employee Performance Shares (Long Term)	31/05/2019	11,734,853
Managing Director Performance Rights	31/05/2019	660,000
		42,595,104

The performance rights holders do not hold any voting rights or rights to participate in dividends unless the rights have vested and were converted to fully paid ordinary shares.

DIRECTORS' REPORT (CONT)

Information on Directors

David Hathorn Non-Executive Chairman *CA*	Mr. Hathorn joined the Group in November 2015. He was the Chief Executive Officer of Mondi group between 2000 and May 2017 having joined the group in 1991. The Mondi group is an international packaging and paper group employing around 25,000 across more than 30 countries listed on the London Stock Exchange and the Johannesburg Stock Exchange. Prior to the demerger of Mondi from Anglo American PLC, Mr. Hathorn was a member of the Anglo American group executive committee from 2003 and an executive director of Anglo American PLC from 2005, serving on several of the boards of the group's major mining operations.
Interest in Shares and Options	21,568,105 Fully Paid Ordinary Shares 25,000 Redeemable Preference Shares 2,049,416 Unlisted Options exercisable at AUD 0.30 each expiring 15 November 2019 11,000,000 Performance Rights each expiring 1 March 2021
Directorships held in other listed entities	None
Former directorships of listed companies in last three years	CEO of Mondi Group from 1 May 2007 and resigned on 11 May 2017
Sean Bennett Managing Director and CEO *ACA*	Mr. Bennett joined the Group in November 2015. He was previously CEO of UBS South Africa. He joined SG Warburg in London in 1995 (now UBS Investment Bank). He moved to South Africa in 2008 with HSBC, where he was Co-Head of HSBC Global Banking for Africa before re-joining UBS in 2011. Mr. Bennett has over 20 years' experience in advising a wide range of companies, state owned enterprises and Governments, including a number of large mining houses such as BHP, South32 and Sibanye. He has been involved in transactions around the globe as well as numerous countries across Africa.
Interest in Shares and Options	2,250,600 Fully Paid Ordinary Shares 25,000 Redeemable Preference Shares 100,000 Unlisted Options exercisable at AUD 0.30 each expiring 15 November 2019 7,566,250 Performance Rights each expiring 1 March 2021
Directorships held in other listed entities	None
Former directorships of listed companies in last three years	None

DIRECTORS' REPORT (CONT)

Information on Directors (Cont)

Jonathan Trollip Non-Executive Director *B.A (Hons) LLM, FAICD*	Mr. Trollip joined the Group in April 2016. Mr. Trollip is a globally experienced Director (both executive and non-executive) with over 30 years of commercial, corporate, governance and legal and transactional expertise. He is currently Non-Executive Chairman of ASX listed Global Value Fund Ltd, Future Generation Investment Company Ltd, Spicers Limited, Plato Income Maximiser Ltd, Spheria Emerging Companies Ltd and Antipodes Global Investment Company Ltd and a non-executive director of Propel Funeral Partners Limited. He also holds various private company directorships in the commercial and not-for-profit sectors.
Interest in Shares & Options	575,003 Fully Paid Ordinary Shares 57,091 Unlisted Options exercisable at AUD0.30 each expiring 15 November 2019 2,000,000 Performance Rights each expiring 30 June 2021
Directorships held in other listed entities	Future Generation Investment Company Limited (from October 2013) Global Value Fund Limited (from April 2014) Antipodes Global Investment Company Limited (from July 2016) Spicers Limited (from 6 September 2017) Propel Funeral Partners Limited (from 19 September 2017) Plato Income Maximiser Limited (from 20 February 2017) Spheria Emerging Companies Limited (from November 2017)
Former directorships of listed companies in last three years	None
Leonard Math Non-Executive Director B.Com., CA	Mr. Math joined the Group in April 2014. Mr. Math graduated from Edith Cowan University in 2003 with a Bachelor of Business majoring in Accounting and Information Systems. He is a member of the Institute of Chartered Accountants. In 2005 he worked as an auditor at Deloitte before joining GDA Corporate as Manager of Corporate Services. He has extensive experience in relation to public company responsibilities including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting and shareholder relations within both the retail and institutional sectors. He is currently the Company Secretary of ASX listed Gulf Manganese Corporation.
Interest in Shares & Options	183,600 Unlisted Options exercisable at AUD 0.33 each expiring 15 April 2018 1,000,000 Performance Rights each expiring 30 June 2021
Directorships held in other listed entities	None
Former directorships of listed companies in last three years	Kangaroo Resources Limited (resigned 1 December 2015) Mako Hydrocarbons Limited (delisted / deregistered / liquidated on 4 April 2016) RMA Energy Limited (resigned January 2017) Global Gold Holdings Limited (resigned 1 February 2017) Okapi Resources Limited (resigned 28 November 2017)

DIRECTORS' REPORT (CONT)

Information on Directors (Cont)

Timothy Keating Non-Executive Director *BSc*	Mr. Keating joined the Group in November 2016 following the completion of the strategic investment in the Group by SGRF. Mr. Keating is Head of Mining Investment Private Equity at SGRF, a sovereign wealth fund of the Sultanate of Oman. Prior to joining SGRF in 2015, Mr Keating was CEO of African Nickel Limited, a nickel sulphide development company where he grew the business through several acquisitions, project development and fund raisings. He also worked at Investec Bank for the Commodities and Resource Finance Team (2004 – 2010) and at Black Mountain Mine owned by Anglo American plc, in South Africa. He is a Non-Executive Director of Kenmare Resources plc.
Interest in Shares & Options	None
Directorships held in other listed entities	Kenmare Resources plc (from October 2016)
Former directorships of listed companies in last three years	None
Pablo Altimiras Non-Executive Director	Mr. Altimiras joined the Group in November 2016 following the completion of the strategic investment in the Group by SQM. Mr. Altimiras is an Industrial Civil Engineer from the Pontificia Universidad Católica de Chile where he also earned an MBA. He joined SQM during 2007 as Chief of Logistics Projects and in 2009 was promoted to Regulatory Affairs Director. In 2010 he assumed the position of Business Development vice manager and after 2 years took up the position of Development and Planning manager. In 2016 he was appointed Vice-President of Development and Planning. Pablo is also board member of Minera EXAR, an Argentinian company currently developing a lithium project in Jujuy Province, Argentina and a board member of SQM Australia Pty Ltd, a SQM subsidiary that is developing a lithium project in Western Australia.
Interest in Shares & Options	None
Directorships held in other listed entities	None
Former directorships of listed companies in last three years	None

DIRECTORS' REPORT (CONT)

Information on Directors (Cont)

David Netherway Non-Executive Director *B.Eng (Mining), CDipAF,* *(Appointed on 12 December 2017)*	Mr. Netherway joined the Group in December 2017 and is a mining engineer with over 40 years of experience in the mining industry. He was involved in the construction and development of the New Liberty, Iduapriem, Siguiri, Samira Hill and Kiniero gold mines in West Africa and has mining experience in Africa, Australia, China, Canada, India and the Former Soviet Union. Mr Netherway served as the CEO of Shield Mining until its takeover by Gryphon Minerals. Prior to that, he was the CEO of Toronto listed Afcan Mining Corporation, a China focused gold mining company that was sold to Eldorado Gold in 2005. He was also the Chairman of Afferro Mining which was acquired by IMIC in 2013. Mr Netherway has held senior management positions in a number of mining companies including Golden Shamrock Mines, Ashanti Goldfields and Semafo Inc. Mr Netherway is currently the Chairman of AIM listed Altus Strategies plc, ASX-listed Canyon Resources Ltd and TSX-V listed Kilo Goldmines Ltd, and a non-executive director of TSX and AIM listed Avesoro Resources Inc. He also holds various private company directorships.
Interest in Shares & Options	None
Directorships held in other listed entities	Altus Strategies plc (ALS:AIM) (from August 2017) Kilo Goldmines Ltd (KGL:TSX-V) (from July 2011) Canyon Resources Ltd (from March 2014) Avesoro Resources Inc. (ASO: TSX & AIM) (from April 2011)
Former directorships of listed companies in last three years	Altus Global Gold Ltd (AGG-CISX) (from October 2011 to February 2016) Altus Resource Capital Limited (ARCL: LSE/SFM, CISX) (from April 2009 to June 2015) Crusader Resources Limited (from July 2011 to May 2015)

Joint Company Secretaries

Henko Vos *B.Compt, CPA, ACIS, RCA*	Mr Vos is a member of the Governance Institute of Australia and Certified Practicing Accountants Australia with more than 15 years' experience working within public practice, specifically within the area of corporate and accounting services both in Australia and South Africa. He holds similar secretarial roles in various other listed public companies in both industrial and resource sectors. Mr Vos is an employee of Nexia Perth, a mid-tier corporate advisory and accounting practice.
Mrs Francesca Wilson *BSc, ACIS* *(Appointed on 29 November 2017)*	Mrs Wilson is chartered secretary with over 12 years' experience gained in a variety of in-house and professional service environments, and more recently, offering value-add, tailored company secretarial services through her independent consultancy. She has particular expertise in supporting clients seeking a listing on the London Stock Exchange, with a successful track record of ensuring the robust implementation of corporate governance frameworks appropriate to satisfy compliance with the regulatory regime. Mrs Wilson is an Associate of the Institute of Chartered Secretaries and Administrators (ICSA).
Lawrence Davidson *B.Comm, Finance* *(Resigned on 25 January 2018)*	Mr Davidson graduated from the University of the Witwatersrand in Johannesburg, South Africa in 1991, and has held senior financial management roles for the past 20 years. He recently occupied the position of managing director of DF2 Consulting (Pty) Ltd., a South African financial and management consulting company, a position he had held for the past 5 years. Prior to this Mr Davidson was a management consultant to Barclays Bank plc, as part of their Barclays Africa integration team. Mr Davidson spent the early part of his career within the investment banking field, holding various financial management positions at Gensec Bank Ltd., a specialist South African investment bank, and was part of a group of employees to successfully set up and manage Gensec Bank's Irish domiciled operation, Gensec Ireland Ltd., in Dublin, Ireland during 1999-2001.

DIRECTORS' REPORT (CONT)

Meetings of Directors

The number of meetings of the Company's Directors and the number of meetings attended by each Director during the year ending 31 December 2017 are:

Director	Board of Directors' Meetings		Audit & Risk Committee Meetings	
	Number eligible to attend	**Number attended**	**Number eligible to attend**	**Number attended**
D Hathorn	12*	12	2	2
S Bennett	12*	12	2	2
J Trollip	8	8	2	2
L Math	8	8	2	2
T Keating	8	8	1	1
P Altimiras	8	7	-	-
David Netherway(i)	-	-	-	-

(i) Appointed 12 December 2017

* includes Board meetings of both Kore Potash Limited and Kore Potash plc, the latter including meetings before other Directors were appointed.

There were 12 Directors' meetings (6 of which were of Kore Potash Limited and 6 of which were of Kore Potash plc) and 2 audit and risk committee meetings held during the year.

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year as disclosed in Note 19 is compatible with the general standard of independence for auditors. The Directors are satisfied that non-audit services did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence under all relevant independence rules.

Indemnifying Officers

The Group has agreed to indemnify the Directors of the Company, against all liabilities to another person that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Group agreed to pay an annual insurance premium of USD 28,916 (2016: USD 29,373) in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors, officers and employees of the Company. The insurance premium relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty.

Remuneration Report

Key Management Personnel of the Company and the Group

This report details the nature and amount of remuneration for key management personnel of the Group. Key management personnel during the financial year 2017 were:

David Hathorn (i)	Non-Executive Chairman (appointed 20 November 2015)
Sean Bennett (i)	Managing Director and CEO (appointed 20 November 2015)
Jonathan Trollip (ii)	Non-Executive Director (appointed 21 April 2016)
Leonard Math (ii)	Non-Executive Director (appointed 24 April 2014)
Timothy Keating (ii)	Non-Executive Director (appointed 15 November 2016)
Pablo Altimiras (ii)	Non-Executive Director (appointed 15 November 2016)
David Netherway	Non-Executive Director (appointed 12 December 2017)
Henko Vos	Joint Company Secretary (appointed 16 November 2016)
Francesca Wilson	Joint Company Secretary (appointed 29 November 2017)
John Crews	Chief Financial Officer (appointed 22 May 2017)
Gavin Chamberlain	Chief Operating Officer (appointed 1 October 2017)
Julien Babey	Business Development and Head of RoC (appointed 1 January 2016)
Lawrence Davidson	Chief Financial Officer and Risk Officer (resigned 1 January 2018)
	Joint Company Secretary (resigned 25 January 2018)
Werner Swanepoel	Project Director (resigned 23 November 2017)

(i) David Hathorn and Sean Bennett were appointed as the directors of Kore Potash plc on the date of incorporation of the Company on 25 August 2017.

(ii) In accordance with the Scheme of Arrangement between Kore Potash Limited and its shareholders, Jonathan Trollip, Leonard Math, Timothy Keating and Pablo Altimiras were appointed as the directors of Kore Potash plc on 17 November 2017.

This remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of Kore Potash's key management personnel for the financial year ended 31 December 2017. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the Consolidated Entity. The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel
- remuneration policy
- relationship between the remuneration policy and company performance
- remuneration of key management personnel

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Voting and Comments Made at the Group's Annual General Meeting held in May 2017
Kore Potash received more than 99.8% of "yes" votes on its remuneration report for the 2016 financial year.
The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Remuneration Policy
The remuneration policy of Kore Potash has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Kore Potash believes the remuneration policy to be appropriate and effective in its ability to attract and retain high calibre executives and directors to run and manage the Group.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth. Executives are also entitled to participate in the employee share and option arrangements.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. During the financial year, no independent external advice was sought for the purpose of determining the remuneration of the key management personnel. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in employee option plans. The Board has adopted the Kore Potash Performance Rights Plan to establish an incentive plan aiming to create a stronger link between employee performance and reward and increasing shareholder value by enabling the participants of the plan to have a greater involvement with, and share in the future growth and profitability of the Company.

Key Terms of Employment Contracts

Key Terms of Employment Contracts for the financial year ending 31 December 2017:

Name	Base Salary per Annum	Term of Agreement	Notice Period
Sean Bennett (Managing Director and CEO)	USD 300,000	No fixed term	6 month notice period
John Crews (Chief Financial Officer)	USD 240,000	No fixed term	3 month notice period
Gavin Chamberlain (Chief Operating Officer)	USD 275,000	No fixed term	3 month notice period
Julien Babey (Business Development and Head of RoC)	USD 220,000	No fixed term	3 month notice period

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Key Management Personnel Remuneration - Audited

The remuneration for each director and key management personnel of the Group during the year ended 31 December 2017 was as follows:

1 January 2017 to 31 December 2017 single figure table

	Short-Term Benefits			Post-Employment Benefits	Share Based Payments	
	Fees/Basic Salary USD	Annual Bonus USD	Benefits in kind USD	Superannuation USD	Options / Rights USD	Total USD
Executive Director						
S Bennett	309,000	-	-	-	411,784	720,784
Non-Executive Directors						
D Hathorn	-	-	-	-	344,579	344,579
J Trollip	44,121	-	-	13,652	38,535	96,308
L Math	46,161	-	-	-	19,267	65,428
T Keating	46,513	-	-	-	-	46,513
P Altimiras	46,860	-	-	-	-	46,860
D Netherway (i)	10,100	-	-	-	-	10,100
	502,755	**-**	**-**	**13,652**	**814,165**	**1,330,572**
Executives						
L Davidson (ii)	250,000	-	-	-	93,737	343,737
J Crews (iii)	144,954	-	-	-	104,494	249,448
G Chamberlain (iv)	68,983	-	-	-	-	68,983
H Vos (v)	117,387	-	-	-	-	117,387
F Wilson (vi)	13,383	-	-	-	-	13,383
W Swanepoel (vii)	443,024	-	-	-	104,754	547,778
J Babey (viii)	226,600	-	-	-	168,983	395,583
	1,264,331	**-**	**-**	**-**	**471,968**	**1,736,299**
Total	**1,767,086**	**-**	**-**	**13,652**	**1,286,133**	**3,066,871**

(i) Appointed 12 December 2017.
(ii) Resigned 25 January 2018. He was paid severance pay of USD50,000.
(iii) Appointed 22 May 2017.
(iv) Appointed 1 October 2017.
(v) Nexia Perth Pty Ltd has been engaged to provide accounting, administrative and company secretarial services on commercial terms. Mr Vos is currently employed by Nexia Perth.
(vi) Appointed 29 November 2017. FKW Consulting Ltd has been engaged to provide company secretarial services on commercial terms. Mrs Francesca Wilson is currently employed by FKW Consulting Ltd.
(vii) Resigned on 23 November 2017. Included in his basic salary is his severance pay, ex gratia pay and outstanding annual leave pay of $206,986, included above.

Sean Bennett is the highest paid director and details of his remuneration are disclosed above.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Key Management Personnel Remuneration - Audited

The remuneration for each director and key management personnel of the Group during the year ended 31 December 2016 was as follows:

1 January 2016 to 31 December 2016 single figure table

	Short-Term Benefits			Post-Employment Benefits		
	Fees/Basic Salary USD	Annual Bonus USD	Benefits in kind USD	Superannuation USD	Share Based Payments – Options / Rights USD	Total USD
Executive Director						
S Bennett	304,880	-	-	-	508,898	813,778
Non-Executive Directors						
D Hathorn	-	-	-	-	475,323	475,323
J Trollip (i)	35,903	-	-	3,376	19,194	58,473
L Math (iii)	112,904	-	-	-	10,531	123,435
T Keating (iv)	5,420	-	-	-	-	5,420
P Altimiras (iv)	5,420	-	-	-	-	5,420
RS Middlemas (ii)	63,864	-	-	-	1,914	65,778
	528,391	**-**	**-**	**3,376**	**1,015,860**	**1,547,627**
Executives						
L Davidson	182,500	-	-	-	63,307	245,807
H Vos (iii)	6,106	-	-	-	-	6,106
W Swanepoel	250,000	-	-	-	311,286	561,286
J Babey	220,000	-	-	-	87,057	307,057
	658,606	**-**	**-**	**-**	**461,650**	**1,120,256**
Total	**1,186,997**	**-**	**-**	**3,376**	**1,477,510**	**2,667,883**

(i) Appointed 21 April 2016.
(ii) Resigned 21 April 2016.
(iii) Nexia Perth Pty Ltd has been engaged to provide directorship, accounting, administrative and company secretarial services on commercial terms. Mr Leonard Math was an employee with Nexia Perth up until his resignation date as joint company secretary on 16 November 2016. On the same day, Mr Henko Vos was appointed as joint company secretary in Mr Math's place. Mr Vos is also currently employed by Nexia Perth. The total amount paid for Mr Math's directors fees is USD 44,078.
(iv) Appointed 15 November 2016.

Remuneration Report (Cont)

Share-based payments granted as compensation to key management personnel - Audited

Employee Share Option Plan and Employee Performance Rights Plan

Kore Potash operates an ownership-based scheme for executives and senior employees of the Consolidated Entity. In accordance with the provisions of the plans, as approved by shareholders at a previous general meeting, executives and senior employees may be granted performance rights and/or options to purchase parcels of ordinary shares at an exercise price determined by the Remuneration Committee.

Each employee share option converts into one ordinary share of Kore Potash on exercise. No amounts are paid or payable by the recipient on receipt of the option, aside from when the option is exercised. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. Each employee performance rights will be converted into one ordinary share of Kore Potash upon vesting conditions being met. No amounts are paid or payable by the recipient on receipt of the performance rights. The performance rights carry neither rights to dividends nor voting rights.

The performance rights/options granted expire as determined by the Remuneration Committee, or immediately following the resignation of the executive or senior employee, whichever is the earlier.

Summary information for Options in existence during 2017
During the financial year, the following options as share-based payment arrangements were in existence:

	Grant Date	Vesting Date	Number of Options	Expiry Date	Fair Value at Grant Date AUD	Exercise Price AUD
Option Series 19*	22/05/2013	22/05/2014	83,333	22/05/2017	$0.2181	$0.90
Option Series 20*	22/05/2013	22/05/2015	83,333	22/05/2017	$0.2181	$0.90
Option Series 21*	22/05/2013	22/05/2016	83,334	22/05/2017	$0.2181	$0.90
Option Series 22	9/04/2014	10/04/2014	2,169,671	15/04/2018	$0.1242	$0.33
Option Series 23	9/04/2014	10/04/2015	1,760,778	15/04/2018	$0.1391	$0.33
Option Series 24	9/04/2014	10/04/2016	1,760,777	15/04/2018	$0.1522	$0.33
Option Series 25	12/05/2014	10/04/2014	333,333	15/04/2018	$0.0948	$0.33
Option Series 26	12/05/2014	10/04/2015	333,333	15/04/2018	$0.1073	$0.33
Option Series 27	12/05/2014	10/04/2016	333,334	15/04/2018	$0.1194	$0.33
Option Series 28	30/05/2014	10/04/2014	500,000	26/06/2018	$0.1177	$0.33
Option Series 29	30/05/2014	10/04/2015	500,000	26/06/2018	$0.1303	$0.33
Option Series 30	30/05/2014	10/04/2016	500,000	26/06/2018	$0.1432	$0.33

** Option Series expired during the financial year.*

There are no performance criteria that need to be met in relation to options granted above before the beneficial interest vests in the recipient. However, the executives and senior employees receiving the options meet the vesting conditions only if they continue to be employed with the Company at the vesting date.

Please refer to Note 22 for further details of the options granted as detailed above.

There were no exercise of options during the year.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Share-based payments granted as compensation to key management personnel - Audited (Cont)

Summary information for Rights in existence during 2017
During the financial year, the following performance rights as share-based payment arrangements were in existence:

	Grant Date	Vesting Date	Number of Rights	Expiry Date	Fair Value at Grant Date AUD
Rights Series 4 *	17/09/2015	1 Dec 2016	2,666,090	16/09/2017	$0.1451
Rights Series 5 *	17/09/2015	*Refer below*	2,666,090	16/09/2018	$0.1507
Rights Series 6*	17/09/2015	*Refer below*	2,666,090	16/09/2019	$0.1510
Rights Series 7 *	07/12/2015	*Refer below*	5,000,000	06/12/2020	$0.1753
Rights Series 8 *	20/11/2015	*Refer below*	13,000,000	01/03/2021	$0.1596
Rights Series 9 *	20/11/2015	*Refer below*	8,500,000	01/03/2021	$0.1867
Rights Series 10	30/06/2016	*Refer below*	2,000,000	30/06/2021	$0.1258
Rights Series 11	30/06/2016	*Refer below*	1,000,000	30/06/2021	$0.1258
Rights Series 12*	29/05/2017	*Refer below*	2,000,000	31/05/2019	$0.1700
Rights Series 13	31/05/2017	*Refer below*	660,000	31/05/2019	$0.1700
Rights Series 14*	29/05/2017	*Refer below*	4,482,005	31/05/2019	$0.1700
Rights Series 15	29/05/2017	*Refer below*	11,734,853	31/05/2019	$0.17/$0.104

** Vested and converted to fully paid ordinary shares during the year – Please refer to Note 22 for more details of the conversion.*

The above Performance Rights have nil exercise price.

There are various performance criteria that need to be met in relation to performance rights granted above before the beneficial interest vests in the recipient. However, if the executives and senior employees receiving the performance rights ceased to be employed by the Company, the Board of Directors will determine if the performance rights vest immediately, cancelled or vest upon vesting condition being achieved.

Please refer to Note 22 for the various vesting dates for the performance rights granted above.

Performance Rights Series 12, 13 14 and 15 were granted as compensation during the year.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Share-based payments granted as compensation to key management personnel – Audited (Cont)

Summary information for Options/Rights held by key management personnel during 2017

The following grants of share-based payment compensation to directors and key management personnel relate to the current financial year:

	Options / Rights Series	Options / Rights Grant Date	Options / Rights Issue Date	Total No. Granted	No. Vested During the Year	% of Grant Vested	% of Grant Forfeited	% of 2017 Compensation Consisting of Rights
Directors								
D Hathorn	Rights Series 8	20/11/2015	2/03/2016	13,000,000	1,000,000	7.69	-	100.00
S Bennett	Rights Series 9	20/11/2015	2/03/2016	8,500,000	531,250	6.25	-	53.58
	Rights Series 13	31/05/2017	1/06/2017	660,000	-	-	-	3.55
J Trollip	Rights Series 10	30/06/2016	6/07/2016	2,000,000	-	-	-	40.01
L Math	Rights Series 11	30/06/2016	6/07/2016	1,000,000	-	-	-	29.45
Executives								
J Crews (i)	Rights Series 12	29/05/2017	29/05/2017	100,000	-	-	-	1.56
	Rights Series 14	29/05/2017	29/05/2017	(v)	-	-	-	23.25
	Rights Series 15	29/05/2017	29/05/2017	(v)	-	-	-	17.08
G Chamberlain (ii)	100,000 p rights	(v)	(v)	(v)	-	-	-	-
	Rights Series 14	29/05/2017	29/05/2017	(v)	-	-	-	-
	Rights Series 15	29/05/2017	29/05/2017	(v)	-	-	-	-
L Davidson (iii)	Rights Series 5	17/09/2015	17/09/2015	376,374	376,374	100.00	-	7.10
	Rights Series 6	17/09/2015	17/09/2015	376,374	376,374	100.00	-	8.68
	Rights Series 12	29/05/2017	29/05/2017	165,000	165,000	100.00	-	6.35
	Rights Series 14	29/05/2017	29/05/2017	(vi)	-	-	100.00	5.20
	Rights Series 15	29/05/2017	29/05/2017	(vi)	-	-	100.00	(0.05)
W Swanepoel (iv)	Option Series 24	9/04/2014	9/04/2014	720,000	-	-	-	-
	Rights Series 7	07/12/2015	29/02/2016	5,000,000	-	-	44.90	(1.12)
	Rights Series 12	29/05/2017	29/05/2017	350,000	350,000	100.00	-	8.44
	Rights Series 14	29/05/2017	29/05/2017	490,000	490,000	100.00	-	11.80
J Babey	Rights Series 5	17/09/2015	17/09/2015	521,957	521,957	100.00	-	8.55
	Rights Series 6	17/09/2015	17/09/2015	521,957	-	-	-	3.82
	Rights Series 12	29/05/2017	29/05/2017	350,000	-	-	-	3.45
	Rights Series 14	29/05/2017	29/05/2017	(v)	-	-	-	14.66
	Rights Series 15	29/05/2017	29/05/2017	(v)	-	-	-	12.24

(i) Appointed 22 May 2017.
(ii) Appointed 1 October 2017.
(iii) Resigned 25 January 2018.
(iv) Resigned 23 November 2017.
(v) To be approved and finalised by the Board of Directors.
(vi) The Performance Rights were forfeited before the numbers were finalised by the Board upon his resignation.

For more information on the Options / Rights Series, please refer to Note 22.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Share-based payments granted as compensation to key management personnel – Audited (Cont)

Options/Rights granted during 2017

There were no options granted to key management personnel during the year. The following table summarises the performance rights granted to key management personnel during the year:

	Options / Rights Series	Number of Rights Granted at Grant Date Number	Value of Rights / Granted at Grant Date (1) USD	Market Price of Rights Granted at Grant Date (2) USD
Directors				
Sean Bennett	Rights Series 13	660,000	83,569	83,530
Executives				
John Crews	Rights Series 12	100,000	12,647	12,653
Lawrence Davidson	Rights Series 12	165,000	20,867	20,878
Werner Swanepoel	Rights Series 12	350,000	44,264	44,286
	Rights Series 14	490,000	61,969	62,000
Julien Babey	Rights Series 12	350,000	44,264	44,286

(1) The value of options or rights granted during the period is recognised in compensation over the vesting period of the grant, in accordance with IFRS 2.

(2) Sean Bennett was granted 660,000 performance rights on 31 May 2017 when the market price of the Company's shares was AUD 0.17 and the foreign exchange rate was AUD 1: USD 0.74448.

John Crews was granted 100,000 performance rights on 29 May 2017 when the market price of the Company's shares was AUD 0.17 and the foreign exchange rate was AUD 1: USD 0.74430.

Lawrence Davidson was granted 165,000 performance rights on 29 May 2017 when the market price of the Company's shares was AUD 0.17 and the foreign exchange rate was AUD 1: USD 0.74430.

Werner Swanepoel was granted 840,000 performance rights on 29 May 2017 when the market price of the Company's shares was AUD 0.17 and the foreign exchange rate was AUD 1: USD 0.74430.

Julien Babey was granted 350,000 performance rights on 29 May 2017 when the market price of the Company's shares was AUD 0.17 and the foreign exchange rate was AUD 1: USD 0.74430.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Share-based payments granted as compensation to key management personnel – Audited (Cont)

Options/Rights vested during 2017

There were no exercise/lapsed of options that were granted to key management personnel as part of their compensation during the year. The following table summarises the value of performance rights to key management personnel vested during the year:

	Rights Series	Rights Vested Number	Market Price of Rights at Grant Date USD	Market Price of Rights at Vesting Date [1] USD
Directors				
D Hathorn	Rights Series 8	2,000,000	286,540	206,686
S Bennett	Rights Series 9	1,062,500	152,224	109,802
Executives				
L Davidson	Rights Series 4	376,374	53,892	46,086
	Rights Series 5	376,374	53,892	52,111
	Rights Series 6	376,374	53,892	31,705
	Rights Series 12	165,000	20,878	13,899
W Swanepoel	Rights Series 7	250,000	34,839	30,612
	Rights Series 12	350,000	44,286	29,483
	Rights Series 14	490,000	62,000	41,277
J Babey	Rights Series 4	521,957	74,738	63,913
	Rights Series 5	521,957	74,738	72,268

(1) David Hathorn was awarded 1,000,000 shares on 3 February 2017 when the market price of the Company's shares was AUD 0.16 and the foreign exchange rate was AUD 1: USD 0.7653. He was also awarded 1,000,000 shares on 20/12/2017 when the market price of the Company's shares was AUD 0.11 and the foreign exchange rate was AUD 1: USD 0.7658.

Sean Bennett was awarded 531,250 shares on 3 February 2017 when the market price of the Company's shares was AUD 0.16 and the foreign exchange rate was AUD 1: USD 0.7653. He was also awarded 531,250 shares on 20/12/2017 when the market price of the Company's shares was AUD 0.11 and the foreign exchange rate was AUD 1: USD 0.7658.

Lawrence Davidson was awarded 376,374 shares each on 3 February 2017, 30 June 2017 and 20 December 2017 respectively when the market price of the Company's shares was AUD 0.16, AUD 0.18 and AUD 0.11 respectively and the foreign exchange rate was AUD 1: USD 0.7653, AUD 1: USD 0.7692 and AUD 1: USD 0.7658. He was also awarded another 165,000 shares on 20 December 2017.

Werner Swanepoel was awarded 250,000 shares on 3 February 2017 when the market price of the Company's shares was AUD 0.16 and the foreign exchange rate was AUD 1: USD 0.7653. He was also awarded 350,000 and 490,000 shares on 20 December 2017 when the market price of the Company's shares was AUD 0.11 and the foreign exchange rate was AUD 1: USD 0.7658.

Julien Babey was awarded 521,957 shares each on 3 February 2017 and 30 June 2017 when the market price of the Company's shares was AUD 0.16 and AUD 0.18 respectively and the foreign exchange rate was AUD 1: USD 0.7653 and AUD 1: USD 0.7692.

There were no performance rights to key management personnel which lapsed during the year.

Shares issued on exercise of options or performance rights

10,753,774 shares were issued during the year ended 31 December 2017 following the vesting of the performance rights.

No shares were issued from the exercise of unlisted options during the year ended 31 December 2017.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Shareholdings (ordinary shares) - Audited

The numbers of ordinary shares in the Company held during the financial year by key management personnel, including shares held by entities they control, are set out below.

31 December 2017	Balance at 1 Jan 2017	Received as Remuneration	Options Exercised / Rights Converted	Other Movements (i) (ii)	Balance at 31 Dec 2017
Directors					
David Hathorn (i)	17,243,516	-	2,000,000	2,324,589	21,568,105
Sean Bennett	1,188,100	-	1,062,500	-	2,250,600
Jonathan Trollip (i)	200,000	-	-	375,003	575,003
Leonard Math	-	-	-	-	-
Timothy Keating	-	-	-	-	-
Pablo Altimiras	-	-	-	-	-
David Netherway	-	-	-	-	-
	18,631,616	**-**	**3,062,500**	**2,699,592**	**24,393,708**
Executives					
John Crews	-	-	-	-	-
Gavin Chamberlain	-	-	-	-	-
Lawrence Davidson (ii)	58,334	-	1,294,122	(1,352,456)	-
Henko Vos	-	-	-	-	-
Francesca Wilson	-	-	-	-	-
Werner Swanepoel	450,000	-	1,090,000	(1,540,000)	-
Julien Babey	-	-	1,043,914	-	1,043,914
	508,334	**-**	**3,428,036**	**(2,892,456)**	**1,043,914**
Total	**19,139,950**	**-**	**6,490,536**	**(192,864)**	**25,437,622**

(i) Off-market acquisition.
(ii) Shares held at the end of the resignation date.

31 December 2016	Balance at 1 Jan 2016	Received as Remuneration	Options Exercised/ Rights Converted	Other Movements (i) (ii) (iii)	Balance at 31 Dec 2016
Directors					
David Hathorn (i)	4,106,516	-	-	13,137,000	17,243,516
Sean Bennett (i)	-	-	531,250	656,850	1,188,100
Jonathan Trollip (ii)	-	-	-	200,000	200,000
Leonard Math	-	-	-	-	-
Timothy Keating	-	-	-	-	-
Pablo Altimiras	-	-	-	-	-
Robert Samuel Middlemas (iii)	337,122	-	-	(337,122)	-
	4,443,638	**-**	**531,250**	**13,656,728**	**18,631,616**
Executives					
Lawrence Davidson	58,334	-	-	-	58,334
Henko Vos	-	-	-	-	-
Werner Swanepoel	200,000	-	250,000	-	450,000
Julien Babey	-	-	-	-	-
	258,334	**-**	**250,000**	**-**	**508,334**
Total	**4,701,972**	**-**	**781,250**	**13,656,728**	**19,139,950**

(i) Shares acquired as part of the USD 45 million capital raising.
(ii) Shares acquired externally via an on-market purchase.
(iii) Shares held at the end of the resignation date on 21 April 2016.

Remuneration Report (Cont)

Shareholdings (preference shares) – Audited (Cont)

The numbers of preference shares in the Company held during the financial year by key management personnel, including shares held by entities they control, are set out below.

31 December 2017	Balance at 1 Jan 2017	Received as Remuneration	Options Exercised / Rights Converted	Other Movements (i)	Balance at 31 Dec 2017
Directors					
David Hathorn (i)	-	-	-	25,000	25,000
Sean Bennett (i)	-	-	-	25,000	25,000
Jonathan Trollip	-	-	-	-	-
Leonard Math	-	-	-	-	-
Timothy Keating	-	-	-	-	-
Pablo Altimiras	-	-	-	-	-
David Netherway	-	-	-	-	-
	-	**-**	**-**	**50,000**	**50,000**
Executives					
John Crews	-	-	-	-	-
Gavin Chamberlain	-	-	-	-	-
Lawrence Davidson	-	-	-	-	-
Henko Vos	-	-	-	-	-
Francesca Wilson	-	-	-	-	-
Werner Swanepoel	-	-	-	-	-
Julien Babey	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**50,000**	**50,000**

(i) David Hathorn and Sean Bennett were each issued during 2017 25,000 Redeemable (Non-Voting) Preference Shares at £1.00 each in the Kore Potash plc (held directly). Under the Scheme of Arrangement, each Director has given an irrevocable undertaking to pay the Company the sum of GBP 25,000 on or before the date that is five years from the date of the undertaking or, if sooner, immediately upon a written demand or demands by the Company. Upon completion of the Scheme of Arrangement, the Redeemable Preference Shares will be cancelled and amount payable by the Directors will be offset by an amount payable by the Company back to the Directors.

DIRECTORS' REPORT (CONT)

Remuneration Report (Cont)

Options and rights over equity instruments granted as compensation - Audited

The numbers of options and rights over ordinary shares in the Company held during the financial year by key management personnel, including options and rights held by entities they control, are set out below.

31 December 2017	Balance at 1 Jan 2017	Received as Remuneration	Rights Vested	Other Movements (i) (ii)	Balance at 31 Dec 2017	Vested and exercisable at year end
Directors						
David Hathorn (i)	15,000,000	-	(2,000,000)	49,416	13,049,416	2,049,416
Sean Bennett	8,068,750	660,000	(1,062,500)	-	7,666,250	100,000
Jonathan Trollip (i)	2,000,000	-	-	57,091	2,057,091	57,091
Leonard Math	1,183,600	-	-	-	1,183,600	183,600
Timothy Keating	-	-	-	-	-	-
Pablo Altimiras	-	-	-	-	-	-
David Netherway	-	-	-	-	-	-
	26,252,350	**660,000**	**(3,062,500)**	**106,507**	**23,956,357**	**2,390,107**
Executives						
John Crews	-	100,000	-	-	100,000	-
Gavin Chamberlain (iii)	-	-	-	-	-	-
Lawrence Davidson (ii)	1,849,122	165,000	(1,294,122)	(720,000)	-	-
Henko Vos	-	-	-	-	-	-
Francesca Wilson	-	-	-	-	-	-
Werner Swanepoel (ii)	5,470,000	840,000	(3,335,000)*	(2,975,000)	-	-
Julien Babey	2,419,204	350,000	(1,043,914)	-	1,725,290	853,333
	9,738,326	**1,455,000**	**(5,673,036)**	**(3,695,000)**	**1,825,290**	**853,333**
Total	**35,990,676**	**2,115,000**	**(8,735,536)**	**(3,588,493)**	**25,781,647**	**3,243,440**

(i) Off-market acquisition.
*(ii) Options held at the end of the resignation date. * Includes 2,245,000 Performance Rights cancelled on his resignation.*
(iii) To be finalised and issued.

31 December 2016	Balance at 1 Jan 2016	Received as Remuneration	Rights Vested)	Other Movements (i) (ii) (iii)	Balance at 31 Dec 2016	Vested and exercisable at year end
Directors						
David Hathorn (i)	322,824	13,000,000	(322,824)	2,000,000	15,000,000	3,000,000
Sean Bennett (i)	-	8,500,000	(531,250)	100,000	8,068,750	631,250
Jonathan Trollip	-	2,000,000	-	-	2,000,000	-
Leonard Math	183,600	1,000,000	-	-	1,183,600	183,600
Timothy Keating	-	-	-	-	-	-
Pablo Altimiras	-	-	-	-	-	-
Robert Samuel Middlemas (ii)	472,242	-	(72,242)	(400,000)	-	-
	978,666	**24,500,000**	**(926,316)**	**1,700,000**	**26,252,350**	**3,814,850**
Executives						
Lawrence Davidson	1,861,623	-	(12,501)	-	1,849,122	1,096,374
Henko Vos	-	-	-	-	-	-
Werner Swanepoel	5,720,000	-	(250,000)	-	5,470,000	970,000
Julien Babey	2,919,204	-	(500,000)	-	2,419,204	1,375,290
	10,500,827	**-**	**(762,501)**	**-**	**9,738,326**	**3,441,664**
Total	**11,479,493**	**24,500,000**	**(1,688,817)**	**1,700,000**	**35,990,676**	**7,256,514**

(i) Options acquired as part of the USD 45 million capital raising.
(iv) Options held at the end of the resignation date on 21 April 2016.

Remuneration Report (Cont)

Other transactions with Key Management Personnel during the financial year ended 31 December 2017
No key management personnel has entered into a material contract (apart from employment) with the Company and the Group. No amount of remuneration is outstanding at 31 December 2017 (31 December 2016: nil).

David Hathorn (Chairman) and Sean Bennett (Managing Director and CEO) were each issued with 25,000 Redeemable (Non-Voting) Preference Shares at £1.00 each in Kore Potash plc (held directly). Under the Scheme of Arrangement, both Directors have given an irrevocable undertaking to pay the Company the sum of GBP 25,000 on or before the date that is five years from the date of the undertaking or, if sooner, immediately upon a written demand or demands by the Company. At 31 December 2017, the amount owing by the two Directors to the Company was USD 65,631 (GBP 50,000). Upon completion of the Scheme of Arrangement, the Redeemable Preference Shares will be cancelled and amount payable by the Directors will be offset by an amount payable by the Company back to the Directors.

The Company paid US$13,652 to Piaster Pty Ltd as trustee for the Trollip Family Superannuation Fund for Mr Jonathan Trollip's director fees. Mr Trollip is a director of and has a beneficial interest in Piaster Pty Ltd.

Nexia Perth Pty Ltd has been engaged to provide accounting, administrative and company secretarial services for the Group on commercial terms. Mr Henko Vos, who is based in Perth, Australia has been appointed as joint company secretary and is also currently an employee with Nexia Perth. During the year, the total amounts paid to Nexia Perth by the Group for providing accounting, administration and company secretarial services were USD 117,387 (2016: USD 68,826).

FKW Consulting Ltd has been engaged to provide company secretarial services for Kore Potash plc on commercial terms. Mrs Francesca Wilson, who is based in London, UK has been appointed as joint company secretary and is also currently an employee with FKW Consulting Ltd during the year. During the year, the total amounts paid to FKW Consulting Ltd by the Group for providing company secretarial services were USD 13,383 (2016: nil).

There were no other transactions with key management personnel and its related parties.

- End of Remuneration Report -

Proceedings on Behalf of Group
No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Statement of disclosure of information to auditors
As at the date of this report the serving Directors confirm that:

(a) so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
(b) they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTORS' REPORT (CONT)

Going concern

The consolidated entity incurred a loss of USD 4,344,322 (2016: USD 4,259,666) and experienced net cash outflows from operating and investing activities of USD 33,024,083 (2016: USD 8,907,255) for the year ended 31 December 2017. Cash and cash equivalents totaled USD 16,455,490 as at 31 December 2017 (USD 42,609,786 as at 31 December 2016).

On 26 March 2018, in connection with the AIM and JSE listings, a total of US$12,894,659 was raised from existing and new investors through the placing and direct subscription of 83,523,344 ordinary shares in the Company at a placing price of AU$0.20 per new ordinary share. In addition, the Company raised US$250,000 from the Chairman, David Hathorn, through a convertible loan note that will convert into ordinary shares upon shareholder approval at the next general meeting of the Company. The Company was listed on the AIM market and JSE on 29 March 2018.

The above mentioned fundraise has significantly improved the Group's liquidity position and the Directors have prepared a cash flow forecast for the period ending 31 March 2019, which indicates the Group will have sufficient cash flow to meet working capital requirements through to 31 March 2019 including corporate costs, exploration expenditure, and Definitive Feasibility Study ("DFS") costs related to the Kola Project. As described in Note 18 of the financial statements, the only committed costs in this period relate to the DFS and operating lease commitments with the remaining planned expenditure discretionary. Furthermore, the Group is forecast to be able to meet all capital requirements beyond this period for a further six months based on current forecasts.

The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly the Group will be able to continue as a going concern and meet its obligations as and when they fall due. The Directors will continue to pursue further capital raising initiatives in order to have sufficient funds to fund additional exploration and evaluation activities on the Dougou (inclusive of Dougou extension) project and the 'Sintoukola 2' Exploration Permit.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' REPORT (CONT)

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

This responsibility statement was approved by the board of directors on 29 March 2018 and is signed on its behalf by:

Non-Executive Chairman
David Hathorn
29 March 2018

Managing Director and CEO
Sean Bennett
29 March 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KORE POTASH PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- **the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2017, of the Group's loss for the year then ended and of the parent company's loss for the 5 month period then ended;**
- **the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;**
- **the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and**
- **the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.**

We have audited the financial statements of Kore Potash plc (the 'parent company') and its subsidiaries (the 'Group') which comprise:

- the consolidated statement of profit or loss;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • *Going Concern* • *Impairment of Exploration and Evaluation assets*
Materiality	We used a materiality of $3 million for our audit of the Group financial statements, which was determined on the basis of net assets.
Scoping	We have performed a full scope audit which covered 100% of the net asset value of the Group.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where: • the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or • the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.	**We have nothing to report in respect of these matters aside from the matters discussed in the Key Audit Matters section below**

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Going concern	
Key audit matter description	Throughout the audit, we considered going concern to be a key audit matter as a result of the risk associated with the listing and capital raise, and the company's reliance on this raise to continue funding its exploration programme. Following the successful capital raise on 26 March 2018, the financial statements have been prepared on a going concern basis as management is confident that the financial plans in place are achievable following the significant improvement in the Group's liquidity. The key assumptions in our assessment include the expected size of the capital raise (both the listing and loan notes issuance), costs associated with the raise and ongoing costs, including DFS costs, throughout the going concern period. Further details are included within the Directors' report on page 35 and note 1b to the financial statements.
How the scope of our audit responded to the key audit matter	We responded to this key audit matter by: - Obtaining management's cash flow forecasts for the going concern period approved by the board - Assessing and challenging the key assumptions within management's going concern forecasts, including the expected size of the capital raise (both the listing and loan notes issuance), costs associated with the raise and the forecast costs to fund the Group's exploration programme throughout the going concern period by obtaining supporting evidence, including signed contracts and other third party documentation, for planned cash flows as discussed above. - Assessing management's reasonable worst case scenarios and

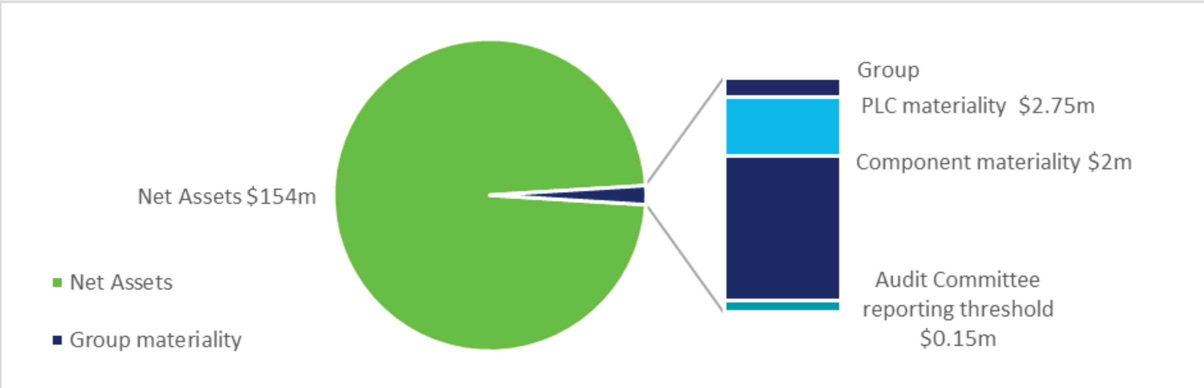
	considering whether any other possible adverse circumstances should be incorporated. We have also reviewed the management disclosure within the financial statements relating to going concern.
Key observations	Based on our procedures performed we are satisfied that the going concern assumption remains appropriate based on the successful capital raise and listing on 29 March 2018.
Impairment in Exploration and Evaluation Assets	
Key audit matter description	At 31 December 2017, the Group holds $140 million of exploration and evaluation (E&E) assets on its balance sheet. The assessment of the carrying value of the E&E assets requires management to exercise judgement as described in the 'Critical Accounting Estimates and Judgements' section of the financial statements. This assessment includes a number of factors (including IFRS 6 paragraph 20 requirements) in line with IFRS 6 *Exploration for and Evaluation of Mineral Resources*. Further details are included within the Directors' report on [page 36], and note 9 to the financial statements.
How the scope of our audit responded to the key audit matter	We responded to this key audit matter by: - Evaluated management's assessment of the E&E assets held on the balance sheet at 31 December; - Obtained and reviewed management's budgets for its E&E assets - Challenged management's impairment considerations with reference to IFRS 6 to assess whether the capitalised costs are appropriate in line with IFRS 6 requirements and management policy; and - Challenged management to provide evidence of licence validity, appraisal activity and the project status by obtaining the exploration licence renewal and other key documentation.
Key observations	Based on our procedures performed we are satisfied that management's assessment that no impairment is required in respect of the capitalised E&E costs at 31 December 2017 is appropriate.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	$3 million	$2.75 million
Basis for determining materiality	Our materiality is determined based on 2% of net assets.	Our materiality is determined based on 2% of net assets.
Rationale for the benchmark applied	The Group's net asset value is the key metric in its financial statements. As it is a pre-revenue business, an income statement metric was determined to be inappropriate.	The company primarily holds an investment in the Group's underlying business. On this basis net assets is considered to be the most relevant metric.



We determined that we would report to the Audit Committee all audit differences in excess of $150k for the Group, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our Group audit focussed on the exploration assets and the parent company which were subject to full scope audits. The extent of the audit procedures was based on the identified risks of material misstatement and on the materiality of the Group's three business units which fall under one reporting segment and a parent company. Our audit procedures covered 100% of the Group's net assets. The materiality applied to the components ranged from $1 million to $2 million.

The full scope audit of the Group's operations which are included in the sub-consolidation below the parent company was performed by the component team in Australia under the direct supervision of the Group audit team. The Group team took responsibility for the audit work in respect of the Group's going concern assessment, consolidation process as well as the Group and Company financial statements. The Group team planned and oversaw the work performed by component auditors; the procedures performed included a review of the reports provided on the results of the work undertaken by the component audit team as well as a detailed review and challenge of the underlying work to ensure compliance with the relevant professional standards. Throughout the audit we maintained a high level of involvement in the work of the component auditor through regular communication and calls with both the component auditor and the Group's management.

Other information

The directors are responsible for the other information. The other

We have nothing to report

information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and or the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Opinion on other matter prescribed by our engagement letter

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the provisions of the Companies Act 2006 that would have applied were the company a quoted company.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

Timothy Biggs, FCA
(Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 March 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017 AND PARENT COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 5 MONTH PERIOD ENDED 31 DECEMBER 2017

	Note	Parent	Consolidated Entity	
		Dec 2017 USD	Dec 2017 USD	Dec 2016 USD
Continuing Operations				
Other income	2	-	50,858	20,949
Net realised and unrealised foreign exchange gains		-	2,864,226	213,582
Directors remuneration		-	(365,371)	(310,501)
Equity compensation benefits	3(a)	(75,546)	(1,919,924)	(1,777,625)
Salaries, employee benefits and consultancy expense	3(b)	-	(1,595,607)	(1,243,365)
London listing and re-domicile expenses		-	(1,549,554)	-
Administration expenses		(16,774)	(1,746,603)	(1,156,793)
Interest and finance expenses		-	(39,378)	(5,913)
Loss before income tax expense		(92,320)	(4,301,353)	(4,259,666)
Income tax	4	-	(42,969)	-
Loss for the year from continuing operations		**(92,320)**	**(4,344,322)**	**(4,259,666)**
Other comprehensive income/(loss)				
Items that may be classified subsequent to profit or loss				
Exchange differences on translating foreign operations		-	13,590,884	(3,360,183)
Other comprehensive income/(loss) for the year		-	13,590,884	(3,360,183)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(92,320)**	**9,246,562**	**(7,619,849)**
Loss attributable to:				
Owners of the Company		(92,320)	(4,344,322)	(4,259,666)
		(92,320)	**(4,344,322)**	**(4,259,666)**
Total comprehensive (loss)/income attributable to:				
Owners of the Company		(92,320)	9,246,562	(7,619,849)
		(92,320)	**9,246,562**	**(7,619,849)**
Basic and diluted loss per share (cents per share)	23		(0.57)	(0.91)

The accompanying notes form part of these financial statements.

KORE POTASH
FROM THE GROUND UP

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	Parent Dec 2017 USD	Consolidated Entity Dec 2017 USD	Consolidated Entity Dec 2016 USD
CURRENT ASSETS				
Cash and cash equivalents	5	-	16,455,490	42,609,786
Trade and other receivables	6	65,631	299,399	208,465
TOTAL CURRENT ASSETS		65,631	16,754,889	42,818,251
NON CURRENT ASSETS				
Trade and other receivables	6	-	139,163	86,889
Property, plant and equipment	8	-	413,801	374,316
Exploration and evaluation expenditure	9	-	140,254,520	95,798,269
Investment in subsidiary	7	139,350,094	-	-
TOTAL NON CURRENT ASSETS		139,350,094	140,807,484	96,259,474
TOTAL ASSETS		139,415,725	157,562,373	139,077,725
CURRENT LIABILITIES				
Trade and other payables	10	10,000	3,276,317	200,736
TOTAL CURRENT LIABILITIES		10,000	3,276,317	200,736
NON CURRENT LIABILITIES				
Trade and other payables	10	6,774	-	-
TOTAL NON CURRENT LIABILITIES		6,774	-	-
TOTAL LIABILITIES		16,774	3,276,317	200,736
NET ASSETS		**139,398,951**	**154,286,056**	**138,876,989**
EQUITY				
Contributed equity – Ordinary Shares	11	771,396	771,396	200,572,926
Redeemable Preference Shares		65,631	65,631	-
Reserves	12	138,654,244	206,805,823	13,941,197
Accumulated losses		(92,320)	(53,356,794)	(75,637,134)
TOTAL EQUITY		**139,398,951**	**154,286,056**	**138,876,989**

The accompanying notes from part of these financial statements. These Financial Statements for Kore Potash plc, registered number 10933682, were approved by the Board of Directors on 29 March 2018 and were signed on its behalf by:

David Hathorn
Non-Executive Chairman

Sean Bennett
Managing Director and CEO

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

Consolidated Entity	Note	Ordinary Shares USD	Merger Reserve USD	Redeemable Preference Shares USD	Accumulated Losses USD	Option Reserve USD	Foreign Currency Translation Reserve USD	Total Equity USD
Balance at 1 January 2016		**154,657,058**	**-**	**-**	**(71,377,468)**	**32,106,965**	**(18,978,448)**	**96,408,107**
Loss for the period		-	-	-	(4,259,666)	-	-	(4,259,666)
Other comprehensive loss for the year		-	-	-	-	-	(3,360,183)	(3,360,183)
Total comprehensive loss for the year		-	-	-	(4,259,666)	-	(3,360,183)	(7,619,849)
Share issue (net of costs)		45,915,868	-	-	-	2,395,238	-	48,311,106
Share based payments	12(a)	-	-	-	-	1,777,625	-	1,777,625
Balance at 31 December 2016		**200,572,926**	**-**	**-**	**(75,637,134)**	**36,279,828**	**(22,338,631)**	**138,876,989**
Loss for the period		-	-	-	(4,344,322)	-	-	(4,344,322)
Other comprehensive income for the year		-	-	-	-	-	13,590,884	13,590,884
Total comprehensive (loss)/income for the year		-	-	-	(4,344,322)	-	13,590,884	9,246,562
Transfer of previously lapsed options	12(a)	-	-	-	26,624,662	(26,624,662)	-	-
Redeemable Preference Shares		-	-	65,631	-	-	-	65,631
Share issue (net of costs)		3,937,270	-	-	-	239,680	-	4,176,950
Share based payments	12(a)	-	-	-	-	1,919,924	-	1,919,924
Scheme of Arrangement	12(d)	(203,738,800)	203,738,800	-	-	-	-	-
Balance at 31 December 2017		**771,396**	**203,738,800**	**65,631**	**(53,356,794)**	**11,814,770**	**(8,747,747)**	**154,286,056**

The accompanying notes form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

Parent	Note	Ordinary Shares USD	Merger Reserve USD	Redeemable Preference Shares USD	Accumulated Losses USD	Option Reserve USD	Reorganisation Reserve USD	Total Equity USD
Balance at 25 August 2017 (date of incorporation)		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loss for the period		-	-	-	(92,320)	-	-	(92,320)
Other comprehensive loss for the period		-	-	-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(92,320)	-	-	(92,320)
Redeemable Preference Shares issue		-	-	65,631	-	-	-	65,631
Share issuance under Scheme of Arrangement	11, 12	771,396	203,738,800	-	-	11,739,224	(76,899,326)	139,350,094
Share based payments	12(a)	-	-	-	-	75,546	-	75,546
Balance at 31 December 2017		**771,396**	**203,738,800**	**65,631**	**(92,320)**	**11,814,770**	**(76,899,326)**	**139,398,951**

The accompanying notes form part of these financial statements.

STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Parent 31 Dec 2017 USD	Consolidated Entity 31 Dec 2017 USD	Consolidated Entity 31 Dec 2016 USD
CASH FLOWS FROM OPERATING ACTIVITIES				
Net cash used in operating activities	14	-	(4,957,110)	(2,626,531)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for plant and equipment			(94,262)	-
Payments for exploration activities		-	(28,023,569)	(6,301,673)
Interest received		-	50,858	20,949
Net cash used in investing activities		-	(28,066,973)	(6,280,724)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares (net of costs)		-	4,176,950	48,311,106
Net cash provided by financing activities		-	4,176,950	48,311,106
Net (decrease)/increase in cash & cash equivalents held		**-**	**(28,847,133)**	**39,403,851**
Cash and cash equivalents at beginning of financial year		-	42,609,786	3,058,606
Foreign currency differences		-	2,692,837	147,329
Cash and cash equivalents at end of financial year	**5**	**-**	**16,455,490**	**42,609,786**

The transactions for Kore Potash plc were executed and fully funded by its subsidiary, Kore Potash Limited.

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kore Potash plc ("the Company") is a public company incorporated and registered in England and Wales and listed on the Australian Securities Exchange (ASX), the AIM market operated by the London Stock Exchange, and a secondary listing on the Johannesburg Stock Exchange (JSE). The consolidated financial statements of the Company as at and for the year ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is involved in mining and exploration activity in the Republic of Congo.

On 31 August 2017, Kore Potash Limited announced that it proposed to re-domicile in the United Kingdom by way of a scheme of arrangement (Scheme) between Kore Potash Limited and its shareholders. The Scheme was approved by the shareholders on 27 October 2017 and the Federal Court of Australia on 6 November 2017. On 20 November 2017, the Scheme was implemented and as a result Kore Potash plc is the new parent and Kore Potash Limited is the wholly-owned subsidiary of Kore Potash plc.

The registered office in the United Kingdom is 25 Moorgate, London, United Kingdon EC2R 6AY. The registered office in Australia is Level 3, 88 William Street, Perth 6000 WA.

Basis of Preparation

(a) Statement of Compliance
The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's financial statements have been prepared in accordance with IFRS as adopted by the European Union. The principal accounting policies adopted by the Group and Company are set out below.

The financial statements were authorised for issue by the Directors on 29 March 2018.

(b) Going Concern
The consolidated entity incurred a loss of USD 4,344,322 (2016: USD 4,259,666) and experienced net cash outflows from operating and investing activities of USD 33,024,083 (2016: USD 8,907,255) for the year ended 31 December 2017. Cash and cash equivalents totaled USD 16,455,490 as at 31 December 2017 (USD 42,609,786 as at 31 December 2016).

On 26 March 2018, in connection with the AIM and JSE listings, a total of US$12,894,659 was raised from existing and new investors through the placing and direct subscription of 83,523,344 ordinary shares in the Company at a placing price of AU$0.20 per new ordinary share. In addition, the Company raised US$250,000 from the Chairman, David Hathorn, through a convertible loan note that will convert into ordinary shares upon shareholder approval at the next general meeting of the Company. The Company was listed on the AIM market and JSE on 29 March 2018.

The above mentioned fundraise has significantly improved the Group's liquidity position and the Directors have prepared a cash flow forecast for the period ending 31 March 2019, which indicates the Group will have sufficient cash flow to meet working capital requirements through to 31 March 2019 including corporate costs, exploration expenditure, and Definitive Feasibility Study ("DFS") costs related to the Kola Project. As described in Note 18 of the financial statements, the primary committed costs in this period relate to the DFS, operating lease commitments and salary costs with the remaining planned expenditure discretionary. Furthermore, the Group is forecast to be able to meet all capital requirements beyond this period for a further six months based on current forecasts.

The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly the Group will be able to continue as a going concern and meet its obligations as and when they fall due for at least 12 months from the approval of these accounts. The Directors will continue to pursue further capital raising initiatives in order to have sufficient funds to fund additional, currently uncommitted exploration and evaluation activities on the Dougou (inclusive of Dougou extension) project and the 'Sintoukola 2' Exploration Permit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(c) Basis of Measurement
The consolidated financial statements have been prepared on the basis of historical cost as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(d) Functional and Presentation Currency
Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company is US dollars. The functional currency of the subsidiaries are:

Kore Potash Limited – US dollars (USD)
Sintoukola Potash SA - CFA Franc BEAC (XAF)
Kore Potash South Africa (Pty) Ltd – South African RAND

The presentational currency of the Group is US dollars.

(e) Foreign Currency Transactions and Balances
Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All differences in the consolidated financial report are taken to the Statement of Profit or Loss and Other Comprehensive Income with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of a net investment, at which time they are recognised in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value was determined.

As at the reporting date, the assets and liabilities of the foreign subsidiaries are translated into the reporting currency of the Company at the rate of exchange ruling at the reporting date and the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income are translated at the weighted average exchange rates for the period. The exchange differences on the retranslation are taken directly to a separate component of equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(e) Foreign Currency Transactions and Balances (Cont)
On disposal of a foreign entity, the deferred cumulative amount recognised in equity is recognised in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income. The functional currency for Sintoukola is expected to change to US dollars upon the commencement of mining.

(f) Basis of Consolidation
Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group, other than in the event of a Group re-organisation as occurred during the year as described below.

The acquisition of Kore Potash Limited by Kore Potash plc is considered outside the scope of IFRS 3 *Business Combinations* and accordingly has been accounted for as a common control transaction. The investment in Kore Potash Limited acquired by Kore Potash plc as a result of the internal reorganisation was recognised at a value consistent with the carrying value of the equity items in the Kore Potash Limited accounts immediately prior to the Scheme. In the Parent entity, the difference between the carrying amount of share capital and options issued by Kore Potash plc under the Scheme and the investment in Kore Potash Limited has been recognised in a Reorganisation Reserve.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting, other than in the Group re-organisation described above. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated Statement of Profit or Loss and Other Comprehensive Income and within equity in the consolidated Statement of Financial Position.

In the Company's financial statements, investments in subsidiaries are carried at cost. A list of controlled entities is contained in Note 7 to the financial statements.

(g) Income Tax
The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(g) Income Tax (Cont)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that are recognised directly in equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(h) Property, Plant and Equipment
Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

Depreciation
The depreciable amount of all fixed assets is depreciated on a straight line basis over their estimated useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for the plant and equipment is in the range of 20% - 40%. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Depreciation of property, plant and equipment in Sintoukola Potash SA is included in Capitalised Exploration and Evaluation Expenditure.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(i) Impairment of Assets

(i) Financial Assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised either in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income or revaluation reserves in the period in which the impairment arises.

(ii) Exploration and Evaluation Assets
Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount at the reporting date. Refer to Note (p) for further details.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(i) Impairment of Assets (Cont)

(iii) Non-financial Assets Other Than Exploration and Evaluation Assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

(j) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

(k) Trade and Other Receivables

Trade and other receivables are initially measured at fair value plus any direct attributable transaction costs. Subsequent to initial recognition, trade and other receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when the risk of non-collection is considered probable.

(l) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Trade and other payables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade and other payables are measured at amortised cost using the effective interest rate method.

(m) Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(n) Fair Value Estimation
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

(o) Value-added Tax (VAT) / Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of VAT / GST, except where the amount of VAT / GST incurred is not recoverable from the Tax Office. In these circumstances the VAT / GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of VAT / GST.

Cash flows are presented in the Statement of Cash Flow on a gross basis, except for the VAT / GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Capitalisation of Exploration and Evaluation Expenditure
Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:
- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
    a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
    b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(p) Capitalisation of Exploration and Evaluation Expenditure (Cont)

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is assessed for impairment and the balance is classified as a development asset. The point at which an area of interest is considered developmental is based on finalisation of a definitive feasibility study, a bankable feasibility study and the finalisation of appropriate funding.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining or petroleum permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(q) Share Based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value grant rate is independently determined using the different option pricing models that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Upon the exercise of options, the balance of the share based payments relating to those options is transferred to share capital.

(r) Employee Benefits

(i) *Wages, salaries and annual leave*
Liabilities for wages, salaries and annual leave are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Pension contributions*
Contributions are made by the Group to pension funds as stipulated by statutory requirements and are charged as expenses when incurred.

(iii) *Employee benefit on costs*
Employee benefit on costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(s) Earnings per Share

(i) *Basic earnings per share*
Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) *Diluted earnings per share*
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(t) Issued Capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(u) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in this note, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgement

Impairment of exploration and evaluation assets
The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

On a regular basis, management consider whether there are indicators as to whether the asset carrying values exceed their recoverable amounts. This consideration includes assessment of the following:

(a) expiration of the period for which the entity has the right to explore in the specific area of interest with no plans for renewal;
(b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
(c) exploration for and evaluation activities have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
(d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(u) Critical Accounting Estimates and Judgements (Cont)

Critical accounting judgement (Cont)

Impairment of exploration and evaluation assets (Cont)

Management judgement is required to determine whether the expenditures which are capitalised as exploration and evaluation assets will be recovered by future exploitation or sale or whether they should be impaired. In assessing this, management determines the possibility of finding recoverable ore reserves related to a particular area of interest, which is a subject to significant uncertainties. Many of the factors, judgements and variables involved in measuring resources are beyond the Group's control and may prove to be incorrect over time. Subsequent changes in resources could impact the carrying value of exploration and evaluation assets.

Where an impairment indicator is identified, the determination of the recoverable amount requires the use of estimates and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimate include:
– Recent exploration and evaluation results and resource estimates;
– Environmental issues that may impact on the underlying tenements;
– Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

Key source of estimation uncertainty

Share based payment transactions

The Group makes equity settled share-based payments to certain employees and consultants, which are measured at fair value at the date of grant and expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. The fair values are determined using the Black Scholes Option Pricing Model, the Cox, Ross and Rubinstein Binomial Option Pricing Model or the Monte Carlo Option Pricing Model. Vesting assumptions are reviewed during each reporting period to ensure they reflect current expectations.

(v) Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors, which is responsible for allocating resources and assessing performance of the operating segments.

(w) New and Revised Accounting Standards and Interpretations Adopted

In the period ended 31 December 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by IASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies. New and revised Standards and amendments thereof and Interpretations effective for the current financial reporting period that are relevant to the Group include:

- Disclosure Initiative (Amendments to IAS 7).
- Recognition of Deferred Tax Assets or Unrealised Losses (Amendments to IAS 12).
- Annual Improvements to IFRSs 2014-2016 Cycle-various standards (Amendments to IFRS 12).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation (Cont)

(x) New and Revised Accounting Standards and Interpretations in issue but not yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods. Those which may have a significant impact to the Group are set out below. The Group does not plan to adopt these standards early.

IFRS 9 Financial Instruments
IFRS 9 Financial Instruments: Recognition and Measurement and is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The new standard results in changes to accounting policies for financial assets and liabilities covering classification and measurement, hedge accounting and impairment. The Group has assessed these changes and determined that based on the current financial assets and liabilities held at reporting date.

The changes in the Group's accounting policies from the adoption of IFRS 9 will be applied from 1 January 2018 onwards. The Group does not expect a significant effect on the financial statements resulting from the change of this standard as the Group’s financial assets and liabilities are all short term in nature. The classification and measurement of financial assets is now based on the entity’s business model for managing the financial asset, and the contractual cash flow characteristics of the financial asset. The treatment of financial liabilities is materially consistent with that required by IAS 39 with the exception of the treatment of modification or exchange of financial liabilities which do not result in de-recognition. Management has concluded that this is not expected to have a material impact on the financial statements.

IFRS 15 Revenue
IFRS 15 established a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Group does not expect a significant effect on the financial statements resulting from the change of this standard because it is a pre-revenue business.

IFRS 16 Leases
IFRS 16 replaces the current IFRS 17 Leases standard. IFRS 16 removes the classification of leases as either operating leases or finance leases - for the lessee - effectively treating all leases as finance leases. Most leases will be capitalised on the balance sheet by recognising a 'right-of-use' asset and a lease liability for the present value obligation. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and deprecation replacing operating lease expense.

Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.

The impact of IFRS 16 has not been determined as yet by the Consolidated Entity. The changes in the Group's accounting policies from the adoption of IFRS 16 will be applied from 1 January 2019 onwards.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

	Parent	Consolidated Entity	
	Dec 2017	Dec 2017	Dec 2016
	USD	USD	USD
NOTE 2: OTHER INCOME			
Interest	-	50,858	20,949
Total Income	-	50,858	20,949
NOTE 3: LOSS FOR THE YEAR			
Expenses			
(a) Equity based payments – directors, key management personnel and other employees	75,546	1,919,924	1,777,625
	75,546	1,919,924	1,777,625
(b) Salaries, employee benefits and consultancy expense			
Salaries and wages (d)	-	819,817	250,501
Employee benefits – Health insurance benefits	-	234,486	130,413
Consultants	-	541,304	862,451
	-	1,595,607	1,243,365
(c) Average number of employees	**Number**	**Number**	**Number**
Operational	-	151	59
Head Office	-	21	19
	-	172	78
(d) Salaries and wages	**USD**	**USD**	**USD**
Salaries and wages	-	719,381	250,051
Social security costs / superannuation	-	-	-
Termination payment	-	100,436	-
	-	819,818	250,051

Total staff costs for the Group in the year ended 31 December 2017 were $3,433,660 (2016: $743,814). The staff costs incurred at a subsidiary, Sintoukola Potash S.A., of $2,714,279 for the year have been capitalised as Exploration and Exploration Asset (2016: $493,763).

NOTE 4: INCOME TAX EXPENSE			
The components of tax expense comprise:			
Current tax – foreign tax	-	42,969	-
Deferred tax	-	-	-
	-	42,969	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

	Parent Dec 2017 USD	Consolidated Entity Dec 2017 USD	Consolidated Entity Dec 2016 USD
NOTE 4: INCOME TAX EXPENSE (CONT)			
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:			
Loss before tax from continuing operations	(92,320)	(4,301,353)	(4,259,666)
Parent company tax on loss from continuing operations at the UK corporation tax rate of 19.25%	(17,541)	-	-
Group tax on loss from continuing operations at the Australian corporation tax rate of 30% (2016: 30%)	-	(1,290,406)	(1,277,900)
Tax effect of:			
Different tax rates of subsidiaries operating in different jurisdictions		(23,286)	-
Non-deductible expenses, net	14,354	(69,485)	533,410
Deferred tax asset not recognised	3,187	1,851,349	744,490
Prior year tax losses utilised	-	(425,203)	-
	17,541	1,333,375	1,277,900
Income tax expense	-	42,969	-

The statutory tax rate of Kore Potash plc is 19.25%, representing the blended UK tax rate. The Group is subject to varying statutory rates, primarily being Australia (30%) and South Africa (28%).

The Group has tax losses of $12,460,470 (2016: $8,425,800) that are available for offset against future taxable profits in the companies in which the losses arose. These tax losses which mainly arose from the Australian entity can be carried forward indefinitely to be offset against future years' profits. A deduction for prior years' losses will be denied where the company cannot satisfy a 'continuity of ownership' test or, failing this, the alternative 'same business test'. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group due to the uncertainty of recovery.

	Parent Dec 2017 USD	Consolidated Entity Dec 2017 USD	Consolidated Entity Dec 2016 USD
NOTE 5: CASH AND CASH EQUIVALENTS			
Cash at bank	-	16,455,490	42,609,786
	-	16,455,490	42,609,786
NOTE 6: TRADE AND OTHER RECEIVABLES			
Current			
GST and VAT recoverable	-	47,031	40,087
Prepayments	-	91,569	84,975
Other receivables	-	95,168	83,403
Amount due from directors in respect of preference shares issued	65,631	65,631	-
	65,631	299,399	208,465
Non-Current			
Deposits	-	139,163	86,889
	-	139,163	86,889

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 7: CONTROLLED ENTITIES Controlled Entities	Country of Incorporation	Percentage Owned	Investment	Percentage Owned	Investment
		31 Dec 2017	31 Dec 2017	31 Dec 2016	31 Dec 2016
		%	USD	%	USD
Held directly:					
Kore Potash Limited	Australia	100	139,350,094	-	-
Held through Kore Potash Limited:					
Kore Potash South Africa (Pty) Ltd	South Africa	100	1,192	100	10
Sintoukola Potash S.A.	Republic of Congo	97	9,387,413	97	9,387,413

The principal activity of Kore Potash Limited during the financial year was for administrational and operational support for the exploration for potash minerals prospects. The registered office of Kore Potash Limited is Level 3, 88 William Street, Perth WA 6000.

The principal activity of Sintoukola Potash S.A. during the financial year was exploration for potash minerals prospect. The registered office is 24 Avenue Charles de Gaulle, Immeuble Atlantic Palace BP 662 Pointe Noire , République du Congo.

The principal activity of Kore Potash South Africa (Pty) Ltd during the financial year was for South African administrational and operational support for the exploration for potash minerals prospects. The registered office is 33 Ballyclare Drive, Ballywoods Office Park, Cedarwood House, Bryanston 2021 South Africa.

	Parent	Consolidated Entity	
	Dec 2017 USD	Dec 2017 USD	Dec 2016 USD
NOTE 8: PROPERTY, PLANT AND EQUIPMENT			
Plant and equipment – at cost	-	1,947,447	1,635,906
Less accumulated depreciation	-	(1,533,646)	(1,261,590)
	-	**413,801**	**374,316**
Reconciliation:			
Opening balance	-	374,316	399,152
Additions	-	97,091	68,620
Depreciation capitalised under exploration and evaluation	-	(87,961)	(80,699)
Depreciation expensed	-	(16,612)	-
Foreign exchange differences	-	46,967	(12,757)
Closing balance at period end	**-**	**413,801**	**374,316**
NOTE 9: EXPLORATION AND EVALUATION EXPENDITURE			
Opening balance	-	95,798,269	93,068,160
Exploration and evaluation expenditure capitalised during the year	-	30,688,177	5,968,759
Foreign exchange differences	-	13,768,074	(3,238,650)
Closing balance at period end	**-**	**140,254,520**	**95,798,269**
Exploration and evaluation expenditure relating to:			
Kola mining project	-	118,082,437	83,452,721
Dongou mining project	-	22,172,083	12,345,548
	-	**140,254,520**	**95,798,269**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 9: EXPLORATION AND EVALUATION EXPENDITURE (CONT.)

On 8 June 2017, a new mining convention was signed by the Group and the Government of the Republic of Congo ("RoC"). The convention governs the conditions of construction, operation and mine closure of the Kola and Dougou (including Dougou Extension) mining projects. The terms and conditions of the mining convention include key investment promotion provisions, including the following:

- Corporate tax concessions applicable for the first 10 years of each mining permit as production capacity is extended, which includes zero corporation tax for the first five years from profitability, and a corporation tax rate of 7.5% for the next five years;
- An ongoing corporation tax rate of 15% for the rest of the life of mine;
- Exemptions from withholding taxes including interest, dividends and capital gains during the term of the mining convention;
- VAT and import duty exemptions (including all subcontractors) during construction;
- Royalties of 3% payable to the RoC, which is based on an equivalent to EBITDA;
- Guarantee from the RoC that it will facilitate and support the implementation of the project, as defined in the convention (for example, in granting the necessary consents to permit export of the final product through the use of a dedicated jetty); and
- The RoC to be granted a 10% carried equity interest in the project companies, which are currently wholly-owned by Kore Potash Limited's 97%-owned subsidiary, Sintoukola Potash S.A. SARL.

The mining convention has a term which covers the life of the Kola and Dougou mining permits including any extension (25 years plus 15 year extension, renewable indefinitely upon proven mineable ore resources). The Group was awarded the Sintoukola 2 Exploration Permit dated 9 February 2018 by the government of the RoC.

The ultimate recoupment of costs carried forward for exploration expenditure phases is dependent on the successful development and commercial exploitation, or alternatively, the sale of the respective areas of interest.

	Parent	Consolidated Entity	
	Dec 2017	Dec 2017	Dec 2016
	USD	USD	USD
NOTE 10: TRADE AND OTHER PAYABLES			
Current			
Trade and other creditors	-	520,947	77,275
Accruals	10,000	2,710,325	123,461
Income tax payable	-	45,045	-
	10,000	**3,276,317**	**200,736**
Non-Current			
Amount due to a subsidiary	6,774	-	-
	6,774	**-**	**-**

Trade and other creditors are non-interest bearing and are normally settled on 30 day terms.

The amount due to a subsidiary is interest-free and has no fixed term of repayment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

	Consolidated Entity Dec 2017 USD	Consolidated Entity Dec 2016 USD
NOTE 11: ISSUED CAPITAL		
771,395,768 Fully Paid Ordinary Shares (par value $0.001) (31 December 2016: 728,944,470 Fully Paid Ordinary Shares with no par value in line with Australian Company Law)	771,396	200,572,926
Fully Paid Ordinary Shares	**771,396**	**200,572,926**

At 31 December 2016, Kore Potash Limited was the parent company of the Group and had 728,944,470 Fully Paid Ordinary Shares in issuance with a nominal value of US$200,572,926.

As described on page 13 of the Financial Report, Kore Potash plc became the Group's parent company on 20 November 2017 in accordance with the Scheme of Arrangement with Kore Potash Limited and its shareholders ('the Scheme'). In line with UK Company Law, Kore Potash plc shares have a par value of US$0.001. Under the Scheme, Kore Potash plc issued 768,158,142 ordinary shares (initially to be held in the form of Chess Depositary Interests (CDIs)) as consideration for the transfer of Kore Potash Limited shares to Kore Potash plc. Subsequently on 20 December 2017, 3,237,624 ordinary shares (CDIs) were issued by Kore Potash plc on conversion of certain Performance Rights.

As a result, the Group's Fully Paid issued capital has a nominal value of US$771,396 at 31 December 2017. The shares in Kore Potash plc were issued on a 1:1 basis with shares in Kore Potash Limited which had a nominal value of US$204,510,196 at the date of the commencement of the Scheme. The surplus value of US$203,738,800 compared to the nominal value of the Kore Potash plc shares has been recognised in a new Merger Reserve. Please refer to Note 12(d) for details.

NOTE 12: RESERVES

	Parent Dec 2017 USD	Consolidated Entity Dec 2017 USD	Consolidated Entity Dec 2016 USD
Option Reserve (a)	11,814,770	11,814,770	36,279,828
Foreign Currency Translation Reserve (b)	-	(8,747,747)	(22,338,631)
Reorganisation Reserve (c)	(76,899,326)	-	-
Merger Reserve (d)	203,738,800	203,738,800	-
Total Reserve	**138,654,244**	**206,805,823**	**13,941,197**
(a) Option Reserve			
Opening balance	-	36,279,828	32,106,965
Transfer from Kore Potash Limited (i)	11,739,224	-	-
Value of lapsed options transferred to Accumulated Losses	-	(26,624,662)	-
Share based payment vesting expense (ii)(iii)	75,546	1,919,924	1,777,625
Free attaching options issued (iii)(iv)	-	239,680	2,395,238
Closing balance	**11,814,770**	**11,814,770**	**36,279,828**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 12: RESERVES (CONT)

(a) Option Reserve (Cont)

(i) In accordance with the Scheme of Arrangement between Kore Potash Limited and its shareholders, 58,191,226 Unlisted Options and 48,077,728 Performance Rights/Shares, valued at $11,739,224 were issued on 20 November 2017 from Kore Potash plc to the holders of Unlisted Options or Performance Rights/Shares in Kore Potash Limited in consideration for the cancellation of those Kore Potash Limited Unlisted Options and Performance Rights/Shares.

(ii) The value of the above Parent entity's share-based payments refer to the value of Performance Rights vested/cancelled after the Unlisted Options and Performance Rights/Shares were transferred from Kore Potash Limited to Kore Potash plc. On 20 December 2017, 3,237,624 Performance Rights and Performance Shares vested and converted into 3,237,624 Chess Depositary Interests (CDI's) and 2,245,000 Performance Rights previously granted were cancelled following the resignation of Werner Swanepoel (Project Director). The share based payments of these Performance Rights and Shares was $75,545.

(iii) For parameters used in the valuation of these options see Note 22.

(iv) The cost of $2,395,238 in 2016 relates to the value of the free attaching unlisted options provided to shareholders who participated in the Rights Issue completed on 15 November 2016. A total of 45,000,000 unlisted options exercisable at AUD 0.30 expiring 15 November 2019 were issued with a Black Scholes valuation method of AUD 0.0704 per option. The volatility used was 84.33% with risk-free interest rate of 1.84%.

(v) The cost of $239,680 in 2017 relates to the value of the free attaching unlisted options provided to shareholders who participated in the rights issue completed on 27 April 2017 (26,504,000 shares issued at AUD 0.25 each). A total of 5,000,000 unlisted options exercisable at AUD 0.30 expiring 15 November 2019 were issued with a Black Scholes valuation method of AUD 0.0642 per option. The volatility used was 85.68% with risk-free interest rate of 1.76%.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 12: RESERVES (CONT)

(a) Option Reserve (Cont)

Movement in Option Reserve of the Consolidated Entity

Date	Details	No. of Options	No. of Rights	US$
1 Jan 2016	**Opening balance**	**88,740,487**	**12,998,270**	**32,106,965**
9 Jan 2016	Lapsing of unlisted options	(333,332)	-	-
15 Jan 2016	Lapsing of listed options	(78,911,086)	-	-
19 Jan 2016	Exercise of listed options	(4,843)	-	-
13 Feb 2016	Lapsing of unlisted options	(300,000)	-	-
29 Feb 2016	Vesting of performance rights	-	(250,000)	-
2 Mar 2016	Issue of performance rights	-	21,500,000	-
2 Mar 2016	Vesting of performance rights	-	(531,250)	-
1 Apr 2016	Lapsing of unlisted options	(500,000)	-	-
23 Apr 2016	Lapsing of unlisted options	(250,000)	-	-
30 Jun 2016	Issue of performance rights	-	3,000,000	-
15 Nov 2016	Issue of free attaching unlisted options	45,000,000	-	2,395,238
31 Dec 2016	Share-based payment vesting expenses	-	-	1,777,625
31 Dec 2016	**Balance at 31 Dec 2016**	**53,441,226**	**36,717,020**	**36,279,828**
3 Feb 2017	Exercise of performance rights	-	(7,516,150)	-
27 Apr 2017	Issue of free attaching unlisted options	5,000,000	-	239,680
22 May 2017	Lapsing of unlisted options	(250,000)	-	-
29 May 2017	Issue of performance rights	-	18,216,858	-
1 Jun 2017	Issue of performance rights	-	660,000	-
30 Jun 2017	Share-based payment vesting expenses	-	-	906,265
20 Dec 2017	Exercise of performance rights	-	(3,237,624)	-
20 Dec 2017	Cancellation of performance rights	-	(2,245,000)	-
1 Dec 2017	Share-based payment vesting expenses	-	-	1,013,659
31 Dec 2017	Transfer value of lapsed options to Accumulated Losses	-	-	(26,624,662)
31 Dec 2017	**Closing balance**	**58,191,226**	**42,595,104**	**11,814,770**

The option reserve is used to accumulate proceeds received from the issuing of options and accumulate the value of options issued in consideration for services rendered and to record the fair value of options issued but not exercised. The reserve is transferred to accumulated losses upon expiry or recognised as share capital if exercised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 12: RESERVES (CONT.)

	Parent	Consolidated Entity	
(b) Foreign Currency Translation Reserve	**Dec 2017**	**Dec 2017**	**Dec 2016**
	USD	**USD**	**USD**
Movements during the period			
Opening balance	-	(22,338,631)	(18,978,448)
Currency translation differences arising during the year	-	13,590,884	(3,360,183)
Closing balance	**-**	**(8,747,747)**	**(22,338,631)**

Foreign currency translation reserve
The foreign currency translation reserve is used to record currency differences arising from the translation of the financial statements of the foreign subsidiary.

(c) Reorganisation Reserve

In accordance with the Scheme of Arrangement ('the Scheme'), Kore Potash plc is the new parent and Kore Potash Limited is the wholly-owned subsidiary of Kore Potash plc. Kore Potash plc has elected to account for the acquisition of Kore Potash Limited as a common control transaction. As a consequence, no acquisition accounting under IFRS 3 *Business Combination* has arisen. The investment in Kore Potash Limited acquired by Kore Potash plc as a result of the internal reorganisation was recognised at a value consistent with the carrying value of the equity items in the Kore Potash Limited accounts immediately prior to the Scheme. In the Parent entity, the difference between the carrying amount of share capital and options issued by Kore Potash plc under the Scheme and the investment in Kore Potash Limited totalling USD 76,899,326 has been recognised in a Reorganisation Reserve in the parent company accounts.

(d) Merger Reserve

As described above in Note 11, as part of the Scheme Kore Potash plc issued 771,395.768 shares with a par value of $0.001 each in respect of the shares on Kore Potash Limited, which had issued share capital at the date of the transaction with a value of US$204,510,196. As a result of this transaction, a Merger Reserve of US$203,738,800 was created in both the Parent and Consolidated Entity.

NOTE 13: DIVIDENDS
No dividends have been proposed or paid during the year (2016: Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 14: NOTES TO STATEMENT OF CASH FLOWS

	Parent	Consolidated Entity	
	Dec 2017	Dec 2017	Dec 2016
	USD	USD	USD
Reconciliation of cash flows from operating activities:			
Loss for the year	(92,320)	(4,344,322)	(4,259,666)
Adjustments for:			
Depreciation expensed	-	16,612	-
Equity compensation benefits	75,546	1,919,924	1,777,625
Net realised foreign exchange gain	-	(2,864,226)	(213,582)
Interest received not classified as operating activities cash inflow	-	(50,858)	(20,949)
Operating loss before changes in working capital			
(Increase)/decrease in receivables	-	(8,176)	11,362
Increase in tax payable	-	42,970	-
Increase in payables	16,774	330,966	78,679
Net cash used in operating activities	-	(4,957,110)	(2,626,531)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Overview
The Group has exposure to the following risks from their use of financial instruments:

- market risk,
- credit risk, and
- liquidity risks.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Group will use different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(a) Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and are exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cashflow forecasting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

As a result of the operating activities in Congo and the ongoing funding of overseas operations from Australia, the Group's Statement of Financial Position can be affected by movements in the Congolese Franc (CFA) / US Dollar (USD) exchange rate, Australian Dollar (AUD) / US Dollar (USD) exchange rate and the Euro (EUR) / US Dollar (USD) exchange rate. EUR is held to hedge the Definitive Feasibility Study (DFS) payments.

A substantial portion of the Group's transactions are denominated in USD, with historically, the majority of costs relating to drilling activities also denominated in the unit's functional currency.

The summary quantitative data about the Group's financial instruments' exposure to significant currency risk as presented in USD is as follows:

	31 December 2017				31 December 2016		
	EUR	AUD	ZAR	GBP	EUR	AUD	ZAR
FINANCIAL ASSETS							
Cash at bank	13,805,462	49,158	100,778	-	18,965,020	339,158	33,908
Receivables	-	47,031	-	65,631	-	40,087	-
FINANCIAL LIABILITIES							
Payables	(2,184,134)	(189,924)	(846)	(52,956)	-	(113,418)	-
Net exposure	11,621,328	(93,735)	99,932	12,675	18,965,020	265,827	33,908

Sensitivity analysis

A reasonably possible strengthening (weakening) of the EUR, AUD and ZAR against USD at 31 December 2017 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes all other variables, in particular interest rates, remain constant. The impact of the possible strengthening (weakening) of the GBP and any other currencies against USD is minimal and is not analysed.

	Equity		Profit or Loss	
	Strengthening Gain/(Loss) USD	Weakening Gain/(Loss) USD	Strengthening (Gain)/Loss USD	Weakening (Gain)/Loss USD
31 December 2017				
EUR (5% movement)	581,066	(581,066)	(581,066)	581,066
AUD (5% movement)	(4,687)	4,687	4,687	(4,687)
ZAR (5% movement)	4,997	(4,997)	(4,997)	4,997

There was minimal currency risk for the Parent at 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

(ii) Interest rate risk

The Group is exposed to movements in market interest rates on short term deposits.

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest Bearing	
	Dec 2017 %	Dec 2016 %	Dec 2017 USD	Dec 2016 USD	Dec 2017 USD	Dec 2016 USD
FINANCIAL ASSETS						
Cash at bank	0.04%	0.21%	16,455,490	42,609,786	-	-
Receivables		-	-	-	346,993	295,354
Total financial assets			16,455,490	42,609,786	346,993	295,354
FINANCIAL LIABILITIES						
Non-derivative						
Payables			-	-	3,267,317	200,736
Total financial liabilities			-	-	3,267,317	200,736

Sensitivity analysis

A change of 100 basis point in interest rates at the reporting date would have increased (decreased) equity or profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed the same basis for the Consolidated Entity for 2016.

	Profit or Loss	
	100bp Increase USD	100bp Decrease USD
31 December 2017		
Variable rate instrument	164,555	(164,555)
31 December 2016	426,098	(426,098)
Variable rate instrument		

All receivables and payables in the Parent at 31 December 2017 are non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

Financial assets
Trade receivables from other entities are carried at cost less any allowance for doubtful debts. Other receivables are carried at cost. Interest is recorded as income using the effective interest rate method.

Financial liabilities
Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the group.

Net fair value of financial assets and liabilities
The carrying amount of financial assets and liabilities at 31 December 2017 and 31 December 2016 is equivalent to the fair value.

(b) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and investment deposits. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

(c) Liquidity and capital risk
The Group's total capital is defined as the shareholders' net equity plus any net debt. The objectives when managing the Group's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Group does not have a target debt / equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise. There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

The table below analyses the Group's financial liabilities into maturity groupings based on the remaining period from the balance date to the contractual maturity date.

31 Dec 2017	**Within 1 Month USD**	**1-3 Months USD**	**3-12 Months USD**
Non-derivatives			
Non-interest bearing			
Trade and other payables	3,267,317	-	-
Total Financial Liabilities	**3,267,317**	**-**	**-**

31 Dec 2016	**Within 1 Month USD**	**1-3 Months USD**	**3-12 Months USD**
Non-derivatives			
Non-interest bearing			
Trade and other payables	200,736	-	-
Total Financial Liabilities	**200,736**	**-**	**-**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

If the Group anticipates a need to raise additional capital within 6 months to meet forecasted operational activities, then the decision on how the Company will raise future capital will depend on market conditions existing at that time.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 15: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT)

(d) Fair Value of Financial Instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

The Directors consider that carrying amounts at financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair value.

	Fair value hierarchy as at 31 December 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
Financial assets				
Loans and receivables:				
- Trade and other receivables	346,993	-	-	346,993
Total	**346,993**	**-**	**-**	**346,993**
Financial liabilities				
Financial liabilities held at amortised cost:				
- Trade and other payables	3,267,317	-	-	3,267,317
Total	**3,267,317**	**-**	**-**	**3,267,317**

	Fair value hierarchy as at 31 December 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
Financial assets				
Loans and receivables:				
- Trade and other receivables	295,354	-	-	295,354
Total	**295,354**	**-**	**-**	**295,354**
Financial liabilities				
Financial liabilities held at amortised cost:				
- Trade and other payables	200,736	-	-	200,736
Total	**200,736**	**-**	**-**	**200,736**

The financial asset ($65,631) and financial liabilities ($16,774) of the Parent recognised in the financial statements at 31 December 2017 approximate to their fair value measured within Level 1.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 16: SEGMENT INFORMATION

Management has determined that the Company and the Group has one reporting segment being mineral exploration in central Africa.

As the Group is focused on mineral exploration, management make resource allocation decisions by reviewing the working capital balance, comparing cash balances to committed exploration expenditure and reviewing the current results of exploration work performed. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date and capital available to the Company.

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

On 20 February 2018, Kore Potash plc has been informed that it was awarded the Sintoukola 2 Exploration Permit, dated 9 February 2018, by the government of the RoC. The Exploration Permit is held wholly by the Company's 97% subsidiary Sintoukola Potash S.A. This Permit is valid for three years, following which it may be renewed twice, each time for a further period of two years.

On 20 March 2018, the Company held a General Meeting to approve a capital raising of up to US$20 million in order to satisfy the working capital requirements in connection with the AIM listing. On 26 March 2018, a total of US$12,894,659 was raised from existing and new investors through the placing and direct subscription of 83,523,344 ordinary shares in the Company at a placing price of AU$0.20 per new ordinary share. In addition, the Company raised US$250,000 from the Chairman, David Hathorn, through a convertible loan note that will convert into ordinary shares upon shareholder approval at the next general meeting of the Company. Placees with Placing Shares on AIM were granted 8,250,000 equity warrants and Placees with Placing Shares on JSE will be granted 4,644,659 equity warrants pending SARB approval if such approval is required, on the basis of one equity warrant for every US$1.00 invested in the Placing exercisable at AUS$0.30 for one ordinary share with a 3 year subscription period.

The Company was listed on the AIM market and JSE on 29 March 2018.

There are no other significant events that have occurred since reporting date requiring separate disclosure.

NOTE 18: COMMITMENTS FOR EXPENDITURE

Leasing Arrangements

Operating leases relate to leases of offices and other property with lease terms of up to 5 years. The Group does not have an option to purchase the leased property at the expiry of the lease periods.

Non-Cancellable Operating Lease Commitments

	Parent	Consolidated Entity	
	Dec 2017	Dec 2017	Dec 2016
	USD	USD	USD
Not later than 1 year	-	115,483	-
Later than 1 year and not later than 5 years	-	85,632	128,800
Later than 5 years	-	-	-
	-	**201,115**	**128,800**

No liabilities have been recognised in respect of non-cancellable operating leases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 18: COMMITMENTS FOR EXPENDITURE (CONT)

Exploration and Evaluation Expenditure Commitments

In order to maintain current rights of tenure to exploration and mining licences, the Group is required to perform respective minimum exploration and development work to meet the minimum expenditure requirements.

The Group has satisfied the minimum exploration expenditure requirements under the new mining convention signed by the Company and the RoC on 8 June 2017, to maintain its rights to tenure in relation to the Kola and Dougou (including Dougou Extension) mining projects. The Group plans to develop the Kola and Dougou mining licenses as an aggregated area for the mining site development in accordance with the mining convention signed on 8 June 2017. In addition, one of the key investment promotion provisions for the mining convention includes that the RoC is to be granted a 10% carried equity interest in the project companies, which are currently wholly-owned by Kore Potash Limited's 97%-owned subsidiary, Sintoukola Potash S.A. SARL.

If the Group decides to relinquish certain licences and/or does not meet the obligations of the new mining convention, assets recognised in the statement of financial position may require review to determine the appropriateness of the carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

Kola Definitive Feasibility Study Commitment

On 28 February 2017 the Company signed a contract with TechnipFMC, VINCI Construction Grands Projets, Egis and Louis Dreyfus Armateur (the "French Consortium"), for the implementation of the Kola Definitive Feasibility Study (the "DFS"). The DFS is scheduled to be completed in mid-2018.

At the date of this report, the Group also had the following DFS commitment:

	Parent	Consolidated Entity	
	Dec 2017	Dec 2017	Dec 2016
	USD	USD	USD
Not later than 1 year	-	9,259,776	-
Later than 1 year and not later than 5 years	-	-	-
Later than 5 years	-	-	-
	-	**9,259,776**	**-**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 19: AUDITORS' REMUNERATION

	Parent	Consolidated Entity	
	Dec 2017 USD	Dec 2017 USD	Dec 2016 USD
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts			
Deloitte – Audit	35,000	103,679	67,351
Total audit fees	35,000	103,679	67,351
Fees payable to the Company's auditor and their associates for other services to the Group			
Half-year review	-	40,763	39,188
Services in connection with the AIM listing	-	411,015	-
Tax, Research and Development consulting	-	34,188	58,303
Total non-audit services	-	485,966	97,491

NOTE 20: RELATED PARTY TRANSACTIONS

Loans to key management personnel and its related parties

David Hathorn (Chairman) and Sean Bennett (Managing Director and CEO) each holds 25,000 Redeemable (Non-Voting) Preference Shares at £1.00 each in the Kore Potash plc (held directly). Under the Scheme of Arrangement, both Directors have given an irrevocable undertaking to pay the Company the sum of GBP 25,000 on or before the date that is five years from the date of the undertaking or, if sooner, immediately upon a written demand or demands by the Company. At 31 December 2017, the amount owing by the two Directors to the Company was USD 65,631 (GBP 50,000). Upon completion of the Scheme of Arrangement, the Redeemable Preference Shares will be cancelled and amount payable by the Directors will be offset by an amount payable by the Company back to the Directors.

Other transactions with the Company and the Group

No key management personnel has entered into a material contract (apart from employment) with the Company and the Group. Please refer to the Remuneration Report in the Directors' Report for the remuneration paid to the key management personnel. No amount of remuneration is outstanding at 31 December 2017 (31 December 2016: nil).

The Company paid US$13,652 to Piaster Pty Ltd as trustee for the Trollip Family Superannuation Fund for Mr Jonathan Trollip's director fees. Mr Trollip is a director of and has a beneficial interest in Piaster Pty Ltd.

Nexia Perth Pty Ltd has been engaged to provide accounting, administrative and company secretarial services for the Group on commercial terms. Mr Henko Vos, who is based in Perth, Australia has been appointed as joint company secretary and is also currently an employee with Nexia Perth. During the year, the total amounts paid to Nexia Perth by the Group for providing accounting, administration and company secretarial services were USD 117,387 (2016: USD 68,826).

FKW Consulting Ltd has been engaged to provide company secretarial services for Kore Potash plc on commercial terms. Mrs Francesca Wilson, who is based in London, UK has been appointed as joint company secretary and is also currently an employee with FKW Consulting Ltd during the year. During the year, the total amounts paid to FKW Consulting Ltd by the Group for providing company secretarial services were USD 13,383 (2016: nil).

There were no other transactions with key management personnel and its related parties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 21: KEY MANAGEMENT PERSONNEL DISCLOSURES

The following were key management personnel of the Company and the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

David Hathorn	Non-Executive Chairman (appointed 20 November 2015)
Sean Bennett	Managing Director and CEO (appointed 20 November 2015)
Jonathan Trollip	Non-Executive Director (appointed 21 April 2016)
Leonard Math	Non-Executive Director (appointed 24 April 2014)
Timothy Keating	Non-Executive Director (appointed 15 November 2016)
Pablo Altimiras	Non-Executive Director (appointed 15 November 2016)
David Netherway	Non-Executive Director (appointed 12 December 2017)

In accordance with the Scheme of Arrangement between Kore Potash Limited and its shareholders implemented on 20 November 2017, all of the current directors of Kore Potash Limited have been appointed to the Board of Kore Potash plc. The Board of the Company and the Group now consists of David Hathorn, Sean Bennett, Jonathan Trollip, Leonard Math, Timothy Keating, Pablo Altimiras. David Hathorn and Sean Bennett were appointed as the directors of Kore Potash plc on the date of incorporation of the Company on 25 August 2017. David Netherway who was appointed on 12 December 2017.

Henko Vos	Joint Company Secretary (appointed 16 November 2016)
Francesca Wilson	Joint Company Secretary (appointed 29 November 2017)
John Crews	Chief Financial Officer (appointed 22 May 2017)
Julien Babey	Business Development and Head of RoC
Lawrence Davidson	Chief Financial Officer and Risk Officer (resigned on 1 January 2018) Joint Company Secretary (resigned 25 January 2018)
Werner Swanepoel	Project Director (resigned 23 November 2017)

Key management personnel compensation

The key management personnel compensation included in “Directors Remuneration”, “Equity Compensation Benefits” “Employee and Consultant Expenses” and “Exploration Expenditure” is as follows:

	Consolidated	
	Dec 2017 USD	**Dec 2016 USD**
Short-term employee benefits	1,510,100	1,186,997
Post-employment benefits	13,652	3,376
Termination benefits	256,986	-
Equity compensation benefits	1,286,133	1,477,510
	3,066,871	**2,667,883**

There were seven Directors who held office at the end of the year. (2016: six Directors who held office at the end of the end of the year). Details of Directors’ remuneration are provided in the Directors’ Remuneration Report on pages 24 of this Annual Report.

Individual directors and executives compensation disclosures

Information regarding individual directors and executives’ compensation and equity instruments disclosures is provided in the Remuneration Report section of the Directors’ Report. Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors’ interests existing at year-end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 22: SHARE-BASED PAYMENTS

Recognised share-based payment expense

The expense recognised for employee and consultant services during the year is shown in the table below:

	Parent	Consolidated Entity	
	Dec 2017 USD	Dec 2017 USD	Dec 2016 USD
Expense arising from equity-settled share-based payment transactions	75,545	1,919,924	1,777,625

Parent

In accordance with the Scheme of Arrangement between Kore Potash Limited and its shareholders, 58,191,226 Unlisted Options and 48,077,728 Performance Rights/Shares were issued on 20 November 2017 from Kore Potash plc to the holders of Unlisted Options or Performance Rights/Shares in Kore Potash Limited in consideration for the cancellation of those Kore Potash Limited Unlisted Options and Performance Rights/Shares.

The value of the above Parent entity's share-based payments refer to the value of Performance Rights vested/cancelled after the Unlisted Options and Performance Rights/Shares were transferred from Kore Potash Limited to Kore Potash plc. On 20 December 2017, 3,237,624 Performance Rights and Performance Shares vested and converted into 3,237,624 Chess Depositary Interests (CDI's) and 2,245,000 Performance Rights previously granted were cancelled following the resignation of Werner Swanepoel (Project Director). The share based payments of $75,545 relate to key management personnel.

Consolidated Entity

The Group granted shares rights and options to key management personnel and other employees as part of as an incentive for future services and as a reward for past services. The table above shows the vesting expense recognised during the year of US$1,919,924 (2016: $1,777,625).

Details of the share options outstanding during the year are as follows:

	2017		2016	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning at year	8,441,226	$0.35	9,824,558	$0.46
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	(250,000)	$0.90	(1,383,332)	$1.17
Outstanding at the end of the year	8,191,226	$0.33	8,441,226	$0.35

The share options outstanding at 31 December 2017 had a weighted average exercise price of $0.33 and a weighted average contractual life of 118 days.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 22: SHARE-BASED PAYMENTS (CONT)

Share based payment arrangements in existence
The following share based payment arrangements were in existence during the current and prior periods:

	Grant Date	Vesting Date	Number of Options	Expiry Date	Fair Value at Grant Date AUD	Exercise Price AUD
Option Series 7 *	31/05/2012	23/04/2013	83,333	23/04/2016	$0.3569	$1.12
Option Series 8 *	31/05/2012	23/04/2014	83,333	23/04/2016	$0.3897	$1.12
Option Series 9 *	31/05/2012	23/04/2015	83,334	23/04/2016	$0.4149	$1.12
Option Series 10 *	12/03/2012	09/01/2013	166,666	09/01/2016	$0.6948	$1.09
Option Series 11 *	12/03/2012	09/01/2014	166,666	09/01/2016	$0.7647	$1.09
Option Series 13 *	12/03/2012	09/01/2013	100,000	09/01/2016	$0.6748	$1.29
Option Series 14 *	12/03/2012	09/01/2014	100,000	09/01/2016	$0.7406	$1.29
Option Series 15 *	12/03/2012	09/01/2015	100,000	09/01/2016	$0.7847	$1.29
Option Series 16 *	30/03/2012	01/04/2013	166,666	01/04/2016	$0.8324	$1.18
Option Series 17 *	30/03/2012	01/04/2014	166,667	01/04/2016	$0.8324	$1.18
Option Series 18 *	30/03/2012	01/04/2015	166,667	01/04/2016	$0.8324	$1.18
Option Series 19 **	22/05/2013	22/05/2014	83,333	22/05/2017	$0.2181	$0.90
Option Series 20 **	22/05/2013	22/05/2015	83,333	22/05/2017	$0.2181	$0.90
Option Series 21 **	22/05/2013	22/05/2016	83,334	22/05/2017	$0.2181	$0.90
Option Series 22	9/04/2014	10/04/2014	2,169,671	15/04/2018	$0.1242	$0.33
Option Series 23	9/04/2014	10/04/2015	1,760,778	15/04/2018	$0.1391	$0.33
Option Series 24	9/04/2014	10/04/2016	1,760,777	15/04/2018	$0.1522	$0.33
Option Series 25	12/05/2014	10/04/2014	333,333	15/04/2018	$0.0948	$0.33
Option Series 26	12/05/2014	10/04/2015	333,333	15/04/2018	$0.1073	$0.33
Option Series 27	12/05/2014	10/04/2016	333,334	15/04/2018	$0.1194	$0.33
Option Series 28	30/05/2014	10/04/2014	500,000	26/06/2018	$0.1177	$0.33
Option Series 29	30/05/2014	10/04/2015	500,000	26/06/2018	$0.1303	$0.33
Option Series 30	30/05/2014	10/04/2016	500,000	26/06/2018	$0.1432	$0.33

** Option Series expired during the previous financial year.*
*** Option Series expired during the current financial year.*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 22: SHARE-BASED PAYMENTS (CONT)

Share based payment arrangements in existence (Cont)
The following share based payment arrangements were in existence during the current and prior periods (Cont):

	Grant Date	Vesting Date	Number of Rights	Expiry Date	Fair Value at Grant Date AUD
Rights Series 4 (1)	17/09/2015	1 Dec 2016	2,666,090	16/09/2017	$0.1451
Rights Series 5 (2)	17/09/2015	*Refer below*	2,666,090	16/09/2018	$0.1507
Rights Series 6 (3)	17/09/2015	*Refer below*	2,666,090	16/09/2019	$0.1510
Rights Series 7 (4)	07/12/2015	*Refer below*	5,000,000	06/12/2020	$0.1753
Rights Series 8 (5)	20/11/2015	*Refer below*	13,000,000	01/03/2021	$0.1596
Rights Series 9 (6)	20/11/2015	*Refer below*	8,500,000	01/03/2021	$0.1867
Rights Series 10	6/07/2016	*None vested*	2,000,000	30/06/2021	$0.1258
Rights Series 11	6/07/2016	*None vested*	1,000,000	30/06/2021	$0.1258
Rights Series 12 (7)	29/05/2017	*Refer below*	2,000,000	31/05/2019	$0.17
Rights Series 13	31/05/2017	*None vested*	660,000	31/05/2019	$0.17
Rights Series 14 (8)	29/05/2017	*Refer below*	4,482,005	31/05/2019	$0.17
Rights Series 15	29/05/2017	*None vested*	11,734,853	31/05/2019	$0.17/$0.104

(1) Fully vested on 1 December 2016 pursuant to the satisfaction of performance criteria. Performance Rights were converted to fully paid ordinary shares on 3 February 2017.

(2) On 3 February 2017, 402,720 Performance Rights vested and were converted into fully paid ordinary shares. In addition, on 30 June 2017, 2,263,370 Performance Rights vested and were converted into fully paid ordinary shares.

(3) On 30 June 2017, 402,720 Performance Rights vested and were converted into fully paid ordinary shares. In addition, on 20 December 2017, 376,374 Performance Rights vested and were converted to fully paid ordinary shares on the resignation of Mr Lawrence Davidson.

(4) 250,000 Performance Rights vested and were converted to fully paid ordinary shares on 29 February 2016. In addition, on 3 February 2017, 250,000 fully paid ordinary shares were issued to Mr Werner Swanepoel following the vesting of the Performance Rights due to one year of service being completed on 7 December 2016. On 20 December 2017, 2,245,000 of these Performance Rights were cancelled following his resignation.

(5) On 3 February 2017, 1,000,000 fully paid ordinary shares were issued following vesting of one year service conditions on 20 November 2016. On 20 December 2017, 1,000,000 fully paid ordinary shares were issued to Mr David Hathorn following the vesting of the Performance Rights due to his two year of service being completed on 20 November 2017.

(6) 531,250 performance rights vested and converted to fully paid ordinary shares on 2 March 2016. In addition, on 3 February 2017, 531,250 fully paid ordinary shares were issued to Mr Sean Bennett following vesting of one year service conditions on 20 November 2016. On 20 December 2017, 531,250 Fully Paid Ordinary Shares were issued to him following the vesting of the Performance Rights due to one year of service being completed on 20 November 2017.

(7) On 20 December 2017, 595,000 Performance Rights vested and were converted into ordinary shares following the resignation of certain employees.

(8) On 20 December 2017, 735,000 Performance Rights vested and were converted into ordinary shares following the resignation of certain employees.

The Performance Rights outstanding at 31 December 2017 had a weighted average remaining contractual life of 2.4 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 23: LOSS PER SHARE

Classification of securities as ordinary shares
The Company has only one category of ordinary shares included in basic earnings per share.

Classification of securities as potential ordinary shares – share options and rights outstanding
The Company has granted share options in respect of a total of 58,441,226 ordinary shares at 31 December 2017 (31 December 2016: 53,441,226) and 42,595,104 performance rights (31 December 2016: 36,717,020). Options and rights are considered to be potential ordinary shares. However, as the Company and Group are in a loss position they are anti-dilutive in nature, as their exercise will not result in a diluted earnings per share that shows an inferior view of earnings performance of the Company and Group than is shown by basic earnings per share. The rights and options have not been included in the determination of basic earnings per share.

	Parent	Consolidated Entity	
	31 Dec 2017 USD	31 Dec 2017 USD	31 Dec 2016 USD
Earnings reconciliation			
Loss attributable to ordinary shareholders	(92,320)	(4,344,322)	(4,259,666)
	Number	Number	Number
Weighted average number of shares used as the denominator			
Weighted average number of ordinary shares at period end	756,305,819	756,305,819	466,008,687
Basic and diluted loss per share (cents per share)	(0.00)	(0.57)	(0.91)

On 26 March 2018, the Company issued 83,523,344 shares to be admitted to trading on the AIM market on 29 March 2018. The calculation of basic and diluted loss per share have not been adjusted for this.

Headline earnings/loss per share
It is a JSE listing requirement to disclose headline earnings/loss per share, a non-IFRS measure. It is considered to be a useful metric as it presents the earnings/loss per share after removing the effect of re-measurements to assets and liabilities (for example impairment of property, plant and equipment) otherwise recognised in the profit/loss for the year. During the current and prior year there was no difference between earnings/loss per share and headline earnings/loss per share and therefore no reconciliation between the two measures has been presented.

NOTE 24: CONTINGENT LIABILITIES AND ASSETS

As at the date of this report, the Company's subsidiary, Sintoukola Potash S.A. SARL ("SP") is in litigation before the Administrative Chamber of the Supreme Court of the Republic of Congo and before the Labour Tribunal. These two proceedings result from an action taken by a former employee, as well as a group of 31 claimants following the retrenchment of these 32 employees on 20 November 2014. The retrenchment was approved by the local regulator (Dispute Commission) which is empowered by the law to assess and authorise such retrenchment following detailed due diligences carried out in accordance with the law as well as an hearing of SP and the employees' Representatives (the Dispute Commission is composed of the Employees and Employers Unions headed by the local Labour Authorities).

The Company is of the view that the retrenchment was validly authorised since the procedure was compliant with applicable regulations and was never challenged until SP encountered an issue with the implementation of the retrenchment relating to the rights to the individual employee mentioned above. The recourse introduced before the Ministry of Labour by the individual and the group of 31 former employees, to challenge the Dispute Commission's authorisation, was made on 15 May 2015 even though neither disputed the retrenchment process when heard by the Dispute Commission.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

NOTE 24: CONTINGENT LIABILITIES AND ASSETS (CONT)

SP had not been officially notified of the recourse before the Minister of Labour and had not been consulted at all before the Minister notified SP on 2 September 2016 that the authorisation to proceed with the retrenchment had been cancelled. SP's sole recourse to dispute the Government's decision adopted by the Minister of Labour was legal proceedings before the Supreme Court (two legal proceedings are currently pending for suspending and cancelling the Minister's decision due to abuse of power).

In the meantime and following various requests by the former employees to settle the matter which were rejected by SP, on 17 March 2017, some individuals among the former employees introduced an action before the Labour Tribunal in an attempt to settle the case. On 28 March 2017, the Labour Tribunal found that conciliation between the parties could not be implemented and the proceedings must commence before the Tribunal. SP has submitted its findings on the merits on 7 July 2017 disputing (i) the representation of the claimants due to the absence of power of attorney of the former employees and (ii) the proceeding before the Labour Tribunal until the Supreme Court renders its decision for the same case. On 7 July 2017, the Labour Tribunal required the claimants to submit their findings at a new session on 13 October 2017.

At the 13 October 2017 hearing, the staff representatives disputed the legal representation of their lawyer who was hired by the individual employee mentioned above. While the tribunal requested Sintoukola to submit their findings by December 8th, 2017, Sintoukola has instructed its lawyers to settle the case amicably through the President of the Labour Tribunal which is a common practice in Republic of Congo.

While Sintoukola is waiting for the Labour Tribunal's decision, whose next hearing has been postponed a number of times, Sintoukola has settled the case amicably with 4 employees who have waived any further recourse whatsoever, the individual mentioned above being one among them. The offer to the remaining employees, to settle the case amicably, expired on 31 January 2018. The company is of the view that the retrenchment was compliant with applicable legislation, as outlined above, and as such has not raised a liability. Furthermore, the Directors have concluded that any possible exposure and cash outflow from the Group would be immaterial.

There are no other significant contingent liabilities or assets.

ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 10 May 2018.

Registered office and principal place of business

25, Moorgate, London
United Kingdom EC2R 6AY
Telephone: +44 20 7131 4000
Facsimile: +44 20 7131 4001

Level 3, 88 William Street,
Perth WA 6000
Telephone: +61 (8) 9463 2463
Facsimile: +61 (8) 9463 2499

33 Ballyclare Drive
Ballywoods Office Park
Cedarwood House
Bryanston 2021
South Africa
Telephone: +27 11 469 9140
Facsimile: +27 86 613 2973

Registers of securities are held at the following address:

Computershare Investor Services Plc
The Pavilions, Bridgwater Road
Bristol BS99 6ZZ
United Kingdom
Telephone: +44 (0)370 707 1258
Fax: +44 (0)370 703 6101

Computershare Investor Services Pty Ltd
Level 11, 172 St George's Terrace
Perth WA 6000
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

Computershare Investor Services (Pty) Ltd
15 Biermann Avenue
Rosebank 2196
South Africa
Telephone: +27 11 370 5000

Number of holders of ordinary shares

859,234,443 fully paid ordinary shares and Chess Depositary Interests (CDIs) are held by 1,787 individual shareholders.

Distribution of ordinary shares holders

Size of Holding	Number of holders	Units	Percentage %
1 to 1,000	383	189,335	0.02
1,001 to 5,000	550	1,594,333	0.19
5,001 to 10,000	247	2,026,827	0.24
10,001 to 100,000	431	15,188,660	1.77
100,001 and over	176	840,235,288	97.79
	1,787	859,234,443	100.00

The number of Australian holdings comprising less than a marketable parcel was 762 given a share value of A$0.14 per share.

Substantial shareholders

Substantial shareholders listed in the Company's holding register as at 10 May 2018:

Name	Number of fully paid ordinary shares	Number of unlisted options held
Princess Aurora Company Pte Limited	163,735,000	25,000,000
Sociedad Quimica Y Minera De Chile S.A	150,789,000	23,000,000
Huntress (CI) Nominees Limited (KGCLT)	119,459,207	-
JP Morgan Nominees Australia Limited	82,274,546	-
HSBC Custody Nominees (Australia) Limited	47,424,392	250,000
	563,682,145	48,250,000

On-market buy-back
There is no current on-market buy-back.

Twenty largest holders of quoted equity securities (ordinary shares)

Top 20 Shareholders as at 10 May 2018	Number of Shares	% Held
Princess Aurora Company Pte Limited	163,735,000	19.06
Sociedad Quimica Y Minera De Chile S.A	150,789,000	17.55
Huntress (CI) Nominees Limited <KGCLT>	119,459,207	13.90
JP Morgan Nominees Australia Limited	82,274,546	9.58
HSBC Custody Nominees (Australia) Limited	47,424,392	5.52
Citicorp Nominees Pty Ltd	34,649,535	4.03
Ashburton Fund Managers Nominees Pty Ltd	22,793,440	2.65
State Street Nominees Limited	21,568,105	2.51
Dingyi Group Investment Limited	20,855,524	2.43
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	20,328,892	2.37
Hero Nominees Limited <Pooled>	14,000,000	1.63
HSBC Custody Nominees (Australia) Limited – GSCO ECA	9,381,980	1.09
JIM Nominees Limited <Jarvis>	8,891,902	1.03
BNP Paribas Noms Pty Ltd <DRP>	6,901,173	0.80
The Vee Trust	6,568,500	0.76
Summit Strategic Partners Limited	5,193,522	0.60
Happiness Trust	4,863,828	0.57
Mr David Stevens	4,863,828	0.57
Lynchwood Nominees Limited <2006420>	4,403,427	0.51
SBS Nominees Limited <SBCLT>	4,010,163	0.47
Total	**752,955,964**	**87.63**

Unquoted equity securities

Class	Number of unquoted equity securities	Number of holders	Number of holders holding more than 20% in the class
Unlisted options exercisable at A$0.33 expiring 26 June 2018	1,500,000	2	2
Unlisted options exercisable at A$0.30 expiring 15 Nov 2019	50,000,000	13	2
Equity warrants exercisable at A$0.30 expiring 29 Mar 2021**	12,894,659	29	2
Class C Performance Rights (Emp)	1,886,996	7	1
Performance Rights expiring 6 December 2020 (Emp)	2,255,000	1	1
Performance Rights expiring 1 March 2021 (Dir)	17,906,250	2	2
Performance Rights expiring 30 June 2021 (Dir)	3,000,000	2	2
Performance Rights expiring 31 May 2019 (2016 Awards)	2,065,000	11	1
Performance Rights expiring 31 May 2019 (Short Term Plan)	3,747,005	*	*
Performance Rights expiring 31 May 2019 (Long Term Plan)	11,734,853	*	*
	106,989,763	n/a	n/a

*These Performance Rights relate to Employee Performance Rights to be allocated following employee assessment and Board approval.
**As at 10 May 2018, the Company is awaiting formal approval from the South African Reserve Bank before it can finalise the issue of 4,644,659 equity warrants being issued to 26 South African registered holders.

Unquoted equity security holdings greater than 20%

Unlisted options exercisable at $0.33 expiring 26 June 2018	Number of unlisted options	Percentage
John (Ian) Macpherson	1,100,000	73%
Robert Samuel Middlemas	400,000	27%
	1,500,000	100%

Unlisted options exercisable at $0.30 expiring 15 Nov 2019	Number of unlisted options	Percentage
Sociedad Quimica Y Minera De Chile S.A	20,000,000	40%
Princess Aurora Company Pte Limited	20,000,000	40%
All others	10,000,000	20%
	50,000,000	100%

Equity warrants exercisable at $0.30 expiring 29 March 2021	Number of unlisted options	Percentage
Princess Aurora Company Pte Limited	5,000,000	39%
Sociedad Quimica Y Minera De Chile S.A	3,000,000	23%
All others	4,894,659	38%
	12,894,659	100%

Class C Performance Rights (Emp)	Number of Performance Rights	Percentage
Julien Babey	521,957	28%

Performance Rights expiring 6 December 2020 (Emp)	Number of Performance Rights	Percentage
Werner Swanepoel	2,255,000	100%

Performance Rights expiring 1 March 2021 (Dir)	Number of Performance Rights	Percentage
David Hathorn	11,000,000	61%
Sean Bennett	6,906,250	39%
	17,906,250	100%

Performance Rights expiring 30 June 2021 (Dir)	Number of Performance Rights	Percentage
Jonathan Trollip	2,000,000	67%
Leonard Math	1,000,000	33%
	3,000,000	100%

Performance Rights expiring 31 May 2019 (2016 Awards)	Number of Performance Rights	Percentage
Sean Bennett	660,000	32%

Voting Rights
The voting rights attaching to ordinary shares are:

On a show of hands, every member present in person or by proxy shall have one vote, and upon a poll, each share shall have one vote.

Options and Performance Rights do not carry any voting rights.

Securities exchange listing
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited (ASX). The Company's ASX code is "KP2". On the ASX they are traded as CDIs. On 29 March 2018, the Company was also listed on the AIM market operated by the London Stock Exchange and as a secondary listing on the Johannesburg Stock Exchange (JSE).

Restricted securities
There are no restricted securities or securities in voluntary escrow at the date of this report.

Company Secretary
The names of the joint company secretaries are Francesca Wilson and Henko Vos.

Tenement Details and Ownership

Kore Potash Plc. is incorporated and registered in England and Wales and wholly owns Kore Potash Limited of Australia. Kore Potash Limited has a 97% holding in Sintoukola Potash S.A. (SPSA) in the Republic of Congo (RoC). SPSA is the 100% owner of Kola Potash Mining S.A. which holds the Kola Mining Lease and 100% owner of Dougou Potash Mining S.A. which holds the Dougou Mining Lease (Figure 1). In addition SPSA were recently awarded the Sintoukola 2 Exploration Permit of which it is the sole owner. The Kola Deposit is located within the Kola Mining Lease. The Dougou Mining lease hosts the Dougou Deposit and the Dougou Extension Prospect.

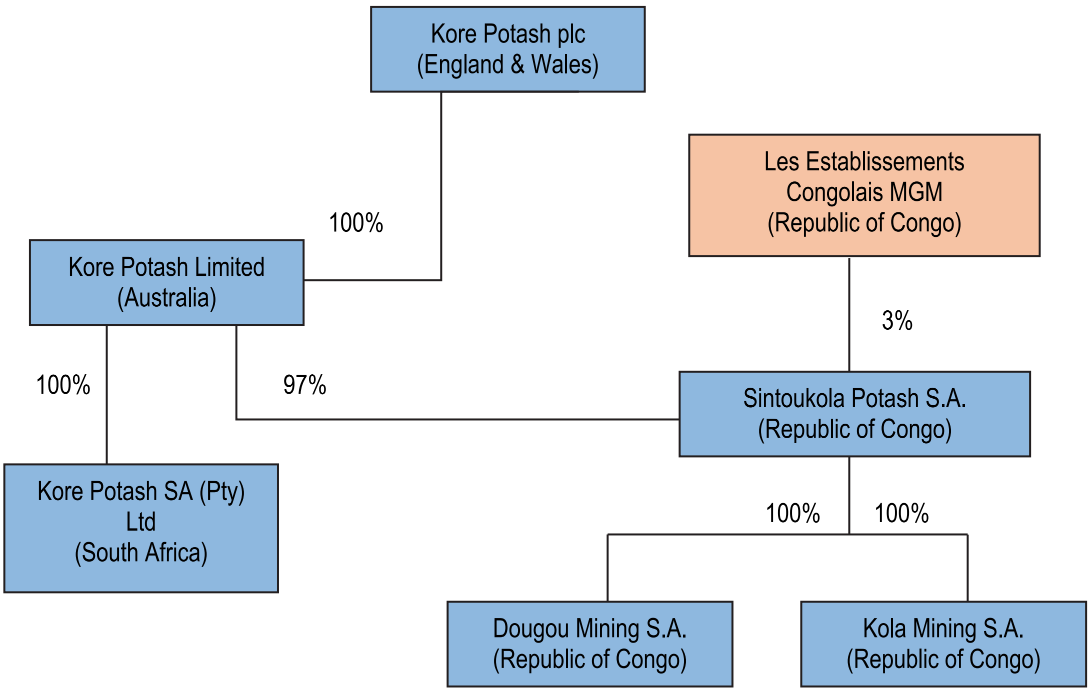


Figure 1. Kore Potash plc and its subsidiaries and partners

Project Overview
The 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 Atlantic 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 global fertilizer markets.

The Kola Deposit has a Measured and Indicated Sylvinite Mineral Resource of 508 Mt grading 35.4 % KCl[12] A Definitive Feasibility Study ("DFS") which is underway, being conducted by a consortium of world class engineering and construction companies consisting of Technip FMC, Vinci Construction Grands Projects, Egis International and Louis Dreyfus Armateurs (the "French Consortium" or the "FC"). The DFS contract was signed on 28 February 2017 and the study is scheduled to be completed towards the end of Q2 2018, or early Q3 2018.

[12] Announcement dated 6 July 2017: Updated Mineral Resource for the High-Grade Kola Deposit

The Dougou Deposit is 15 km southwest of Kola and is a very large Carnallitite 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 Carnallitite within 4 flat-lying seams[13]. A Scoping Study was completed by ERCOSPLAN of Germany in February 2015[14]. This Study indicated that a low capital cost, low operating cost (Life of Mine operating cost of US$68 per tonne MoP), and quick to production carnallite solution mine could be established at Dougou, taking advantage of the deposit quality and availability of low cost energy in the RoC.

The Dougou Extension Prospect (previously referred to as Yangala) lies immediately west of Dougou. In 2012 and 2014 the Company drilled 2 holes, both intersecting a flat-lying layer of 4 to 4.5 metres thickness with a grade of between 57 and 60% KCl[15]. Drilling of 4 additional holes in 2017 intersected sylvinite of between 27 and 63% KCl over a range of thicknesses[16].

Please refer to page 9 of the Review of Operations for the comparison of Potash Mineral Resources and Potash Mineral Reserves year-on-year between 2016 and 2017.

[13] Announcement dated 9 February 2015: Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit.
[14] Announcement dated 17 February 2015: Results for the Dougou Potash Project Scoping Study
[15] Announcement dated 20 October 2014: Elemental Minerals Announces Exceptional Results from Dougou-Yangala Drilling
[16] Announcement dated 11 September 2017: Dougou Extension Prospect Sylvinite intersections up to 8.8 m thick within a zone of 8 by 5 km, open laterally