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**KROPZ TARGETS STEADY-STATE SA PHOSPHATE PRODUCTION DURING 2020; SHOWCASES  
NEW AFRICAN PROJECT PIPELINE**

**Johannesburg, South Africa. 23 January 2019. Kropz plc (Kropz; LON: KRPZ)** says it is looking to achieve steady-state production from its South African phosphate mining operation during 2020 and – with two new African phosphate assets acquired recently – is targeting to mine 3Mtpa of rock phosphate from a 1 000Mt resource within five years.

Listed on the AIM market of the London stock Exchange in November last year with 261M shares in issue and a market cap of more than \$100m, Kropz' vision is to become a leading independent phosphate rock producer and to develop, over time, into an integrated mine-to-market plant nutrient company focused on sub-Saharan Africa.

At a media briefing in Johannesburg today, CEO Ian Harebottle said the company's value is underpinned by its pipeline of high-quality projects, in which \$170M has been invested to date.

"We are leveraging current lows in the phosphate market and positioning ourselves to become one of the top 12 phosphate-producing companies globally," Harebottle said.

"Why choose phosphate, and why target sub-Saharan Africa? Phosphate is essential to food production, the market is emerging from a low of more than 10 years, and growth will flow from world population expansion, increased food demand and reduced arable land.

"Sub-Saharan Africa's population is the fastest-growing globally, it has the lowest per capita/arable hectare phosphate fertilizer consumption, and its food consumption is expected to triple by 2050."

**Project pipeline**

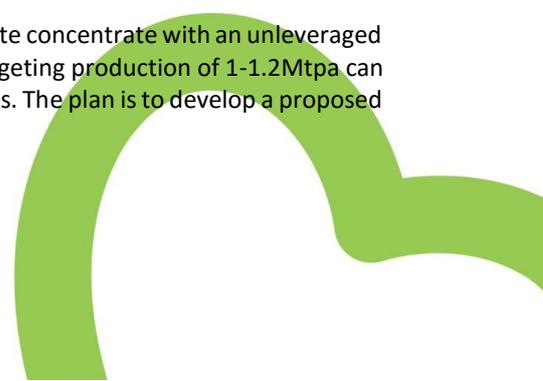
Kropz' most developed asset, promising near-term cash flow, is **Elandsfontein** on South Africa's West Coast, which will exploit the country's largest sedimentary phosphate deposit. Some \$120M has been invested in exploration, bulk sampling, feasibility studies and subsequent construction of a mine, mineral processing facility and associated infrastructure. Offtake agreements for its production of 1Mtpa+ of >31% phosphate (P<sub>2</sub>O<sub>5</sub>) rock concentrate have already been secured.

Harebottle says operating cost estimates suggest that Elandsfontein will be well placed to compete effectively with other phosphate rock producers. "Also, its close proximity to the deep-water port of Saldanha Bay enables it to target demand in both the Atlantic and Indian Ocean markets."

Of Kropz' two most recent acquisitions, Harebottle says the **Hinda** phosphate project in the Republic of Congo holds prospects for medium-term growth and **Aflao** in Ghana, exploration upside.

Hinda, a sedimentary phosphate deposit and covering more than 260km<sup>2</sup> of the Republic of Congo's coastal basin, has a JORC-compliant Mineral Resource base of 675Mt at a grade of 10%, with 86% in the Measured and Indicated categories.

While a 2015 definitive feasibility study targeted production of 4.1Mtpa of phosphate concentrate with an unleveraged NPV of \$1.85 billion with an IRR of 38%, Kropz believes a smaller-scaled project targeting production of 1-1.2Mtpa can be developed initially for a significantly lower capital investment with similar returns. The plan is to develop a proposed single solution within 12 months, Harebottle says.



In Ghana, Kropz subsidiary First Gear Exploration (First Gear) is currently undertaking exploration work to confirm that neighbouring Togo's HKK deposit extends into the Aflao area of Ghana's Volta Region. A Mobile Metal Ion (MMI) geochemistry study showed that phosphate is present; the intention is to proceed with a detailed exploration programme to delineate a resource that will support a beneficiation plant and associated infrastructure.

In Togo, the Société Nouvelle des Phosphates du Togo's (SNPT) Kpeme mine is the country's single major producer. Kpeme's production has averaged between 700 000 and 1.2Mtpa of phosphate rock concentrate, high in P<sub>2</sub>O<sub>5</sub>, over the last five years.

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