

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

26 February 2020

**Kropz Plc**  
**("Kropz" or the "Company")**

**Loan Facility**

Kropz Plc (AIM: KRPZ), an emerging African phosphate explorer and developer, announces that its 74% subsidiary, Kropz Elandsfontein (Pty) Ltd ("Kropz Elandsfontein") has entered into a R30 million (approximately US\$1.98 million) loan facility with Kropz's major shareholder, the ARC Fund ("ARC") (the "Loan"). ARC is also Kropz Elandsfontein's 26% black economic empowerment shareholder in South Africa.

This facility is necessary to enable Kropz Elandsfontein to progress with the execution of the modifications required at the Elandsfontein phosphate project, as detailed in the Company's announcement on 14 February 2020, which noted that additional processing equipment and infrastructure are required to deliver a consistent and saleable concentrate product. The immediate commencement of the execution plan and procurement of long lead time items will better enable Kropz Elandsfontein to meet its new target date for commercial production in Q4 2021.

The Loan is repayable on demand and there is no fixed term of repayment. It is repayable by Kropz Elandsfontein on no less than two business days' notice and will be repaid from the proceeds of the envisaged further capital raise to fund the remaining capital expenditure and working capital requirements of Kropz Elandsfontein. Interest is payable on the Loan and is calculated at the prime interest rate as quoted by ABSA Bank Limited (currently 9.75 per cent.) plus 400 basis points. The Loan is unsecured and Kropz Elandsfontein will draw down the Loan before 31 March 2020.

Kropz Elandsfontein continues its advanced discussions on the comprehensive funding solution to bring Elandsfontein into full production and the Company will provide a further update to the market in due course.

The Loan is a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Machiel Reyneke, a director of the Company, is the representative of ARC. Mike Nunn, a director of the Company, is the beneficial owner of Kropz International SARL ("Kropz International") and ARC and Kropz International are treated as acting in concert for the purposes of the City Code on Takeovers and Mergers (the "Code"). Accordingly, neither has been involved in the approval of the Loan by the Company's board. The directors of the Company who are considered independent for the purposes of the Loan, having consulted with the Company's nominated adviser, consider the terms of the Loan to be fair and reasonable insofar as the Company's shareholders are concerned.

**For further information visit [www.kropz.com](http://www.kropz.com) or contact:**

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**About Kropz Plc**

Kropz is an emerging African phosphate explorer and developer, with an advanced stage phosphate mining project in South Africa and a phosphate project in the Republic of Congo. The vision of the Group is to become a leading independent phosphate rock producer and to develop into an integrated, mine-to-market plant nutrient company focusing on sub-Saharan Africa.

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