

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the “**UK MAR**”) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company’s obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

23 November 2021

**Kropz Plc**  
(“**Kropz**” or the “**Company**”)

**Update on Elandsfontein and Hinda projects**

Kropz Plc (AIM: KRPZ), an emerging African phosphate developer, is providing updates for its Elandsfontein project (“**Elandsfontein**”) located in the Republic of South Africa and its Hinda project (“**Hinda**”), located in the Republic of the Congo.

**Elandsfontein**

Significant progress continues to be made at Elandsfontein. The project schedule remains tight, however the project remains on track and within the original projected capital budget for commissioning in December 2021. These achievements have been realised against the backdrop of the COVID-19 pandemic.

Site activities are currently split between finalising the piping installation and the electrical, control and instrumentation installation and early commissioning activities.

Earthworks and civil construction are complete; the fabrication and erection of structural steel, platework and piping are complete and mechanical equipment is installed.

Pre-commissioning (C2) activities are advancing well. The C2 activities largely entail testing signals from field instrumentation to the SCADA operating system, testing input/output signals for instruments and direction testing of electrical drives.

C3 (or cold) commissioning has commenced in areas where installation is complete. Several tanks and thickeners have been filled with water to run through the leak detection process, before starting to pump water through the circuit.

The piping installation progress was hampered by a nationwide industrial action by the National Union of Metalworkers of South Africa (“**NUMSA strike**”). The NUMSA strike affected the off-site workshop related work on the rubber lined pipe closures, which in turn affected the site work. Mitigation plans were put in place, but employees were intimidated and the mitigation efforts had to be halted. The NUMSA strike commenced on 5 October 2021 and ended on 21 October 2021. No further impacts of the NUMSA strike on the project schedule are anticipated.

The delivery of the ‘first fill’ of imported reagents from the United States, is on track for mid-December 2021. While the delivery times for imported reagents remain under pressure due to global shipping challenges, recent feedback from shipping agents is that the freight demands are expected to ease after Chinese New Year. Additional orders have been placed to secure delivery for Q1 2022.

Transnet has provided the Company with a draft port access agreement to support the long-term export of Elandsfontein’s phosphate rock through the port of Saldanha. The contract is now being finalised between the parties. Exports through Cape Town will only be required for a maximum of 30% of Elandsfontein’s export production of approximately 1 million tons per annum, and only if capacity through Saldanha is unavailable for a period of time. First phosphate rock ore exports from Elandsfontein are expected in Q1 2022.

The current and further potential effects of COVID-19, and the possibility of a fourth wave of infections in South Africa remains a risk to the project schedule. The Company has mitigated this risk as far as reasonably practicable by compliance to the Kropz COVID-19 policies and procedures.

The Company will provide further updates on the Elandsfontein project and commissioning progress in due course.

## **Hinda**

Hatch is currently in the process of finalising the updated feasibility study (“**Updated FS**”) on Hinda. Hatch is currently engaged in a value engineering phase to optimise the project economics. The results of the Updated FS are expected to be released in January 2022.

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

### **Kropz Plc**

Mark Summers (CEO) +27 (0) 79 744 8708

### **Grant Thornton UK LLP**

Samantha Harrison  
Harrison Clarke  
George Grainger

### **Nominated Adviser**

+44 (0) 20 7383 5100

### **Hannam & Partners**

Andrew Chubb  
Ernest Bell

### **Broker**

+44 (0) 20 7907 8500

### **Tavistock**

Nick Elwes  
Jos Simson  
Oliver Lamb

### **Financial PR & IR (UK)**

+44 (0) 207 920 3150  
kropz@tavistock.co.uk

### **R&A Strategic Communications**

James Duncan

### **PR (South Africa)**

+27 (0) 11 880 3924  
james@rasc.co.za

## **About Kropz Plc**

Kropz is an emerging African explorer and developer of plant nutrient feed minerals with phosphate projects in South Africa and 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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