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.

22 December 2021

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

Hinda Update

Kropz Plc (AIM: KRPZ), an emerging African phosphate developer, is pleased to provide the results of the updated feasibility study ("**Updated FS**") for its wholly-owned Hinda phosphate project ("**Hinda**"), located in the Republic of the Congo ("**RoC**").

Hatch Africa (Pty) Ltd ("**Hatch**"), a global engineering and construction firm, was appointed in February 2021 to complete the Updated FS on Hinda, targeting a phased approach in line with the terms of the mining investment agreement.

Highlights

- The phased approach studied will initially deliver 1 million tonnes per annum ("**Mtpa**") phosphate rock concentrate ("**Product**") through the existing Port of Pointe-Noire (Phase 1), expanding to 2Mtpa Product through a new port facility at Pointe Indienne (Phase 2);
- The feasibility study demonstrates low technical and mining risk and attractive project economics;
- Mineral resource is unchanged from the 2018 Competent Persons Report, with 201 million tonnes of measured mineral resource at 11.6% P_2O_5 and 381 million tonnes of indicated mineral resource at 9.8% P_2O_5;

Classification	**Quantity (Mt)**	**Grade (%P_2O_5)**	**Contained P_2O_5 (Mt)**
Measured	200.5	11.6	23.3
Indicated	380.9	9.8	37.3
Inferred	94.4	7.5	7.1
Total	**675.8**	**10.0**	**67.7**

- Study delivers a 28 year life of mine ("**LOM**"), extracting 31 million tonnes of ore in Phase 1 and 214 million tonnes of ore in Phase 2;
- Estimated Phase 1 capital cost of US$ 355 million, Phase 2 capital cost of US$ 310 million (real, 2021), with a nominal, peak funding requirement of US$ 392 million, as the first phase supports the subsequent Phase 2 expansion capital expenditure;
- Phase 1 operating cost on a free-on-board ("**FOB**") basis of US$ 62.87/t Product, and Phase 2 operating cost of US$ 69.51/t Product, inclusive of mining royalties. Using the latest price forecast received from CRU on a FOB Pointe-Noire basis, the real LOM EBITDA margin is US$65.48/t of Product;

- Estimated three year execution schedule, allows first revenue in 2025, assuming that the required funding is in place by June 2022; and
- Base case, nominal internal rate of return ("**IRR**") of 19.2% and base case, ungeared, nominal net present value ("NPV") (at 11.1% discount rate) of US$ 397 million.

Updated Feasibility Study

The phased approach was intended to reduce up-front execution capital requirements by making use of existing port facilities; this limits the first phase to 1 Mtpa Product.

This Updated FS includes detailed engineering of the open pit mine, associated mine dewatering and surface water management, the beneficiation plant and all associated infrastructure, tailings storage facilities and water storage dam, a gas fired power plant and gas supply pipeline, a 30kV overhead line to support construction and early works, mine access roads, an accommodation camp and port infrastructure. Costs and schedules associated with procurement, construction management and commissioning are also included.

Hatch has delivered a robust execution strategy, which provides high confidence in achieving execution success. The beneficiation plant employs standard and proven technologies, and the design is based on extensive laboratory and pilot-scale test work completed between 2013 and 2016.

Further Opportunities

A mine plan was run, scheduling the immediate commencement of Phase 2 production, i.e. 2Mtpa Product. This opportunity led to a conservative increase in ungeared NPV (at 11.1% discount rate) to US$543 million with an IRR of 20.96%. The estimated capital cost for the immediate commencement of Phase 2 is US$618 million, based on the study work completed. If this option is studied further, it should be possible to optimise both capital and operating costs further.

Opportunities also exist to enter into a long term power purchase agreement with one of several companies already established in-country. The capital cost of the gas fired power plant would therefore be removed though this would be offset by a potential increase in power costs.

A number of other capital cost optimisation initiatives have been identified for investigation ahead of detailed design.

Updated Environmental and Social Impact Assessment ("ESIA")

The project has a valid environmental compliance certificate issued in April 2020, valid for 25 years. As a result of the modifications to the project in the Updated FS, the ESIA has been updated to comply with local regulations. The updated ESIA has been conducted in parallel with the execution of the Updated FS and will be submitted to the Ministry of Environment in Q4 2021.

For further information visit www.kropz.com or contact:

Kropz Plc	
Mark Summers (CEO)	+27 (0)79 744 8708
Grant Thornton UK LLP	**Nominated Adviser**
Samantha Harrison	+44 (0) 20 7383 5100
Harrison Clarke	
George Grainger	
Hannam & Partners	**Broker**
Andrew Chubb	+44 (0)20 7907 8500
Ernest Bell	
Tavistock	**Financial PR & IR (UK)**
Nick Elwes	+44 (0) 207 920 3150
Jos Simson	kropz@tavistock.co.uk
Oliver Lamb	
R&A Strategic Communications	**PR (South Africa)**
James Duncan	+27 (0) 11 880 3924
	james@rasc.co.za

About

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

Kropz plc owns an exploitation permit ("Hinda Permit") of an area of 263.68 km^2, attributed by Decree No. 2015-975 on December 7, 2015. The Hinda Permit has been granted for a duration of 25 years, renewable on request for a maximum duration of 15 years, in accordance with the Mining Code, until the exhaustion of ore reserves.

Hinda is part of a national context marked by the Congolese government's desire to diversify the economy while contributing to the local economy through the creation of short- and long-term employment and economic opportunities for the country's commercial service companies.